Florida Power & Light Company, 215 S. Monroe Street, Suite 810, Tallahassee, FL 32301

Kenneth M. Rubin, Esq.
Senior Counsel
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
Tel: (561) 691-2512
E-Mail: ken.rubin@fpl.com

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12 MAR 30 PM 12:40
COMMISSION
CLERK

March 30, 2012

Ms. Ann Cole, Commission Clerk
Division of the Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 100405-EI
Florida Power & Light Company's Consummation Report

Dear Ms. Cole:

Pursuant to Rule 25-8.009, Florida Administrative Code, and the Commission's Order No. PSC-11-0086-FOF-EI issued January 31, 2011, enclosed please find one original, one copy and one copy on diskette of Florida Power & Light Company's Consummation Report in connection with the Application for Authority to Issue and Sell Securities during 2011 (Docket No. 100405-EI).

If you or your Staff have any questions regarding this filing, please contact me at (561) 691-2512.

Very truly yours,

for Kenneth M. Rubin

COM _____
APA _____
ECR 1+CD
GCL _____
RAD _____
SRC _____
ADM _____
OPC _____
CLK _____

cc: Jennifer Crawford, Office of the General Counsel (w/out attachments)
Michael Springer, Division of Economic Regulation (w/o attachments)

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FPSC-COMMISSION CLERK

DOCKET NO. 100405-EI
ORDER NO. PSC-11-0086-FOF-EI

FLORIDA PUBLIC SERVICE COMMISSION
TALLAHASSEE, FLORIDA

CONSUMMATION REPORT

IN CONNECTION WITH

APPLICATION OF
FLORIDA POWER & LIGHT COMPANY
FOR AUTHORITY TO ISSUE AND SELL SECURITIES DURING 2011

Address communications in connection with this Consummation Report to:

Paul I. Cutler
Treasurer and Assistant Secretary
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408
Telephone (561) 694-6204

Date: March 30, 2012

DOCUMENT NUMBER-DATE
01890 MAR 30 ≥
FPSC-COMMISSION CLERK

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

IN RE: APPLICATION OF FLORIDA POWER & LIGHT COMPANY
FOR AUTHORITY TO ISSUE AND SELL SECURITIES DURING 2011

CONSUMMATION REPORT

In compliance with the requirements of Rule 25-8.009,Florida Administrative Code, and Order No.PSC-11-0086-FOF-EI, issued by the Commission on January 31, 2011 in the above-captioned matter (Docket No.100405-EI), the Applicant, Florida Power & Light Company ("FPL"), hereby submits its Consummation Report regarding transactions involving (i) the issuance and sale of first mortgage bonds and (ii) the issuance and sale of commercial paper.

This Consummation Report provides the information required for submission by Rule 25-8.009 of the Florida Administrative Code as follows (all references to proceeds are before expenses):

(1) On June 10, 2011 (the closing date of the transaction), FPL sold through a negotiated underwritten sale, $250,000,000 principal amount of First Mortgage Bonds, 5.125% Series due June 1, 2041 (the "5.125% Mortgage Bonds"). On December 13, 2011 (the closing date of the transaction), FPL sold through a negotiated underwritten sale,$600,000,000 principal amount of First Mortgage Bonds, 4.125% Series due February 1, 2042 (the "4.125% Mortgage Bonds" and, together with the 5.125% Mortgage Bonds, the "Mortgage Bonds"). The Mortgage Bonds were issued under FPL's registration statement on Form S-3 filed pursuant to Rule 415 of the Rules and Regulations under the Securities Act of 1933, as amended (the "Securities Act") (Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08 (the "Registration Statement")), which became effective August 3, 2009. The proceeds received by FPL from issuing the 5.125% Mortgage Bonds equaled $247,587,500 in cash, representing the aggregate price to the public less the underwriting discount; and the proceeds received by FPL from

issuing the 4.125% Mortgage Bonds equaled $593,268,000 in cash, representing the aggregate price to the public less the underwriting discount.

(2) FPL regularly issues commercial paper for terms up to but not exceeding 270 days from the date of issuance. During 2011, commercial paper was issued pursuant to Commercial Paper Dealer Agreements dated as of August 5, 2005 with each of Merrill Lynch, Pierce, Fenner & Smith Incorporated (which, as a result of assignment and merger, has replaced the original counterparty Merrill Lynch Money Markets Inc.) and SunTrust Capital Markets, Inc. (now named SunTrust Robinson Humphrey, Inc.) (collectively, the "2005 Commercial Paper Dealer Agreements"), a Commercial Paper Dealer Agreement dated as of September 12, 2008 with Citigroup Global Markets Inc (the "2008 Commercial Paper Dealer Agreement"), and a Commercial Paper Dealer Agreement dated as of June 28, 2011 with Goldman, Sachs & Co. (the "2011 Commercial Paper Dealer Agreement"). The commercial paper is sold at a discount, including the discount of the commercial paper dealers, at a rate comparable to rates being paid in the commercial paper market by borrowers of similar creditworthiness. Given the frequency of these sales, it is not practicable to provide the details of each issue. However, FPL's 2011 commercial paper activity can be summarized as follows:

2011 Commercial Paper Activity
($ in thousands)

Commercial paper issued:	$9,783,185
Commercial paper matured:	$9,554,185
Daily average outstanding:	$345,022
Weighted average yield:	0.25%
Weighted average term (issued):	13 days

FPL's outstanding multi-year revolving credit facilities described in paragraph (3) below provide backup support for its commercial paper program.

(3) FPL entered into a revolving term loan facility in May 2006 (the "2006 credit facility"). No borrowings were made under the 2006 credit facility during 2011. FPL entered into a revolving credit and letter of credit facility in April 2007 (the "2007 credit facility"). While no borrowings were made under the 2007 credit facility during 2011, letters of credit with an aggregate nominal value of approximately $31 million were outstanding as of December 31, 2011 under that credit facility. On May 4, 2010, FPL entered into a $500 million revolving credit facility (the "2010 credit facility" and, together with the 2006 credit facility and the 2007 credit facility, the "credit facilities"). No borrowings or letter of credit issuances were made under the 2010 credit facility during 2011.

Borrowings under the credit facilities, and issuance of letters of credit under the 2007 credit facility and the 2010 credit facility, can be used for general corporate purposes, including to provide back-up liquidity for FPL's commercial paper program and other short-term borrowings, as well as to provide additional liquidity in the event of a loss to FPL's operating facilities, including a transmission and distribution property loss.

As of December 31, 2011, guaranties issued by FPL on behalf of one of its subsidiaries in connection with FPL customers' installations of energy efficiency measures with an aggregate nominal value of approximately $25 million were outstanding.

For terms and conditions of issues: See Exhibits 1(f) through 1(j), 3(b) and 3(c), as the case may be.

For a consolidated statement of capitalization: See Schedule A.

For a statement of pretax interest coverage, together with debt interest: See Schedule B.

As of December 31, 2011, FPL had no preferred stock outstanding; consequently there were no preferred stock dividend requirements as of that date.

The costs incurred to date by FPL in connection with the Mortgage Bonds are tabulated as follows:

Securities and Exchange Commission Filing Fees	$97,785
Legal, Accounting, Rating Agency and Trustee Fees	$694,592
Printing & Miscellaneous (S-3, Prospectus, etc.)	$12,285
Florida Taxes and Recording Fees	$3,138,844
Underwriters' Discounts and Commissions	$7,437,500
Total Costs	$11,381,006

The costs incurred to date by FPL in connection with its 2011 commercial paper issuances (in addition to the discount of the commercial paper dealers) include banking fees and fees relating to credit ratings. The aggregate of these incurred costs in connection with the 2011 commercial paper issuances is approximately $146,000.

There are other miscellaneous costs, which have not been reported to FPL as of this date, but it is the belief of FPL that any costs not so reported would be minor.

Exhibit Index (Corresponds to sections of Rule 25-8.009)

* 1 (a) Mortgage and Deed of Trust dated as of January 1, 1944 (the "Mortgage"), between FPL and Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), the Trustee, and One Hundred and Sixteen Supplements thereto were filed with the Florida Public Service Commission (FPSC) as follows: Exhibit D, Docket No. 3417-EU; Exhibit D-1, Docket No. 3758-EU; Exhibit D-1A, Docket No. 4147-EU; Exhibit D-1B, Docket No. 4685-EU; Exhibit D-1C, Docket No. 4922-EU; Exhibit D-1D, Docket No. 5057-EU; Exhibit D-1E, Docket No. 5315-EU; Exhibit D-1F, Docket No. 5745-EU; Exhibit D-1G, Docket No. 5872-EU; Exhibit D-1H, Docket No. 6659-EU; Exhibit D-1I, Docket No. 7427-EU; Exhibit D-1J, Docket No. 7831-EU; Exhibit D-1K, Docket No. 8308-EU; Exhibit D-1L,

Docket No. 8738-EU; Exhibit D-1M, Docket No. 9097-EU; Exhibit D-1N, Docket No. 9676-EU; Exhibit D-1O, Docket No. 9892-EU; Exhibit D-IP, Docket No. 69262-EU; Exhibit D-IQ, Docket No. 70255-EU; Exhibit D-1R, Docket No. 70565-EU; Exhibit D-1S, Docket No. 71363-EU; Exhibit D-1T, Docket No. 72281-EU; Exhibit D-1U, Docket No. 72685-EU; Exhibit D-1V, Docket No. 73428-EU; Exhibit D-1W, Docket No. 73743-EU; Exhibit D-1X, Docket No. 74249-EU; Exhibit D-1Y, Docket No. 750108-EU; Exhibit D-1Z, Docket No. 750201-EU; Exhibit D-2A, Docket No. 750439-EU; Exhibit D-3A, Docket No. 760335-EU; Exhibit D-3B, Docket No. 770929-EU (F1); Exhibit D-3C, Docket No. 770928-EU (F1); Exhibit D-3D, Docket No. 790592-EU; Exhibit D-3E, Docket No. 790830-EU; Exhibit D-3F, Docket No. 800082-EU (MC); Exhibit D-3G, Docket No. 800319-EU; Exhibit D-3H, Docket No. 800591-EU; Exhibits D-3I, D-3J, D-3K and D-3L, Docket No. 800755-EU(SS), Reports of Consummation Nos. 1, 3, 5 and 6 respectively; Exhibits (a)-3, (a)-4, Docket No. 810421-EU (SS), Reports of Consummation Nos. 1, 3 and 5 respectively; Exhibits (a)-3, Docket No. 820403-EU, Reports of Consummation Nos. 2 and 4, respectively; Exhibit (a)-4, Docket No. 830491-EI, Report of Consummation No. 3; Exhibits (a)-3, Docket No. 830445-EU, Reports of Consummation Nos. 1 and 4, respectively; Exhibits (a)-2A, (a)-2B and (a)-2A, Docket No. 840353-EI, Reports of Consummation Nos. 1, 2 and 3, respectively; Exhibits (a)-2A and (a)-2B, Docket No. 850664-EI, Reports of Consummation Nos. 1, 2, 4 and 5, respectively; Exhibits (a)-2A, Docket No. 861209-EI, Reports of Consummation Nos. 2 and 3, respectively; Exhibits (a)-2A, Docket No. 870952-EI, Reports of Consummation Nos. 1, 2 and 3, respectively; Exhibit (a)-2A, Docket No. 881158-EI, Reports of Consummation Nos. 1 and 2, respectively; Exhibit (a)-2A and Exhibit (a)-2B, Docket No. 891104-EI, Report of Consummation No. 2; Exhibit (a)-2A, Docket No. 891104-EI, Report of Consummation No. 3; Exhibit (a)-2A, Exhibit (a)-2B, Exhibit (a)-2C and Exhibit (a)-2D, Docket No. 900736-EI, Report of Consummation No. 2; Exhibit (a)-2A, Docket No. 900736-EI, Report of Consummation No. 3; Exhibit (a)-2A, Docket No. 910904-EI, Report of Consummation No. 3; Exhibit (a)-2A, Docket No. 910904-EI, Report of Consummation No. 2; Exhibit (a)-2B, Docket No. 910904-EI, Report of Consummation No. 3; Exhibit (a)-2A, Docket No. 910904-EI, Report of Consummation No. 5; Exhibit (a)-2A, Docket No. 910904-EI, Report of Consummation No. 7; Exhibit (a)-2A, Docket No. 920955-EI, Report of Consummation No. 1; Exhibit (a)-2A, Docket No. 920955-EI, Report of Consummation No. 3; Exhibit (a)-2B, Docket No. 920955-EI, Report of Consummation No. 3; Exhibit (a)-2C, Docket No. 920955-EI, Report of Consummation No. 3, Exhibit (a)-2B, Docket No. 920955-EI, Report of Consummation No. 3; Exhibit (a)-2A, Docket No. 920955-EI, Report of Consummation No. 4; Exhibit (a)-2B, Docket No. 920955-EI, Report of Consummation No. 4; Exhibit (a)-2C, Docket No. 920955-EI, Report of Consummation No. 4; Exhibit (a)-2A, Docket No. 920955-EI, Report of Consummation No. 6; Exhibit (a)-2B, Docket No. 920955-EI, Report of Consummation No. 6; Exhibit (a)-2A, Docket No. 920955-EI, Report of Consummation No. 7; Exhibit (a)-2A, Docket No. 930855-EI, Report of Consummation No. 1; Exhibit (a)-2A, Docket No. 940912-EI, Report of Consummation No. 1;

Exhibit (a)-2A, Docket No. 971304-EI, Report of Consummation; Exhibit (a)-3, Docket No. 981242-EI, Report of Consummation; Exhibit (a)-3D, Docket No. 991287-EI, Report of Consummation; Exhibit (a)-3E, Docket No. 991287-EI, Report of Consummation; Exhibit (a)-3, Docket No. 011340-EI, Report of Consummation; Exhibit (a)-3B, Docket No. 021084-EI, Report of Consummation; Exhibit (a)-3C, Docket No. 021084-EI, Report of Consummation; Exhibit (a)-3, Docket No. 031000-EI, Report of Consummation; Exhibit (a)-4, Docket No. 031000-EI, Report of Consummation; Exhibit (a)-3, Docket No. 041086-EI, Report of Consummation; Exhibit (a)-4, Docket No. 041086-EI, Report of Consummation; Exhibits (a)-3 and (a)-4, Docket No. 050700-EI, Report of Consummation; Exhibits (a)-3 and Exhibit (a)-4, Docket No. 060723-EI, Report of Consummation; Exhibit 1(b), Docket No. 070660-EI, Consummation Report; Exhibit 1(b), Docket No. 080621-EI, Consummation Report; Exhibit 1(b), Docket No. 090494-EI, Consummation Report; and Exhibit 1(c), Docket No. 090494-EI, Consummation Report.

1 (b) One Hundred Seventeenth Supplemental Indenture dated as of June 1, 2011 between FPL and Deutsche Bank Trust Company Americas, as Trustee, with respect to the 5.125% Mortgage Bonds.

1 (c) One Hundred Eighteenth Supplemental Indenture dated as of December 1, 2011 between FPL and Deutsche Bank Trust Company Americas, as Trustee, with respect to the 4.125% Mortgage Bonds.

1 (d) For the Prospectus and Prospectus Supplement relating to the 5.125% Mortgage Bonds, see Exhibit 3(b).

1 (e) For the Prospectus and Prospectus Supplement relating to the 4.125% Mortgage Bonds, see Exhibit 3(c).

1 (f)* Commercial Paper Memorandum dated June 30, 2010 of Banc of America Securities LLC was filed with the FPSC in connection with Docket No. 090494-EI as Exhibit 1(i) of Consummation Report.

1 (g)* Commercial Paper Issuer Information Memorandum dated June 30, 2010 of Citigroup Global Markets Inc. was filed with the FPSC in connection with Docket No. 090494-EI as Exhibit 1(j) of Consummation Report.

1 (h)* U.S. Commercial Paper Information Memorandum dated June 30, 2010 of SunTrust Robinson Humphrey, Inc. was filed with the FPSC in connection with Docket No. 090494-EI as Exhibit 1(k) of Consummation Report.

1 (i)*	Private Placement Memorandum dated December 1, 2010 of Merrill Lynch, Pierce, Fenner & Smith Incorporated was filed with the FPSC in connection with Docket No. 090494-EI as Exhibit 1(l) of Consummation Report.
1 (j)	Commercial Paper Offering Memorandum dated June 2011 of Goldman, Sachs & Co.
2 (a)	Signed opinions of FPL's legal counsel with respect to the legality of the issuance of the 5.125% Mortgage Bonds.
2 (b)	Signed opinions of FPL's legal counsel with respect to the legality of the issuance of the 4.125% Mortgage Bonds.
*2 (c)	Signed opinions of FPL's legal counsel with respect to the legality of the issuance of the commercial paper under the 2005 Commercial Paper Dealer Agreements were filed with the FPSC in connection with Docket No. 080621-E1 as Exhibit 2(b) of Consummation Report.
*2 (d)	Signed opinions of FPL's legal counsel with respect to the legality of the issuance of the commercial paper under the 2008 Commercial Paper Dealer Agreement were filed with the FPSC in connection with Docket No. 080621-EI as Exhibit 2(c) of Consummation Report.
2 (e)	Signed opinions of FPL's legal counsel with respect to the legality of the issuance of the commercial paper under the 2011 Commercial Paper Dealer Agreement.
3 (a)*	Form S-3 Registration Statement pursuant to which the 5.125% and 4.125% Mortgage Bonds were issued (Form S-3 Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08, filed with the Securities and Exchange Commission on August 3, 2009) was filed with the FPSC in connection with Docket No. 090494-EI as Exhibit 3(a) of Consummation Report.
3 (b)	Prospectus Supplement dated June 6, 2011 (including Prospectus dated August 3, 2009) with respect to the 5.125% Mortgage Bonds.
3 (c)	Prospectus Supplement dated December 8, 2011 (including Prospectus dated August 3, 2009) with respect to the 4.125% Mortgage Bonds.
3 (d)	Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011.
3 (e)	Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011.
3 (f)	Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011.

3 (g) Annual Report on Form 10-K for the year ended December 31, 2011.

4 (a) Underwriting Agreement, dated June 6, 2011, with respect to the 5.125% Mortgage Bonds.

4 (b) Underwriting Agreement, dated December 8, 2011, with respect to the 4.125% Mortgage Bonds.

* 4 (c) Commercial Paper Dealer Agreement dated as of August 5, 2005 between FPL and Merrill Lynch Money Markets Inc. (now assigned to Merrill Lynch, Pierce, Fenner & Smith Incorporated) was filed with the FPSC in connection with Docket No. 041086-EI as Exhibit (d)-6 of Report of Consummation.

* 4 (d) Commercial Paper Dealer Agreement dated as of August 5, 2005 between FPL and SunTrust Capital Markets, Inc. (now named SunTrust Robinson Humphrey, Inc.) was filed with the FPSC in connection with Docket No. 041086-EI as Exhibit (d)-7 of Report of Consummation.

* 4 (e) Commercial Paper Dealer Agreement dated as of September 12, 2008 between FPL and Citigroup Global Markets Inc. was filed with the FPSC in connection with Docket No. 070660-EI as Exhibit 4(e) of Consummation Report.

4 (f) Commercial Paper Dealer Agreement dated as of June 28, 2011 between FPL and Goldman, Sachs & Co.

5 Statement as to Underwriters' Fees.

(a) (i) See Exhibit 3(b), cover page (as to fee) and Page S-17 (as to Underwriters) of the Prospectus Supplement with respect to the 5.125% Mortgage Bonds.

BNP Paribas Securities Corp.	787 Seventh Avenue New York, New York 10019
BNY Mellon Capital Markets, LLC	One Wall Street New York, New York 10286
J.P. Morgan Securities LLC	270 Park Avenue New York, New York 10017
Mitsubishi UFJ Securities (USA), Inc.	1633 Broadway, 29th Floor New York, New York 10019
Daiwa Capital Markets America Inc.	Financial Square 32 Old Slip, 14th Floor New York, New York 10005
Lloyds Securities Inc.	1095 Avenue of the Americas New York, New York 10036
SG Americas Securities, LLC	1221 Avenue of the Americas New York, New York 10020

(a) (ii) See Exhibit 3(c), cover page (as to fee) and Page S-17 (as to Underwriters) of the Prospectus Supplement with respect to the 4.125% Mortgage Bonds.

Barclays Capital Inc.	745 Seventh Avenue New York, New York 10019
Citigroup Global Markets Inc.	388 Greenwich Street New York, New York 10013
Goldman, Sachs & Co.	85 Broad Street New York, New York 10004
Mizuho Securities USA Inc.	1251 Avenue of the Americas, 33rd Floor New York, New York 10020
Scotia Capital (USA) Inc.	1 Liberty Plaza, 25th Floor 165 Broadway New York, New York 10006
Wells Fargo Securities, LLC	301 South College Street, 6th Floor Charlotte, North Carolina 28202
KeyBanc Capital Markets Inc.	800 Superior Avenue East Cleveland, Ohio 44114
Morgan Keegan & Company, Inc.	50 North Front Street Memphis, Tennessee 38103
RBC Capital Markets, LLC	1 Liberty Plaza 165 Broadway New York, New York 10006
UniCredit Capital Markets, Inc.	150 East 42nd Street New York, New York 10017
U.S. Bancorp Investments, Inc.	215 North Tryon Street 26th Floor Charlotte, North Carolina 28202

5(b) Merrill Lynch, Pierce, Fenner & Smith Incorporated (formerly Banc of America Securities LLC), SunTrust Robinson Humphrey, Inc., Citigroup Global Markets Inc. and Goldman, Sachs & Co. act as private placement agents and/or dealers with respect to the commercial paper in return for which they receive fees based on the differential between the bid and ask price for the commercial paper.

Citigroup Global Markets Inc.	390 Greenwich Street -- 5th Floor New York, New York 10013
Merrill Lynch, Pierce, Fenner & Smith Incorporated	Global Investor Marketing One Bryant Park, 3rd Floor New York, New York 10036
SunTrust Robinson Humphrey, Inc.	3333 Peachtree Road NE, 11th Floor Atlanta, Georgia 30302
Goldman, Sachs & Co.	200 West Street New York, New York 10282

Commercial paper dealers' agreements, and the use of placement agents/dealers in public company commercial paper programs, are standard practice, and the fees charged are consistent with fees charged to companies of similar creditworthiness for commercial paper transactions. The services provided by the placement agents/dealers are described in Exhibits 4(c), 4(d), 4(e) and 4(f).

5(c) No affiliation.

5(d) None.

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*Incorporated by reference.

Respectfully submitted this 30th day of March, 2012.

FLORIDA POWER & LIGHT COMPANY

By: _____

Paul I. Cutler
Treasurer and Assistant Secretary

Exhibit 1(b)

One Hundred Seventeenth Supplemental Indenture dated as of June 1, 2011 between FPL and Deutsche Bank Trust Company Americas, as Trustee, with respect to the 5.125% Mortgage Bonds

This instrument was prepared by:
Paul I. Cutler
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

EXECUTED IN 60 COUNTERPARTS OF
WHICH THIS IS COUNTERPART NO. 4

FLORIDA POWER & LIGHT COMPANY

to

DEUTSCHE BANK TRUST COMPANY AMERICAS

(formerly known as Bankers Trust Company)

As Trustee under Florida Power & Light Company's Mortgage and Deed of Trust, Dated as of January 1, 1944.

One Hundred Seventeenth Supplemental Indenture

Relating to $250,000,000 Principal Amount of First Mortgage Bonds, 5.125% Series due June 1, 2041

Dated as of June 1, 2011

This Supplemental Indenture has been executed in several counterparts, all of which constitute but one and the same instrument. This Supplemental Indenture has been recorded in several counties and documentary stamp taxes as required by law in the amount of $875,000 and non-recurring intangible taxes as required by law in the amount of $48,492.77 were paid on the Supplemental Indenture recorded in the public records of Palm Beach County, Florida.

Note to Examiner: ***The new bonds ("New Bonds") being issued in connection with this Supplemental Indenture are secured by real property and personal property located both within Florida and outside of Florida. The aggregate fair market value of the collateral exceeds the aggregate principal amount of (y) the New Bonds plus (z) the other outstanding bonds secured by the mortgage supplemented hereby and all previous supplemental indentures thereto. The intangible tax has been computed pursuant to Section 199.133 (2), Florida Statutes, by (i) determining the percentage of the aggregate fair market value of the collateral constituting real property situated in Florida and by multiplying that percentage times the principal amount of the New Bonds (the result hereinafter defined as the "Tax Base") and (ii) multiplying the tax rate times the Tax Base.***

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00273

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This instrument was prepared by:
Paul I. Cutler
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

EXECUTED IN 60 COUNTERPARTS OF WHICH THIS IS COUNTERPART NO. 2

Return to: FPL
Trinity Title Ins. Agency
437 E. Ponce De Leon Ave.
Decatur, GA 30030-1938

FLORIDA POWER & LIGHT COMPANY

to

DEUTSCHE BANK TRUST COMPANY AMERICAS

(formerly known as Bankers Trust Company)

FILED & RECORDED
CLERK SUPERIOR COURT
MONROE COUNTY, GA

2011 JUN 10 AM 8:57

LYNN W. HAM
CLERK
BY: Angela Banks Dep

As Trustee under Florida Power & Light Company's Mortgage and Deed of Trust, Dated as of January 1, 1944.

One Hundred Seventeenth Supplemental Indenture

Relating to $250,000,000 Principal Amount of First Mortgage Bonds, 5.125% Series due June 1, 2041

Dated as of June 1, 2011

BOOK 1453 PAGE 273

ONE HUNDRED SEVENTEENTH SUPPLEMENTAL INDENTURE

INDENTURE, dated as of the 1st day of June, 2011, made and entered into by and between FLORIDA POWER & LIGHT COMPANY, a corporation of the State of Florida, whose post office address is 700 Universe Boulevard, Juno Beach, Florida 33408 (hereinafter sometimes called **FPL**), and DEUTSCHE BANK TRUST COMPANY AMERICAS (formerly known as Bankers Trust Company), a corporation of the State of New York, whose post office address is 60 Wall Street, 27th Floor, New York, New York 10005 (hereinafter called the Trustee), as the one hundred seventeenth supplemental indenture (hereinafter called the **One Hundred Seventeenth Supplemental Indenture**) to the Mortgage and Deed of Trust, dated as of January 1, 1944 (hereinafter called the **Mortgage**), made and entered into by FPL, the Trustee and The Florida National Bank of Jacksonville, as Co-Trustee (now resigned), the Trustee now acting as the sole trustee under the Mortgage, which Mortgage was executed and delivered by FPL to secure the payment of bonds issued or to be issued under and in accordance with the provisions thereof, reference to which Mortgage is hereby made, this One Hundred Seventeenth Supplemental Indenture being supplemental thereto;

WHEREAS, by an instrument, dated as of April 15, 2002, filed with the Banking Department of the State of New York, Bankers Trust Company effected a corporate name change pursuant to which, effective such date, it is known as Deutsche Bank Trust Company Americas; and

WHEREAS, FPL has transferred to New Hampshire Transmission, LLC, a Delaware limited liability company, all of FPL's property located in the State of New Hampshire that previously was subject to the lien of the Mortgage, and the Trustee by instrument dated June 29, 2010 (the "**Release**") released such property from the lien of the Mortgage, and released and discharged the supplemental indentures and mortgages recorded in the State of New Hampshire listed on Exhibit B to the Release; and

WHEREAS, Section 8 of the Mortgage provides that the form of each series of bonds (other than the first series) issued thereunder shall be established by Resolution of the Board of Directors of FPL and that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof, and may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS, Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon FPL by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and FPL may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or FPL may cure any ambiguity contained therein, or in any supplemental indenture, or may establish the terms and provisions of any series of bonds other than said first

series, by an instrument in writing executed and acknowledged by FPL in such manner as would be necessary to entitle a conveyance of real estate to be recorded in all of the states in which any property at the time subject to the Lien of the Mortgage shall be situated; and

WHEREAS, FPL now desires to create the series of bonds described in Article I hereof and to add to its covenants and agreements contained in the Mortgage certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants and provisions contained in the Mortgage; and

WHEREAS, the execution and delivery by FPL of this One Hundred Seventeenth Supplemental Indenture, and the terms of the bonds, hereinafter referred to in Article I, have been duly authorized by the Board of Directors of FPL by appropriate resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That FPL, in consideration of the premises and of One Dollar to it duly paid by the Trustee at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in further evidence of assurance of the estate, title and rights of the Trustee and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect, and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in Section 6 of the Mortgage) unto Deutsche Bank Trust Company Americas, as Trustee under the Mortgage, and to its successor or successors in said trust, and to said Trustee and its successors and assigns forever, all property, real, personal and mixed, acquired by FPL after the date of the execution and delivery of the Mortgage (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted), now owned (except any properties heretofore released pursuant to any provisions of the Mortgage and in the process of being sold or disposed of by FPL) or, subject to the provisions of Section 87 of the Mortgage, hereafter acquired by FPL and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing) all lands, power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sites, canals, raceways, dams, dam sites, aqueducts, and all rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, gas plants, street lighting systems, standards and other equipment incidental thereto, telephone, radio and television systems, air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracks, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, electric, gas and other machines, regulators, meters, transformers, generators, motors, electrical, gas and mechanical appliances, conduits, cables, water, steam heat, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture, chattels, and choses in action; all municipal and other franchises, consents or permits; all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose including towers, poles, wires, cables, pipes, conduits,

ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to real estate or the occupancy of the same and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all the right, title and interest of FPL in and to all other property of any kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore or in the Mortgage, as heretofore supplemented, described.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, products and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which FPL now has or may hereinafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by FPL that, subject to the provisions of Section 87 of the Mortgage, all the property, rights, and franchises acquired by FPL after the date hereof (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted) shall be and are as fully granted and conveyed hereby and as fully embraced within the Lien of the Mortgage, as if such property, rights and franchises were now owned by FPL and were specifically described herein and conveyed hereby.

PROVIDED that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the Lien and operation of this One Hundred Seventeenth Supplemental Indenture and from the Lien and operation of the Mortgage, as heretofore supplemented, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage or covenanted so to be; (2) merchandise, equipment, materials or supplies held for the purpose of sale in the usual course of business and fuel (including Nuclear Fuel unless expressly subjected to the Lien and operation of the Mortgage by FPL in a future Supplemental Indenture), oil and similar materials and supplies consumable in the operation of any properties of FPL; rolling stock, buses, motor coaches, automobiles and other vehicles; (3) bills, notes and accounts receivable, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or covenanted so to be; (4) the last day of the term of any lease or leasehold which may hereafter become subject to the Lien of the Mortgage; (5) electric energy, gas, ice, and other materials or products generated, manufactured, produced or purchased by FPL for sale, distribution or use in the ordinary course of its business; all timber, minerals, mineral rights and royalties; (6) FPL's franchise to be a corporation; and (7) the properties already sold or in the process of being sold by FPL and heretofore released from the Mortgage and Deed of Trust, dated as of January 1, 1926, from Florida Power & Light Company to Bankers Trust Company and The Florida National Bank of Jacksonville, trustees, and specifically described in three separate releases executed by Bankers Trust Company and The Florida National Bank of Jacksonville, dated July 28, 1943, October 6, 1943 and December 11, 1943, which releases have heretofore been delivered by the said trustees to FPL and recorded by FPL among the Public Records of all Counties in which such properties are

located; provided, however, that the property and rights expressly excepted from the Lien and operation of the Mortgage in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that the Trustee or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by FPL as aforesaid, or intended so to be, unto Deutsche Bank Trust Company Americas, the Trustee, and its successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as heretofore supplemented, this One Hundred Seventeenth Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by FPL that all terms, conditions, provisos, covenants and provisions contained in the Mortgage shall affect and apply to the property hereinbefore described and conveyed and to the estate, rights, obligations and duties of FPL and the Trustee and the beneficiaries of the trust with respect to said property, and to the Trustee and its successors as Trustee of said property in the same manner and with the same effect as if said property had been owned by FPL at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustee, by the Mortgage as a part of the property therein stated to be conveyed.

FPL further covenants and agrees to and with the Trustee and its successors in said trust under the Mortgage, as follows:

ARTICLE I
One Hundred Fourteenth Series of Bonds

Section 1. (I) There shall be a series of bonds designated "5.125% Series due June 1, 2041", herein sometimes referred to as the "**One Hundred Fourteenth Series**", each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof, which shall be established by Resolution of the Board of Directors of FPL, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the One Hundred Fourteenth Series shall mature on June 1, 2041 and shall be issued as fully registered bonds in denominations of One Thousand Dollars and, at the option of FPL, in integral multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof); they shall bear interest at the rate of 5.125% per annum, payable semi-annually on June 1 and December 1 of each year (each an "**Interest Payment Date**") commencing on December 1, 2011; the principal of and interest on each said bond to be payable at the office or agency of FPL in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Bonds of the One Hundred Fourteenth Series shall be dated as in Section 10 of the Mortgage provided. The record date for payments of interest on any Interest Payment Date shall

be the close of business on (1) the business day immediately preceding such Interest Payment Date so long as the bonds of the One Hundred Fourteenth Series are held by a securities depository in book-entry only form or (2) the 15th calendar day immediately preceding each Interest Payment Date if the bonds of the One Hundred Fourteenth Series are not held by a securities depository in book-entry only form. Interest on the bonds of the One Hundred Fourteenth Series will accrue from and including June 10, 2011 to but excluding December 1, 2011 and, thereafter, from and including the last Interest Payment Date to which interest has been paid or duly provided for (and if no interest has been paid on the bonds of the One Hundred Fourteenth Series, from June 10, 2011) to, but excluding, the next succeeding Interest Payment Date. No interest will accrue on a bond of the One Hundred Fourteenth Series for the day on which such bond matures. The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of interest payable for any period shorter than a full semi-annual period for which interest is computed will be computed on the basis of the number of days in the period using 30-day calendar months.

(II) Bonds of the One Hundred Fourteenth Series shall be redeemable either at the option of FPL or pursuant to the requirements of the Mortgage (including, among other requirements, the application of cash delivered to or deposited with the Trustee pursuant to the provisions of Section 64 of the Mortgage or with proceeds of Released Property) in whole at any time, or in part from time to time, prior to maturity, upon notice, as provided in Section 52 of the Mortgage, mailed at least thirty (30) days prior to the date fixed for redemption (the "**Redemption Date**") at the applicable price (the "**Redemption Price**") described below. If FPL redeems all or any part of the bonds of the One Hundred Fourteenth Series at any time prior to December 1, 2040, the Redemption Price will equal 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the Redemption Date plus a premium, if any (the "**Make-Whole Premium**"). In no event will the Redemption Price be less than 100% of the principal amount of the bonds of the One Hundred Fourteenth Series being redeemed plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date.

The amount of the Make-Whole Premium with respect to any bond of the One Hundred Fourteenth Series (or portion thereof) to be redeemed will be equal to the excess, if any, of:

(1) the sum of the present values, calculated as of the Redemption Date, of:

a. each interest payment that, but for such redemption, would have been payable on the bond of the One Hundred Fourteenth Series (or portion thereof) being redeemed on each Interest Payment Date occurring after the Redemption Date (excluding any accrued interest for the period prior to the Redemption Date); and

b. the principal amount that, but for such redemption, would have been payable at the final maturity of the bond of the One Hundred Fourteenth Series (or portion thereof) being redeemed; over

(2) the principal amount of the bond of the One Hundred Fourteenth Series (or portion thereof) being redeemed.

The present values of interest and principal payments referred to in clause (1) above will be determined in accordance with generally accepted principles of financial analysis. Such present values will be calculated by discounting the amount of each payment of interest or principal from the date that each such payment would have been payable, but for the redemption, to the Redemption Date at a discount rate equal to the Treasury Yield (as defined below) plus 15 basis points.

The Make-Whole Premium will be calculated by an independent investment banking institution of national standing appointed by FPL; *provided* that if FPL fails to make such appointment at least 30 days prior to the Redemption Date, or if the institution so appointed is unwilling or unable to make such calculation, such calculation will be made by BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, J.P. Morgan Securities LLC or Mitsubishi UFJ Securities (USA), Inc., or if such firms are unwilling or unable to make such calculation, by an independent investment banking institution of national standing appointed by the Trustee in consultation with, and at the expense of, FPL (in any such case, an "**Independent Investment Banker**").

For purposes of determining the Make-Whole Premium, "**Treasury Yield**" means a rate of interest per annum equal to the weekly average yield to maturity of United States Treasury Notes that have a constant maturity that corresponds to the remaining term to maturity of the bonds of the One Hundred Fourteenth Series to be redeemed, calculated to the nearest 1/12th of a year (the "**Remaining Term**"). The Independent Investment Banker will determine the Treasury Yield as of the third business day immediately preceding the applicable Redemption Date.

The weekly average yields of United States Treasury Notes will be determined by reference to the most recent statistical release published by the Federal Reserve Bank of New York and designated "H.15(519) Selected Interest Rates" or any successor release (the "**H.15 Statistical Release**"). If the H.15 Statistical Release sets forth a weekly average yield for the United States Treasury Notes having a constant maturity that is the same as the Remaining Term, then the Treasury Yield will be equal to such weekly average yield. In all other cases, the Treasury Yield will be calculated by interpolation, on a straight-line basis, between the weekly average yields on the United States Treasury Notes that have a constant maturity closest to and greater than the Remaining Term and the United States Treasury Notes that have a constant maturity closest to and less than the Remaining Term (in each case as set forth in the H.15 Statistical Release). Any weekly average yields so calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If weekly average yields for United States Treasury Notes are not available in the H.15 Statistical Release or otherwise, then the Treasury Yield will be calculated by interpolation of comparable rates selected by the Independent Investment Banker.

If FPL redeems all or any part of the bonds of the One Hundred Fourteenth Series at any time on or after December 1, 2040, the Redemption Price will equal 100% of the principal amount of the bonds of the One Hundred Fourteenth Series being redeemed, plus accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date.

(III) At the option of the registered owner any bonds of the One Hundred Fourteenth Series, upon surrender thereof for exchange at the office or agency of FPL in the Borough of

Manhattan, The City of New York, together with a written instrument of transfer wherever required by FPL, duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations.

Bonds of the One Hundred Fourteenth Series shall be transferable (subject to the provisions of Section 12 of the Mortgage) at the office or agency of FPL in the Borough of Manhattan, The City of New York.

Upon any exchange or transfer of bonds of the One Hundred Fourteenth Series, FPL may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but FPL hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of the One Hundred Fourteenth Series.

ARTICLE II
Dividend Covenant

Section 2. Section 3 of the Third Supplemental Indenture, as heretofore amended, is hereby further amended by inserting the words "or One Hundred Fourteenth Series" immediately before the words "remain Outstanding".

ARTICLE III
Miscellaneous Provisions

Section 3. Subject to the amendments provided for in this One Hundred Seventeenth Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this One Hundred Seventeenth Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

Section 4. The holders of bonds of the One Hundred Fourteenth Series consent that FPL may, but shall not be obligated to, fix a record date for the purpose of determining the holders of bonds of the One Hundred Fourteenth Series entitled to consent to any amendment, supplement or waiver. If a record date is fixed, those persons who were holders at such record date (or their duly designated proxies), and only those persons, shall be entitled to consent to such amendment, supplement or waiver or to revoke any consent previously given, whether or not such persons continue to be holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Section 5. The Trustee hereby accepts the trust herein declared, provided, created or supplemented and agrees to perform the same upon the terms and conditions herein and in the Mortgage, as heretofore supplemented, set forth and upon the following terms and conditions:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this One Hundred Seventeenth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by FPL solely. In general, each and every term and condition contained in Article XVII of the Mortgage, as heretofore amended, shall apply to and form part of this One Hundred Seventeenth Supplemental Indenture

with the same force and effect as if the same were herein set forth in full with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this One Hundred Seventeenth Supplemental Indenture.

Section 6. Whenever in this One Hundred Seventeenth Supplemental Indenture either of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, as heretofore amended, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this One Hundred Seventeenth Supplemental Indenture contained by or on behalf of FPL, or by or on behalf of the Trustee, or either of them, shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

Section 7. Nothing in this One Hundred Seventeenth Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons Outstanding under the Mortgage, any right, remedy or claim under or by reason of this One Hundred Seventeenth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this One Hundred Seventeenth Supplemental Indenture contained by or on behalf of FPL shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and coupons Outstanding under the Mortgage.

Section 8. The Mortgage, as heretofore supplemented and amended and as supplemented hereby, is intended by the parties hereto, as to properties now or hereafter encumbered thereby and located within the States of Florida and Georgia, to operate and is to be construed as granting a lien only on such properties and not as a deed passing title thereto.

Section 9. This One Hundred Seventeenth Supplemental Indenture shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, FPL has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf, and DEUTSCHE BANK TRUST COMPANY AMERICAS has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its Vice Presidents or Assistant Vice Presidents, and its corporate seal to be attested by one of its Vice Presidents, Assistant Vice Presidents, one of its Assistant Secretaries or one of its Associates, all as of the day and year first above written.

FLORIDA POWER & LIGHT COMPANY

By: _____
Kimberly Ousdahl
Vice President, Controller
and Chief Accounting Officer

Attest:

_____
Paul I. Cutler
Treasurer and Assistant Secretary

Executed, sealed and delivered by
FLORIDA POWER & LIGHT COMPANY
in the presence of:

_____

_____

DEUTSCHE BANK TRUST COMPANY AMERICAS
As Trustee

By: _____

Carol Ng
Vice President
60 Wall Street, 27th Floor
New York, NY 10005

By: _____

Linda Reale
Vice President
60 Wall Street, 27th Floor
New York, NY 10005

Attest: _____

Yana Kislenko
Assistant Vice President
60 Wall Street, 27th Floor
New York, NY 10005

Executed, sealed and delivered by
DEUTSCHE BANK TRUST COMPANY AMERICAS
in the presence of:

_____

_____

STATE OF FLORIDA }
COUNTY OF PALM BEACH } SS:

On the 6th day of June, in the year 2011 before me personally came Kimberly Ousdahl, to me known, who, being by me duly sworn, did depose and say that she is the Vice President, Controller and Chief Accounting Officer of FLORIDA POWER & LIGHT COMPANY, one of the corporations described in and which executed the above instrument; that she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she signed her name thereto by like order.

I HEREBY CERTIFY, that on this 6th day of June, 2011, before me personally appeared Kimberly Ousdahl and Paul I. Cutler, respectively, the Vice President, Controller and Chief Accounting Officer and the Treasurer and Assistant Secretary of FLORIDA POWER & LIGHT COMPANY, a corporation under the laws of the State of Florida, to me known to be the persons described in and who executed the foregoing instrument and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and that said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Juno Beach, in the County of Palm Beach, and State of Florida, the day and year last aforesaid.

Mary Ann Guastini
Notary Public – State of Florida

MARY ANN GUASTINI
Notary Public - State of Florida
My Commission Expires Jan 24, 2012
Commission # DD 751284

STATE OF NEW YORK }
COUNTY OF NEW YORK } SS:

On the 3rd day of June in the year 2011, before me personally came Carol Ng and Linda Reale, to me known, who, being by me duly sworn, did depose and say that they are respectively a Vice President and a Vice President of DEUTSCHE BANK TRUST COMPANY AMERICAS, one of the corporations described in and which executed the above instrument; that they know the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order.

I HEREBY CERTIFY, that on this 3rd day of June, 2011, before me personally appeared Carol Ng, Linda Reale and Yana Kislenko, respectively, a Vice President, a Vice President and an Assistant Vice President of DEUTSCHE BANK TRUST COMPANY AMERICAS, a corporation under the laws of the State of New York, to me known to be the persons described in and who executed the foregoing instrument and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and that said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at New York, in the County of New York, and State of New York, the day and year last aforesaid.

Yevgeniya Shkolnikova
Notary Public State of New York
No 01SH6175771
Qualified in Queens County
Certificate Filed in New York County
Commission Expires 10-15-2011

Exhibit 1(c)

One Hundred Eighteenth Supplemental Indenture dated as of December 1, 2011 between FPL and Deutsche Bank Trust Company Americas, as Trustee, with respect to the 4.125% Mortgage Bonds

This instrument was prepared by:
Paul I. Cutler
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

EXECUTED IN 60 COUNTERPARTS OF
WHICH THIS IS COUNTERPART NO. 2

FLORIDA POWER & LIGHT COMPANY

to

DEUTSCHE BANK TRUST COMPANY AMERICAS

(formerly known as Bankers Trust Company)

As Trustee under Florida Power & Light Company's Mortgage and Deed of Trust, Dated as of January 1, 1944.

One Hundred Eighteenth Supplemental Indenture

Relating to $600,000,000 Principal Amount of First Mortgage Bonds, 4.125% Series due February 1, 2042

Dated as of December 1, 2011

This Supplemental Indenture has been executed in several counterparts, all of which constitute but one and the same instrument. This Supplemental Indenture has been recorded in several counties and documentary stamp taxes as required by law in the amount of $2,100,000 and non-recurring intangible taxes as required by law in the amount of $106,058 were paid on the Supplemental Indenture recorded in the public records of Palm Beach County, Florida.

Note to Examiner: *The new bonds ("New Bonds") being issued in connection with this Supplemental Indenture are secured by real property and personal property located both within Florida and outside of Florida. The aggregate fair market value of the collateral exceeds the aggregate principal amount of (y) the New Bonds plus (z) the other outstanding bonds secured by the mortgage supplemented hereby and all previous supplemental indentures thereto. The intangible tax has been computed pursuant to Section 199.133 (2), Florida Statutes, by (i) determining the percentage of the aggregate fair market value of the collateral constituting real property situated in Florida and by multiplying that percentage times the principal amount of the New Bonds (the result hereinafter defined as the "Tax Base") and (ii) multiplying the tax rate times the Tax Base.*

ONE HUNDRED EIGHTEENTH SUPPLEMENTAL INDENTURE

INDENTURE, dated as of the 1st day of December, 2011, made and entered into by and between FLORIDA POWER & LIGHT COMPANY, a corporation of the State of Florida, whose post office address is 700 Universe Boulevard, Juno Beach, Florida 33408 (hereinafter sometimes called **FPL**), and DEUTSCHE BANK TRUST COMPANY AMERICAS (formerly known as Bankers Trust Company), a corporation of the State of New York, whose post office address is 60 Wall Street, 27th Floor, New York, New York 10005 (hereinafter called the Trustee), as the one hundred eighteenth supplemental indenture (hereinafter called the **One Hundred Eighteenth Supplemental Indenture**) to the Mortgage and Deed of Trust, dated as of January 1, 1944 (hereinafter called the **Mortgage**), made and entered into by FPL, the Trustee and The Florida National Bank of Jacksonville, as Co-Trustee (now resigned), the Trustee now acting as the sole trustee under the Mortgage, which Mortgage was executed and delivered by FPL to secure the payment of bonds issued or to be issued under and in accordance with the provisions thereof, reference to which Mortgage is hereby made, this One Hundred Eighteenth Supplemental Indenture being supplemental thereto;

WHEREAS, by an instrument, dated as of April 15, 2002, filed with the Banking Department of the State of New York, Bankers Trust Company effected a corporate name change pursuant to which, effective such date, it is known as Deutsche Bank Trust Company Americas; and

WHEREAS, FPL has transferred to New Hampshire Transmission, LLC, a Delaware limited liability company, all of FPL's property located in the State of New Hampshire that previously was subject to the lien of the Mortgage, and the Trustee by instrument dated June 29, 2010 (the "**Release**") released such property from the lien of the Mortgage, and released and discharged the supplemental indentures and mortgages recorded in the State of New Hampshire listed on Exhibit B to the Release; and

WHEREAS, *Section 8* of the Mortgage provides that the form of each series of bonds (other than the first series) issued thereunder shall be established by Resolution of the Board of Directors of FPL and that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof, and may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS, *Section 120* of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon FPL by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and FPL may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or FPL may cure any ambiguity contained therein, or in any supplemental indenture, or may establish the terms and provisions of any series of bonds other than said first

series, by an instrument in writing executed and acknowledged by FPL in such manner as would be necessary to entitle a conveyance of real estate to be recorded in all of the states in which any property at the time subject to the Lien of the Mortgage shall be situated; and

WHEREAS, FPL now desires to create the series of bonds described in *Article I* hereof and to add to its covenants and agreements contained in the Mortgage certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants and provisions contained in the Mortgage; and

WHEREAS, the execution and delivery by FPL of this One Hundred Eighteenth Supplemental Indenture, and the terms of the bonds, hereinafter referred to in *Article I*, have been duly authorized by the Board of Directors of FPL by appropriate resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That FPL, in consideration of the premises and of One Dollar to it duly paid by the Trustee at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in further evidence of assurance of the estate, title and rights of the Trustee and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect, and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in *Section 6* of the Mortgage) unto Deutsche Bank Trust Company Americas, as Trustee under the Mortgage, and to its successor or successors in said trust, and to said Trustee and its successors and assigns forever, all property, real, personal and mixed, acquired by FPL after the date of the execution and delivery of the Mortgage (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted), now owned (except any properties heretofore released pursuant to any provisions of the Mortgage and in the process of being sold or disposed of by FPL) or, subject to the provisions of *Section 87* of the Mortgage, hereafter acquired by FPL and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing) all lands, power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sites, canals, raceways, dams, dam sites, aqueducts, and all rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, gas plants, street lighting systems, standards and other equipment incidental thereto, telephone, radio and television systems, air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracks, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, electric, gas and other machines, regulators, meters, transformers, generators, motors, electrical, gas and mechanical appliances, conduits, cables, water, steam heat, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture, chattels, and choses in action; all municipal and other franchises, consents or permits; all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose including towers, poles, wires, cables, pipes, conduits,

ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to real estate or the occupancy of the same and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all the right, title and interest of FPL in and to all other property of any kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore or in the Mortgage, as heretofore supplemented, described.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of *Section 57* of the Mortgage) the tolls, rents, revenues, issues, earnings, income, products and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which FPL now has or may hereinafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by FPL that, subject to the provisions of *Section 87* of the Mortgage, all the property, rights, and franchises acquired by FPL after the date hereof (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted) shall be and are as fully granted and conveyed hereby and as fully embraced within the Lien of the Mortgage, as if such property, rights and franchises were now owned by FPL and were specifically described herein and conveyed hereby.

PROVIDED that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the Lien and operation of this One Hundred Eighteenth Supplemental Indenture and from the Lien and operation of the Mortgage, as heretofore supplemented, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage or covenanted so to be; (2) merchandise, equipment, materials or supplies held for the purpose of sale in the usual course of business and fuel (including Nuclear Fuel unless expressly subjected to the Lien and operation of the Mortgage by FPL in a future Supplemental Indenture), oil and similar materials and supplies consumable in the operation of any properties of FPL; rolling stock, buses, motor coaches, automobiles and other vehicles; (3) bills, notes and accounts receivable, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or covenanted so to be; (4) the last day of the term of any lease or leasehold which may hereafter become subject to the Lien of the Mortgage; (5) electric energy, gas, ice, and other materials or products generated, manufactured, produced or purchased by FPL for sale, distribution or use in the ordinary course of its business; all timber, minerals, mineral rights and royalties; (6) FPL's franchise to be a corporation; and (7) the properties already sold or in the process of being sold by FPL and heretofore released from the Mortgage and Deed of Trust, dated as of January 1, 1926, from Florida Power & Light Company to Bankers Trust Company and The Florida National Bank of Jacksonville, trustees, and specifically described in three separate releases executed by Bankers Trust Company and The Florida National Bank of Jacksonville, dated July 28, 1943, October 6, 1943 and December 11, 1943, which releases have heretofore been delivered by the said trustees to FPL and recorded by FPL among the Public Records of all Counties in which such properties are

located; provided, however, that the property and rights expressly excepted from the Lien and operation of the Mortgage in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that the Trustee or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in *Article XIII* of the Mortgage by reason of the occurrence of a Default as defined in *Section 65* thereof.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by FPL as aforesaid, or intended so to be, unto Deutsche Bank Trust Company Americas, the Trustee, and its successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as heretofore supplemented, this One Hundred Eighteenth Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by FPL that all terms, conditions, provisos, covenants and provisions contained in the Mortgage shall affect and apply to the property hereinbefore described and conveyed and to the estate, rights, obligations and duties of FPL and the Trustee and the beneficiaries of the trust with respect to said property, and to the Trustee and its successors as Trustee of said property in the same manner and with the same effect as if said property had been owned by FPL at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustee, by the Mortgage as a part of the property therein stated to be conveyed.

FPL further covenants and agrees to and with the Trustee and its successors in said trust under the Mortgage, as follows:

ARTICLE I
One Hundred Fifteenth Series of Bonds

Section 1. (I) There shall be a series of bonds designated "4.125% Series due February 1, 2042", herein sometimes referred to as the "**One Hundred Fifteenth Series**", each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof, which shall be established by Resolution of the Board of Directors of FPL, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the One Hundred Fifteenth Series shall mature on February 1, 2042 and shall be issued as fully registered bonds in denominations of One Thousand Dollars and, at the option of FPL, in integral multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof); they shall bear interest at the rate of 4.125% per annum, payable semi-annually on February 1 and August 1 of each year (each an "**Interest Payment Date**") commencing on August 1, 2012; the principal of and interest on each said bond to be payable at the office or agency of FPL in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Bonds of the One Hundred Fifteenth Series shall be dated as in *Section 10* of the Mortgage provided. The record date for payments of interest on any Interest Payment Date shall

be the close of business on (1) the business day immediately preceding such Interest Payment Date so long as the bonds of the One Hundred Fifteenth Series are held by a securities depository in book-entry only form or (2) the 15th calendar day immediately preceding each Interest Payment Date if the bonds of the One Hundred Fifteenth Series are not held by a securities depository in book-entry only form. Interest on the bonds of the One Hundred Fifteenth Series will accrue from and including December 13, 2011 to but excluding August 1, 2012 and, thereafter, from and including the last Interest Payment Date to which interest has been paid or duly provided for (and if no interest has been paid on the bonds of the One Hundred Fifteenth Series, from December 13, 2011) to, but excluding, the next succeeding Interest Payment Date. No interest will accrue on a bond of the One Hundred Fifteenth Series for the day on which such bond matures. The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of interest payable for any period shorter than a full semi-annual period for which interest is computed will be computed on the basis of the number of days in the period using 30-day calendar months.

(II) Bonds of the One Hundred Fifteenth Series shall be redeemable either at the option of FPL or pursuant to the requirements of the Mortgage (including, among other requirements, the application of cash delivered to or deposited with the Trustee pursuant to the provisions of *Section 64* of the Mortgage or with proceeds of Released Property) in whole at any time, or in part from time to time, prior to maturity, upon notice, as provided in *Section 52* of the Mortgage, mailed at least thirty (30) days prior to the date fixed for redemption (the **"Redemption Date"**) at the applicable price (the **"Redemption Price"**) described below. If FPL redeems all or any part of the bonds of the One Hundred Fifteenth Series at any time prior to August 1, 2041, the Redemption Price will equal 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the Redemption Date plus a premium, if any (the **"Make-Whole Premium"**). In no event will the Redemption Price be less than 100% of the principal amount of the bonds of the One Hundred Fifteenth Series being redeemed plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date.

The amount of the Make-Whole Premium with respect to any bond of the One Hundred Fifteenth Series (or portion thereof) to be redeemed will be equal to the excess, if any, of:

(1) the sum of the present values, calculated as of the Redemption Date, of:

a. each interest payment that, but for such redemption, would have been payable on the bond of the One Hundred Fifteenth Series (or portion thereof) being redeemed on each Interest Payment Date occurring after the Redemption Date (excluding any accrued interest for the period prior to the Redemption Date); and

b. the principal amount that, but for such redemption, would have been payable at the final maturity of the bond of the One Hundred Fifteenth Series (or portion thereof) being redeemed; over

(2) the principal amount of the bond of the One Hundred Fifteenth Series (or portion thereof) being redeemed.

The present values of interest and principal payments referred to in clause (1) above will be determined in accordance with generally accepted principles of financial analysis. Such present values will be calculated by discounting the amount of each payment of interest or principal from the date that each such payment would have been payable, but for the redemption, to the Redemption Date at a discount rate equal to the Treasury Yield (as defined below) plus 20 basis points.

The Make-Whole Premium will be calculated by an independent investment banking institution of national standing appointed by FPL; *provided* that if FPL fails to make such appointment at least 30 days prior to the Redemption Date, or if the institution so appointed is unwilling or unable to make such calculation, such calculation will be made by Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., Mizuho Securities USA Inc., Scotia Capital (USA) Inc. or Wells Fargo Securities, LLC or if such firms are unwilling or unable to make such calculation, by an independent investment banking institution of national standing appointed by the Trustee in consultation with, and at the expense of, FPL (in any such case, an "**Independent Investment Banker**").

For purposes of determining the Make-Whole Premium, "**Treasury Yield**" means a rate of interest per annum equal to the weekly average yield to maturity of United States Treasury Notes that have a constant maturity that corresponds to the remaining term to maturity of the bonds of the One Hundred Fifteenth Series to be redeemed, calculated to the nearest 1/12th of a year (the "**Remaining Term**"). The Independent Investment Banker will determine the Treasury Yield as of the third business day immediately preceding the applicable Redemption Date.

The weekly average yields of United States Treasury Notes will be determined by reference to the most recent statistical release published by the Federal Reserve Bank of New York and designated "H.15(519) Selected Interest Rates" or any successor release (the "**H.15 Statistical Release**"). If the H.15 Statistical Release sets forth a weekly average yield for the United States Treasury Notes having a constant maturity that is the same as the Remaining Term, then the Treasury Yield will be equal to such weekly average yield. In all other cases, the Treasury Yield will be calculated by interpolation, on a straight-line basis, between the weekly average yields on the United States Treasury Notes that have a constant maturity closest to and greater than the Remaining Term and the United States Treasury Notes that have a constant maturity closest to and less than the Remaining Term (in each case as set forth in the H.15 Statistical Release). Any weekly average yields so calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If weekly average yields for United States Treasury Notes are not available in the H.15 Statistical Release or otherwise, then the Treasury Yield will be calculated by interpolation of comparable rates selected by the Independent Investment Banker.

If FPL redeems all or any part of the bonds of the One Hundred Fifteenth Series at any time on or after August 1, 2041, the Redemption Price will equal 100% of the principal amount of the bonds of the One Hundred Fifteenth Series being redeemed, plus accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date.

(III) At the option of the registered owner any bonds of the One Hundred Fifteenth Series, upon surrender thereof for exchange at the office or agency of FPL in the Borough of

Manhattan, The City of New York, together with a written instrument of transfer wherever required by FPL, duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of *Section 12* of the Mortgage) be exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations.

Bonds of the One Hundred Fifteenth Series shall be transferable (subject to the provisions of *Section 12* of the Mortgage) at the office or agency of FPL in the Borough of Manhattan, The City of New York.

Upon any exchange or transfer of bonds of the One Hundred Fifteenth Series, FPL may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in *Section 12* of the Mortgage, but FPL hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of the One Hundred Fifteenth Series.

ARTICLE II
Dividend Covenant

Section 2. *Section 3* of the Third Supplemental Indenture, as heretofore amended, is hereby further amended by inserting the words "or One Hundred Fifteenth Series" immediately before the words "remain Outstanding".

ARTICLE III
Miscellaneous Provisions

Section 3. Subject to the amendments provided for in this One Hundred Eighteenth Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this One Hundred Eighteenth Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

Section 4. The holders of bonds of the One Hundred Fifteenth Series consent that FPL may, but shall not be obligated to, fix a record date for the purpose of determining the holders of bonds of the One Hundred Fifteenth Series entitled to consent to any amendment, supplement or waiver. If a record date is fixed, those persons who were holders at such record date (or their duly designated proxies), and only those persons, shall be entitled to consent to such amendment, supplement or waiver or to revoke any consent previously given, whether or not such persons continue to be holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Section 5. The Trustee hereby accepts the trust herein declared, provided, created or supplemented and agrees to perform the same upon the terms and conditions herein and in the Mortgage, as heretofore supplemented, set forth and upon the following terms and conditions:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this One Hundred Eighteenth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by FPL solely. In general, each and every term and condition contained in *Article XVII* of the Mortgage, as heretofore amended, shall apply to and form part of this One Hundred Eighteenth Supplemental Indenture

with the same force and effect as if the same were herein set forth in full with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this One Hundred Eighteenth Supplemental Indenture.

Section 6. Whenever in this One Hundred Eighteenth Supplemental Indenture either of the parties hereto is named or referred to, this shall, subject to the provisions of *Articles XVI and XVII* of the Mortgage, as heretofore amended, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this One Hundred Eighteenth Supplemental Indenture contained by or on behalf of FPL, or by or on behalf of the Trustee, or either of them, shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

Section 7. Nothing in this One Hundred Eighteenth Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons Outstanding under the Mortgage, any right, remedy or claim under or by reason of this One Hundred Eighteenth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this One Hundred Eighteenth Supplemental Indenture contained by or on behalf of FPL shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and coupons Outstanding under the Mortgage.

Section 8. The Mortgage, as heretofore supplemented and amended and as supplemented hereby, is intended by the parties hereto, as to properties now or hereafter encumbered thereby and located within the States of Florida and Georgia, to operate and is to be construed as granting a lien only on such properties and not as a deed passing title thereto.

Section 9. This One Hundred Eighteenth Supplemental Indenture shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, FPL has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf, and DEUTSCHE BANK TRUST COMPANY AMERICAS has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its Vice Presidents or Assistant Vice Presidents, and its corporate seal to be attested by one of its Vice Presidents, Assistant Vice Presidents, one of its Assistant Secretaries or one of its Associates, all as of the day and year first above written.

FLORIDA POWER & LIGHT COMPANY

By: _____
Kimberly Ousdahl
Vice President, Controller
and Chief Accounting Officer

Attest: _____
Paul I. Cutler
Treasurer and Assistant Secretary

Executed, sealed and delivered by
FLORIDA POWER & LIGHT COMPANY
in the presence of:

_____

_____

DEUTSCHE BANK TRUST COMPANY AMERICAS
As Trustee

By: _____
Carol Ng
Vice President
60 Wall Street, 27th Floor
New York, NY 10005

By: _____
David Contino
Vice President
60 Wall Street, 27th Floor
New York, NY 10005

Attest:

_____
Renee Cummins
Associate
60 Wall Street, 27th Floor
New York, NY 10005

Executed, sealed and delivered by
DEUTSCHE BANK TRUST COMPANY AMERICAS
in the presence of:

_____

_____

STATE OF FLORIDA
COUNTY OF PALM BEACH } SS:

On the 9th day of December, in the year 2011 before me personally came Kimberly Ousdahl, to me known, who, being by me duly sworn, did depose and say that she is the Vice President, Controller and Chief Accounting Officer of FLORIDA POWER & LIGHT COMPANY, one of the corporations described in and which executed the above instrument; that she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she signed her name thereto by like order.

I HEREBY CERTIFY, that on this 9th day of December, 2011, before me personally appeared Kimberly Ousdahl and Paul I. Cutler, respectively, the Vice President, Controller and Chief Accounting Officer and the Treasurer and Assistant Secretary of FLORIDA POWER & LIGHT COMPANY, a corporation under the laws of the State of Florida, to me known to be the persons described in and who executed the foregoing instrument and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and that said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Juno Beach, in the County of Palm Beach, and State of Florida, the day and year last aforesaid.

Mary Ann Guastini

Notary Public – State of Florida

STATE OF NEW YORK }
COUNTY OF NEW YORK } SS:

On the 8th day of December in the year 2011, before me personally came Carol Ng and David Contino, to me known, who, being by me duly sworn, did depose and say that they are respectively a Vice President and a Vice President of DEUTSCHE BANK TRUST COMPANY AMERICAS, one of the corporations described in and which executed the above instrument; that they know the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order.

I HEREBY CERTIFY, that on this 8th day of December, 2011, before me personally appeared Carol Ng, David Contino and Renee Cummins, respectively, a Vice President, a Vice President and an Associate of DEUTSCHE BANK TRUST COMPANY AMERICAS, a corporation under the laws of the State of New York, to me known to be the persons described in and who executed the foregoing instrument and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and that said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at New York, in the County of New York, and State of New York, the day and year last aforesaid.

Notary Public – State of New York

MARIA N. INOA
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN KINGS COUNTY
REG #01IN6180881
MY COMM. EXP. JAN. 22, 2012

Exhibit 1(d)

For the Prospectus and Prospectus Supplement relating to the 5.125% Mortgage Bonds, see Exhibit 3(b)

Exhibit 1(e)

For the Prospectus and Prospectus Supplement relating to the 4.125% Mortgage Bonds, see Exhibit 3(c).

Exhibit 1(j)

Commercial Paper Offering Memorandum dated June 2011 of Goldman, Sachs & Co.

Commercial Paper
Offering Memorandum

Goldman Sachs

Florida Power & Light Company

$2,500,000,000

Commercial Paper Notes

Terms of Commercial Paper Notes

ISSUER:	Florida Power & Light Company ("FPL" or the "Company"), a Florida corporation, is the largest electric utility in the state of Florida, serving more than 8.7 million people through approximately 4.5 million customer accounts (as of December 31, 2010), and one of the largest electric utilities in the United States. FPL supplies electric service throughout most of the east and lower west coasts of Florida. FPL is a wholly-owned subsidiary of NextEra Energy, Inc.
SECURITIES:	$2,500,000,000 of unsecured notes (the "Notes") outstanding at any one time, ranking *pari passu* with the Issuer's other unsecured and unsubordinated indebtedness.
PLACEMENT AGENTS:	Goldman, Sachs & Co., Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and SunTrust Robinson Humphrey, Inc.
EXEMPTION:	The Notes are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(3) and cannot be resold unless registered or an exemption from registration is available.
OFFERING PRICE:	Par less a discount representing an interest factor or, if interest bearing, at par.
DENOMINATIONS:	The Notes will be issued in minimum denominations of $100,000 or integral multiples of $1,000 in excess thereof.
MATURITIES:	Up to 270 days from the date of issue.
REDEMPTION:	The Notes will not be redeemable prior to maturity or be subject to voluntary prepayment.

Goldman, Sachs & Co.
June 2011

FLORIDA POWER & LIGHT COMPANY

FORM OF ISSUANCE:	Each Note will be evidenced by (i) a note certificate issued in bearer form or (ii) a master note registered in the name of the nominee of The Depository Trust Company ("DTC"). The master notes (the "Book-Entry Notes") will be deposited with the Issuing and Paying Agent as subcustodian for DTC or its successor. DTC will record, by appropriate entries on its book-entry registration and transfer system, the respective amounts payable in respect of Book-Entry Notes. Payments by DTC participants to purchasers for whom a DTC participant is acting as agent in respect of Book-Entry Notes will be governed by the standing instructions and customary practices under which securities are held at DTC through DTC participants.
SETTLEMENT:	Unless otherwise agreed to, settlement will be made on a same-day basis in immediately available funds.
ISSUING & PAYING AGENT:	JPMorgan Chase Bank, N.A.

Credit Ratings

As of June 28, 2011, the Notes are rated by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., Moody's Investors Service, Inc. and Fitch Ratings. Ratings are not a recommendation to purchase, hold or sell the Notes, inasmuch as the ratings do not comment as to market price or suitability for a particular investor. The ratings are based on current information furnished to the rating agencies by FPL and information obtained by the rating agencies from other sources. The ratings may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, and therefore a prospective purchaser should check the current ratings before purchasing the Notes.

Where You Can Find More Information

FPL files annual, quarterly and other reports and other information with the Securities and Exchange Commission ("SEC"). You can read and copy any information filed by FPL with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain additional information about the Public Reference Room by calling the SEC at 1-800-SEC-0330.

In addition, the SEC maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including FPL.

To ask any questions regarding this Offering Memorandum or the terms of the Notes, contact STIR Investor Marketing Group, Goldman, Sachs & Co. (telephone: 212-902-8470).

Information Incorporated by Reference

FPL is "incorporating by reference" certain information that FPL files with the SEC, which means that FPL may, in this Offering Memorandum, disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this Offering Memorandum. Information that FPL files in the future with the SEC will automatically update and supersede this information. FPL is incorporating by reference the documents listed below, as each may have been or may be amended:

- FPL's most recent Annual Report on Form 10-K;
- FPL's Quarterly Reports on Form 10-Q filed since the filing of the most recent Form 10-K; and
- FPL's Current Reports on Form 8-K filed since the filing of the most recent Form 10-K (excluding information that is furnished and not filed under the Exchange Act).

and any future filings FPL makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"). FPL will provide without charge to each person, including any beneficial owner, to whom this Offering Memorandum is delivered, upon written or oral request of any such person, a copy of any incorporated document referred to above excluding the exhibits thereto (unless such exhibits are specifically incorporated by reference into such documents). Requests for such copies should be directed to Florida Power & Light Company, Attention: Treasurer, 700 Universe Boulevard, Juno Beach, Florida 33408-0420, telephone (561) 694-4000.

In making an investment decision, investors must rely on their own examination of FPL and the terms of the offering, including the merits and risks involved. This examination should include the review of FPL's filings with the SEC, including information provided under the heading "Risk Factors" or similar headings, in such filings with the SEC. Your investment decision should not be based solely on this Offering Memorandum since it is not intended to be a complete explanation of the nature and risks of investing in the Notes. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense. Neither Goldman, Sachs & Co. nor any of its affiliates makes any representation or warranty as to the accuracy or completeness of the information contained or referred to herein.

No person has been authorized to give any information or to make any representations other than those contained in this Offering Memorandum in connection with the offer contained in this Offering Memorandum, and, if given or made, such information or representations must not be relied upon as having been authorized by FPL or Goldman, Sachs & Co. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of FPL since the date as of which information is given in this Offering Memorandum. This Offering Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

Exhibit 2(a)

Signed opinions of FPL's legal counsel with respect to the legality of the issuance of the 5.125% Mortgage Bonds.

Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, NY 10178-0060
Tel: 212.309.6000
Fax: 212.309.6001
www.morganlewis.com

Morgan Lewis
COUNSELORS AT LAW

June 10, 2011

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company, a Florida corporation (the "Company") in connection with the authorization, issuance and sale by the Company of $250,000,000 aggregate principal amount of its First Mortgage Bonds, 5.125% Series due June 1, 2041 (the "Bonds"), issued under the Mortgage and Deed of Trust dated as of January 1, 1944, as the same is supplemented by one hundred and seventeen indentures supplemental thereto, the latest of which is dated as of June 1, 2011 (such Mortgage as so supplemented being hereinafter called the "Mortgage") from the Company to Deutsche Bank Trust Company Americas, as Trustee ("Mortgage Trustee").

We have participated in the preparation of or reviewed (1) Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08 (the "Registration Statement"), which Registration Statement was filed jointly by the Company, NextEra Energy, Inc. (formerly known as FPL Group, Inc.), NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Inc), FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"); (2) the prospectus dated August 3, 2009 (the "Base Prospectus") forming a part of the Registration Statement, as supplemented by a prospectus supplement dated June 6, 2011 (the "Prospectus Supplement") relating to the Bonds, both such Base Prospectus and Prospectus Supplement filed pursuant to Rule 424 under the Securities Act; (3) the Mortgage; (4) the corporate proceedings of the Company with respect to the Registration Statement and with respect to the authorization, issuance and sale of the Bonds; and (5) such other corporate records, certificates and other documents (including a receipt executed on behalf of the Company acknowledging receipt of the purchase price for the Bonds) and such questions of law as we have considered necessary or appropriate for the purposes of this opinion.

Based on the foregoing, we are of the opinion that the Bonds are legally issued, valid and binding obligations of the Company, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

In rendering the foregoing opinion, we have assumed that the certificates representing the Bonds conform to specimens examined by us and that the Bonds have been duly authenticated, in accordance with the Mortgage, by the Mortgage Trustee under the Mortgage, and that the

signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

We hereby consent to the filing of this opinion as an exhibit to a Current Report on Form 8-K to be filed by the Company on or about June 10, 2011, which will be incorporated by reference in the Registration Statement. In giving the foregoing consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

This opinion is limited to the laws of the States of New York and Florida and the federal laws of the United States insofar as they bear on the matters covered hereby. As to all matters of Florida law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Squire, Sanders & Dempsey (US) LLP, West Palm Beach, Florida. As to all matters of New York law, Squire, Sanders & Dempsey (US) LLP is hereby authorized to rely upon this opinion as though it were rendered to Squire, Sanders & Dempsey (US) LLP.

Very truly yours,

Morgan, Lewis & Bockius LLP

MORGAN, LEWIS & BOCKIUS LLP

SQUIRE, SANDERS & DEMPSEY (US) LLP

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June 10, 2011

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company, a Florida corporation (the "Company") in connection with the authorization, issuance and sale by the Company of $250,000,000 aggregate principal amount of its First Mortgage Bonds, 5.125% Series due June 1, 2041 (the "Bonds"), issued under the Mortgage and Deed of Trust dated as of January 1, 1944, as the same is supplemented by one hundred and seventeen indentures supplemental thereto, the latest of which is dated as of June 1, 2011 (such Mortgage as so supplemented being hereinafter called the "Mortgage") from the Company to Deutsche Bank Trust Company Americas, as Trustee ("Mortgage Trustee").

We have participated in the preparation of or reviewed (1) Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08 (the "Registration Statement"), which Registration Statement was filed jointly by the Company, NextEra Energy, Inc. (formerly known as FPL Group, Inc.), NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Inc), FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"); (2) the prospectus dated August 3, 2009 (the "Base Prospectus") forming a part of the Registration Statement, as supplemented by a prospectus supplement dated June 6, 2011 (the "Prospectus Supplement") relating to the Bonds, both such Base Prospectus and Prospectus Supplement filed pursuant to Rule 424 under the Securities Act; (3) the Mortgage; (4) the corporate proceedings of the Company with respect to the Registration Statement and with respect to the authorization, issuance and sale of the Bonds; and (5) such other corporate records, certificates and other documents (including a receipt executed on behalf of the Company acknowledging receipt of the purchase price for the Bonds)

36 OFFICES IN 16 COUNTRIES

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and such questions of law as we have considered necessary or appropriate for the purposes of this opinion.

Based on the foregoing, we are of the opinion that the Bonds are legally issued, valid and binding obligations of the Company, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

In rendering the foregoing opinion, we have assumed that the certificates representing the Bonds conform to specimens examined by us and that the Bonds have been duly authenticated, in accordance with the Mortgage, by the Mortgage Trustee under the Mortgage, and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

We hereby consent to the filing of this opinion as an exhibit to a Current Report on Form 8-K to be filed by the Company on or about June 10, 2011, which will be incorporated by reference in the Registration Statement. In giving the foregoing consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

This opinion is limited to the laws of the States of Florida and New York and the federal laws of the United States insofar as they bear on the matters covered hereby. As to all matters of New York law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Morgan, Lewis & Bockius LLP, New York, New York. As to all matters of Florida law, Morgan, Lewis & Bockius LLP is hereby authorized to rely upon this opinion as though it were rendered to Morgan, Lewis & Bockius LLP.

Very truly yours,

Squire, Sanders & Dempsey (US) LLP

SQUIRE, SANDERS & DEMPSEY (US) LLP

Exhibit 2(b)

Signed opinions of FPL's legal counsel with respect to the legality of the issuance of the 4.125% Mortgage Bonds.

Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, NY 10178-0060
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Morgan Lewis
COUNSELORS AT LAW

December 13, 2011

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company, a Florida corporation (the "Company") in connection with the authorization, issuance and sale by the Company of $600,000,000 aggregate principal amount of its First Mortgage Bonds, 4.125% Series due February 1, 2042 (the "Bonds"), issued under the Mortgage and Deed of Trust dated as of January 1, 1944, as the same is supplemented by one hundred and eighteen indentures supplemental thereto, the latest of which is dated as of December 1, 2011 (such Mortgage as so supplemented being hereinafter called the "Mortgage") from the Company to Deutsche Bank Trust Company Americas, as Trustee ("Mortgage Trustee").

We have participated in the preparation of or reviewed (1) Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08 (the "Registration Statement"), which Registration Statement was filed jointly by the Company, NextEra Energy, Inc. (formerly known as FPL Group, Inc.), NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Inc), FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"); (2) the prospectus dated August 3, 2009 (the "Base Prospectus") forming a part of the Registration Statement, as supplemented by a prospectus supplement dated December 8, 2011 (the "Prospectus Supplement") relating to the Bonds, both such Base Prospectus and Prospectus Supplement filed pursuant to Rule 424 under the Securities Act; (3) the Mortgage; (4) the corporate proceedings of the Company with respect to the Registration Statement and with respect to the authorization, issuance and sale of the Bonds; and (5) such other corporate records, certificates and other documents (including a receipt executed on behalf of the Company acknowledging receipt of the purchase price for the Bonds) and such questions of law as we have considered necessary or appropriate for the purposes of this opinion.

Based on the foregoing, we are of the opinion that the Bonds are legally issued, valid and binding obligations of the Company, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

In rendering the foregoing opinion, we have assumed that the certificates representing the Bonds conform to specimens examined by us and that the Bonds have been duly authenticated, in accordance with the Mortgage, by the Mortgage Trustee under the Mortgage, and that the

signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

We hereby consent to the reference to us in the Base Prospectus and Prospectus Supplement under the caption "Legal Opinions" and to the filing of this opinion as an exhibit to a Current Report on Form 8-K to be filed by the Company on or about December 13, 2011, which will be incorporated by reference in the Registration Statement. In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

This opinion is limited to the laws of the States of New York and Florida and the federal laws of the United States insofar as they bear on the matters covered hereby. As to all matters of Florida law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Squire, Sanders & Dempsey (US) LLP, West Palm Beach, Florida. As to all matters of New York law, Squire, Sanders & Dempsey (US) LLP is hereby authorized to rely upon this opinion as though it were rendered to Squire, Sanders & Dempsey (US) LLP.

Very truly yours,

Morgan, Lewis & Bockius LLP

SQUIRE, SANDERS & DEMPSEY (US) LLP

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December 13, 2011

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company, a Florida corporation (the "Company") in connection with the authorization, issuance and sale by the Company of $600,000,000 aggregate principal amount of its First Mortgage Bonds, 4.125% Series due February 1, 2042 (the "Bonds"), issued under the Mortgage and Deed of Trust dated as of January 1, 1944, as the same is supplemented by one hundred and eighteen indentures supplemental thereto, the latest of which is dated as of December 1, 2011 (such Mortgage as so supplemented being hereinafter called the "Mortgage") from the Company to Deutsche Bank Trust Company Americas, as Trustee ("Mortgage Trustee").

We have participated in the preparation of or reviewed (1) Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08 (the "Registration Statement"), which Registration Statement was filed jointly by the Company, NextEra Energy, Inc. (formerly known as FPL Group, Inc.), NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Inc), FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"); (2) the prospectus dated August 3, 2009 (the "Base Prospectus") forming a part of the Registration Statement, as supplemented by a prospectus supplement dated December 8, 2011 (the "Prospectus Supplement") relating to the Bonds, both such Base Prospectus and Prospectus Supplement filed pursuant to Rule 424 under the Securities Act; (3) the Mortgage; (4) the corporate proceedings of the Company with respect to the Registration Statement and with respect to the authorization, issuance and sale of the Bonds; and (5) such other corporate records, certificates and other documents (including a receipt executed on behalf of the Company acknowledging receipt of the purchase price for the

Bonds) and such questions of law as we have considered necessary or appropriate for the purposes of this opinion.

Based on the foregoing, we are of the opinion that the Bonds are legally issued, valid and binding obligations of the Company, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

In rendering the foregoing opinion, we have assumed that the certificates representing the Bonds conform to specimens examined by us and that the Bonds have been duly authenticated, in accordance with the Mortgage, by the Mortgage Trustee under the Mortgage, and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

We hereby consent to the reference to us in the Base Prospectus and Prospectus Supplement under the caption "Legal Opinions" and to the filing of this opinion as an exhibit to a Current Report on Form 8-K to be filed by the Company on or about December 13, 2011, which will be incorporated by reference in the Registration Statement. In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

This opinion is limited to the laws of the States of Florida and New York and the federal laws of the United States insofar as they bear on the matters covered hereby. As to all matters of New York law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Morgan, Lewis & Bockius LLP, New York, New York. As to all matters of Florida law, Morgan, Lewis & Bockius LLP is hereby authorized to rely upon this opinion as though it were rendered to Morgan, Lewis & Bockius LLP.

Very truly yours,

Squire, Sanders & Dempsey (US) LLP

SQUIRE, SANDERS & DEMPSEY (US) LLP

Exhibit 2(e)

Signed opinions of FPL's legal counsel with respect to the legality of the issuance of the commercial paper under the 2011 Commercial Paper Dealer Agreement.

SQUIRE SANDERS | LEGAL COUNSEL WORLDWIDE

SQUIRE, SANDERS & DEMPSEY (US) LLP
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Fax: +1.561.655.1509

June 28, 2011

Goldman, Sachs & Co.
200 West Street
New York, New York 10282

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company, a Florida corporation (the "Company"), in connection with the proposed offering and sale from time to time by the Company in the United States of commercial paper in the form of short-term promissory notes in the aggregate principal amount of not to exceed Two Billion Five Hundred Million Dollars ($2,500,000,000) (the "Notes").

We have reviewed (i) specimen forms of Master Notes, (ii) executed copies of the Commercial Paper Dealer Agreement dated as of June 28, 2011, between the Company and you, as Dealer (the "Agreement"), (iii) executed copies of the Commercial Paper Dealer Agreements dated as of August 5, 2005, between the Company and (a) Merrill Lynch, Pierce, Fenner & Smith Incorporated (successor to Merrill Lynch Money Markets Inc.) and (b) SunTrust Robinson Humphrey, Inc. (collectively, the "2005 Agreements"), (iv) an executed copy of the Commercial Paper Dealer Agreement dated as of September 12, 2008, between the Company and Citigroup Global Markets Inc. (the "2008 Agreement"), (v) an executed copy of the Issuing and Paying Agency Agreement dated as of August 5, 2005 (the "Issuing and Paying Agency Agreement") between the Company and JPMorgan Chase Bank, N.A., as issuing and paying agent (the "Issuing and Paying Agent"), (vi) the Company's no-action letters dated July 12, 1974 and July 30, 1974, and other no-action letters addressing Section 3(a)(3) of the Securities Act of 1933, as amended ("Securities Act"), that we deemed relevant, from the staff of the Securities and Exchange Commission, (vii) the corporate proceedings with respect to the authorization, issuance and sale of the Notes, (viii) the Company's Restated Articles of Incorporation (the "Charter") and Bylaws (the "Bylaws"), each as amended to the date hereof, (ix) the Commercial Paper Offering Memorandum of the Company dated June 2011 with respect to the offering of the Notes by you (the "Offering Memorandum"), (x) the Certificate of the Assistant Treasurer of the Company in substantially the form of Attachment A attached hereto and made a part hereof (the "Officer's Certificate") and (xi) such other corporate records, certificates from officers of the Company and documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion.

36 OFFICES IN 16 COUNTRIES

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The documents identified in items (ii) through (v) above are collectively referred to as the "Operative Documents," and the documents identified in items (i) through (x) above are collectively referred to as the "Documents."

In rendering such opinion, we have assumed that the Notes will conform to the specimen forms of master notes examined by us and we have assumed the genuineness of all documents submitted to us as originals, and the conformity to the originals and genuineness of all documents submitted to us as copies. We have relied without additional investigation upon the factual representations set forth in, and the recitals contained in, the Agreement, the 2005 Agreements, the 2008 Agreement, the Issuing and Paying Agency Agreement, the Officer's Certificate and other certificates from officers of the Company and have assumed compliance by the Company with the terms and provisions of the Agreement, the 2005 Agreements, the 2008 Agreement and the Issuing and Paying Agency Agreement. We have not examined or reviewed any document or instrument (other than the Documents), including, without limitation, any document or instrument referred to in the Documents.

In our examination of the foregoing and in rendering the following opinions, in addition to the assumptions contained elsewhere in this letter, we have, with your consent, assumed without investigation (and we express no opinion regarding the following):

(a) the genuineness of all signatures and the legal capacity of all individuals who executed Operative Documents on behalf of any of the parties thereto, the accuracy and completeness of each Document submitted for our review, the authenticity of all Documents submitted to us as originals, the conformity to original Documents of all Documents submitted to us as certified or photocopies and the authenticity of the originals of such copies, and the conformity to executed documents of all Operative Documents submitted to us as drafts or conformed copies;

(b) that each of the parties to the Operative Documents (other than the Issuer) is a validly existing entity in good standing under the laws of the jurisdiction of its organization or creation;

(c) the due execution and delivery of the Operative Documents by all parties thereto;

(d) that all parties to the Operative Documents (other than, in the case of the Agreement, the Issuer) have the power and authority to execute and deliver the Operative Documents, as applicable, and to perform their respective obligations under the Operative Documents, as applicable;

(e) that each of the Operative Documents is the legal, valid and binding obligation of each party thereto (other than, in the case of the Agreement, the Issuer), enforceable in each case against each such party in accordance with its respective terms;

(f) that each of the Notes will conform to the specimen forms of Master Notes examined by us;

(g) that the conduct of the parties to the Operative Documents has complied with all applicable requirements of good faith, fair dealing and conscionability;

(h) that there are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of any of the Operative Documents (except as specifically set forth in the Operative Documents); and

(i) that none of the addressees of this letter know that the opinions set forth herein are incorrect and there has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence relating to the matters which are the subject of our opinions.

As used in the opinions expressed herein, the phrase "to our knowledge" or "known to us" refers only to the actual current knowledge of those attorneys in our firm who have given substantive attention to the Issuer in connection with the execution by the Issuer of the Agreement and the consummation of the transactions contemplated therein and does not (i) include constructive notice of matters or information, or (ii) imply that we have undertaken any independent investigation (a) with any persons outside our firm or (b) as to the accuracy or completeness of any factual representation or other information made or furnished by the Issuer in connection with the transactions contemplated by the Agreement. Furthermore, such reference means only that we do not know of any fact or circumstance contradicting the statement that follows the reference, and does not imply that we know the statement to be correct or have any basis (other than as described in the second paragraph hereof) for that statement.

Capitalized terms used herein without definition are used as defined in the Agreement.

Upon the basis of the foregoing, it is our opinion that:

1. The Company is a corporation validly existing under the laws of the State of Florida and its status is active and has all the requisite power and authority to execute, deliver and perform its obligations under the Notes, the Agreement, and the Issuing and Paying Agency Agreement.

2. Each of the Agreement and the Issuing and Paying Agency Agreement has been duly and validly authorized by all necessary corporate action of the Company, has been duly and validly executed and delivered by the Company, and is a valid and binding instrument enforceable against the Company in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium, or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and subject to any laws or principles of public policy limiting the rights to enforce any limitation on liability or the indemnification, reimbursement or contribution provisions contained therein.

3. The Notes have been duly authorized, and when issued and delivered against consideration therefor as provided in the Issuing and Paying Agency Agreement, will be duly and validly issued and delivered and will constitute valid and binding instruments enforceable against the Company in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium, or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4. The offer, issuance, sale and delivery of Notes under the circumstances contemplated by, and in accordance with the provisions of, the Agreement and the Issuing and Paying Agency Agreement do not require registration of the Notes under the Securities Act, pursuant to the exemption from registration contained in Section 3(a)(3) thereof, and do not require compliance with any provision of the Trust Indenture Act of 1939, as amended.

5. No consent or action of, or filing or registration with, any governmental or public regulatory body or authority (other than the Florida Public Service Commission with respect to the Notes) is required to authorize, or is otherwise required in connection with, the execution, delivery or performance of the Agreement, the Notes, or the Issuing and Paying Agency Agreement, except as may be required by the securities or blue sky laws of any jurisdiction in connection with the offer and sale of the Notes as to which we express no opinion (other than with respect to the United States federal securities laws) and except for those consents, actions, filings or registrations as have already been obtained or made.

6. The Notes are being issued and sold during 2011 and 2012 pursuant to the authority contained in the order of the Florida Public Service Commission issued January 31, 2011, which authority is adequate to permit the issuance and sale of the Notes during 2011 and 2012 in an amount such that the aggregate principal amount of the Notes outstanding at the time of sale (taking the sale into account), when aggregated with all other short-term securities issued by the Company and outstanding at such time, does not exceed Four Billion Dollars ($4,000,000,000). To our knowledge after due investigation, said authorization is in full force and effect, and no further approval, authorization, consent or order of the Florida Public Service Commission is legally required for the authorization of the issuance and sale of the Notes during 2011 and 2012.

7. Neither the execution and delivery of the Agreement and the Issuing and Paying Agency Agreement, nor the issuance of the Notes in accordance with the Issuing and Paying Agency Agreement, nor the fulfillment of or compliance with the terms and provisions thereof by the Company, has resulted or will result in a breach by the Company of (i) any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws, or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to which the Company is a party, except in the case of any such indenture, mortgage, deed of trust or other agreement or instrument where such breach or default would not have a material adverse effect on the business, properties or financial condition of the Company, together with its subsidiaries, taken as a whole, or (ii) any law or regulation, or any order (other than laws, regulations or orders addressed in paragraphs numbered 4, 5 and 6 above), writ, injunction or decree of any court or government instrumentality known to us, to which the Company is subject or by which it or its property is bound.

8. Except as stated or referred to in the Offering Materials or the Company Information, to our knowledge after due inquiry, there is no material pending legal proceeding to which the Company is a party or of which property of the Company is the subject which is reasonably likely to be determined adversely and, if determined adversely, might reasonably be expected to have a material adverse effect on the Company and its subsidiaries taken as a whole or on the ability of the Company to perform its

obligations under the Agreement, the Notes or the Issuing and Paying Agency Agreement, and, to the best of our knowledge, no such proceeding is known to be contemplated by governmental authorities.

9. The Company is not an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

The opinions expressed herein are given as of the date hereof, and we assume no obligation to update or supplement such opinions to reflect any fact or circumstance that may hereafter come to our attention or any change in law that may hereafter occur or hereafter become effective.

This opinion is limited to matters expressly set forth herein and no opinion is to be implied or may be inferred beyond the matters expressly stated herein.

This opinion may be relied upon by you only in connection with the transactions contemplated by the Agreement and the Issuing and Paying Agency Agreement and may not otherwise be used or relied upon by you or any other person for any purpose whatsoever, without in each instance our prior written consent. This opinion may be delivered to the Issuing and Paying Agent and to any nationally recognized rating agency (in connection with the rating of the Notes), each of which may rely on this opinion to the same extent as if such opinion were addressed to it.

We have made such examinations of the federal law of the United States and the laws of the State of Florida as we have deemed relevant for the purposes of this opinion, and have not made any independent review of the law of any other state or other jurisdiction; provided, however, we have made no investigation as to, and we express no opinion with respect to, any securities or blue sky laws of any jurisdiction (other than with respect to the United States federal securities laws), any laws of the United States relating to siting or permitting of electric generation or ancillary facilities or the protection of human health or safety with respect to hazardous materials or the protection of the environment from contamination by hazardous materials, or tax laws of any state or the United States or any matters relating to the Public Utility Holding Company Act of 2005, the Public Utility Regulatory Policies Act of 1978, the Federal Power Act, the Natural Gas Act of 1938, the Natural Gas Policy Act of 1978, or the Energy Policy Act of 2005, in each case as amended, or the rules, regulations and orders under any of the foregoing, local statutes, ordinances, administrative decisions, or regarding the rules and regulations of counties, towns, municipalities or special political subdivisions (whether created or enabled through legislative action at the state or regional level), or regarding judicial decisions to the extent they deal with any of the foregoing (collectively, the "Excluded Laws"). The opinions expressed herein are limited solely to the federal law of the United States insofar as they bear on matters covered hereby and the laws of the States of Florida and New York, except for Excluded Laws (collectively, the "Applicable Laws").

We are members of the Florida Bar and do not hold ourselves out as experts on the laws of any other state, and accordingly, this opinion is limited to the Applicable Laws. As to all matters of New York law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Morgan, Lewis & Bockius LLP, New York, New York. As to all matters of Florida law, Morgan, Lewis & Bockius LLP is hereby authorized to rely upon this opinion as though it were rendered to such firm.

Very truly yours,

Squire, Sanders & Dempsey (US) LLP

SQUIRE, SANDERS & DEMPSEY (US) LLP

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Morgan Lewis
COUNSELORS AT LAW

June 28, 2011

Goldman, Sachs & Co.
200 West Street
New York, New York 10282

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company, a Florida corporation (the "Company"), in connection with the proposed offering and sale from time to time by the Company in the United States of commercial paper in the form of short-term promissory notes in the aggregate principal amount of not to exceed Two Billion Five Hundred Million Dollars ($2,500,000,000) (the "Notes").

We have reviewed (i) specimen forms of Master Notes, (ii) executed copies of the Commercial Paper Dealer Agreement dated as of June 28, 2011, between the Company and you, as Dealer (the "Agreement"), (iii) executed copies of the Commercial Paper Dealer Agreements dated as of August 5, 2005, between the Company and (a) Merrill Lynch, Pierce, Fenner & Smith Incorporated (successor to Merrill Lynch Money Markets Inc.) and (b) SunTrust Robinson Humphrey, Inc. (collectively, the "2005 Agreements"), (iv) an executed copy of the Commercial Paper Dealer Agreement dated as of September 12, 2008, between the Company and Citigroup Global Markets Inc. (the "2008 Agreement"), (v) an executed copy of the Issuing and Paying Agency Agreement dated as of August 5, 2005 (the "Issuing and Paying Agency Agreement") between the Company and JPMorgan Chase Bank, N.A., as issuing and paying agent (the "Issuing and Paying Agent"), (vi) the Company's no-action letters dated July 12, 1974 and July 30, 1974, and other no-action letters addressing Section 3(a)(3) of the Securities Act of 1933, as amended ("Securities Act"), that we deemed relevant, from the staff of the Securities and Exchange Commission, (vii) the corporate proceedings with respect to the authorization, issuance and sale of the Notes, (viii) the Company's Restated Articles of Incorporation (the "Charter") and Bylaws (the "Bylaws"), each as amended to the date hereof, (ix) the Commercial Paper Offering Memorandum of the Company dated June 2011 with respect to the offering of the Notes by you (the "Offering Memorandum"), (x) the Certificate of the Assistant Treasurer of the Company in substantially the form of Attachment A attached hereto and made a part hereof (the "Officer's Certificate") and (xi) such other corporate records, certificates from officers of the Company and documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion.

The documents identified in items (ii) through (v) above are collectively referred to as the "Operative Documents," and the documents identified in items (i) through (x) above are collectively referred to as the "Documents."

In rendering such opinion, we have assumed that the Notes will conform to the specimen forms of master notes examined by us and we have assumed the genuineness of all documents submitted to us as originals, and the conformity to the originals and genuineness of all documents submitted to us as copies. We have relied without additional investigation upon the factual representations set forth in, and the recitals contained in, the Agreement, the 2005 Agreements, the 2008 Agreement, the Issuing and Paying Agency Agreement, the Officer's Certificate and other certificates from officers of the Company and have assumed compliance by the Company with the terms and provisions of the Agreement, the 2005 Agreements, the 2008 Agreement and the Issuing and Paying Agency Agreement. We have not examined or reviewed any document or instrument (other than the Documents), including, without limitation, any document or instrument referred to in the Documents.

In our examination of the foregoing and in rendering the following opinions, in addition to the assumptions contained elsewhere in this letter, we have, with your consent, assumed without investigation (and we express no opinion regarding the following):

(a) the genuineness of all signatures and the legal capacity of all individuals who executed Operative Documents on behalf of any of the parties thereto, the accuracy and completeness of each Document submitted for our review, the authenticity of all Documents submitted to us as originals, the conformity to original Documents of all Documents submitted to us as certified or photocopies and the authenticity of the originals of such copies, and the conformity to executed documents of all Operative Documents submitted to us as drafts or conformed copies;

(b) that each of the parties to the Operative Documents (other than the Issuer) is a validly existing entity in good standing under the laws of the jurisdiction of its organization or creation;

(c) the due execution and delivery of the Operative Documents by all parties thereto;

(d) that all parties to the Operative Documents (other than, in the case of the Agreement, the Issuer) have the power and authority to execute and deliver the Operative Documents, as applicable, and to perform their respective obligations under the Operative Documents, as applicable;

(e) that each of the Operative Documents is the legal, valid and binding obligation of each party thereto (other than, in the case of the Agreement, the Issuer), enforceable in each case against each such party in accordance with its respective terms;

(f) that each of the Notes will conform to the specimen forms of Master Notes examined by us;

(g) that the conduct of the parties to the Operative Documents has complied with all applicable requirements of good faith, fair dealing and conscionability;

(h) that there are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of any of the Operative Documents (except as specifically set forth in the Operative Documents); and

(i) that none of the addressees of this letter know that the opinions set forth herein are incorrect and there has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence relating to the matters which are the subject of our opinions.

As used in the opinions expressed herein, the phrase "to our knowledge" or "known to us" refers only to the actual current knowledge of those attorneys in our firm who have given substantive attention to the Issuer in connection with the execution by the Issuer of the Agreement and the consummation of the transactions contemplated therein and does not (i) include constructive notice of matters or information, or (ii) imply that we have undertaken any independent investigation (a) with any persons outside our firm or (b) as to the accuracy or completeness of any factual representation or other information made or furnished by the Issuer in connection with the transactions contemplated by the Agreement. Furthermore, such reference means only that we do not know of any fact or circumstance contradicting the statement that follows the reference, and does not imply that we know the statement to be correct or have any basis (other than as described in the second paragraph hereof) for that statement.

Capitalized terms used herein without definition are used as defined in the Agreement.

Upon the basis of the foregoing, it is our opinion that:

1. Each of the Agreement and the Issuing and Paying Agency Agreement has been duly and validly authorized by all necessary corporate action of the Company, has been duly and validly executed and delivered by the Company, and is a valid and binding instrument enforceable against the Company in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium, or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and subject to any laws or principles of public policy limiting the rights to enforce any limitation on liability or the indemnification, reimbursement or contribution provisions contained therein.

2. The Notes have been duly authorized, and when issued and delivered against consideration therefor as provided in the Issuing and Paying Agency Agreement, will be duly and validly issued and delivered and will constitute valid and binding

instruments enforceable against the Company in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium, or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

3. The offer, issuance, sale and delivery of Notes under the circumstances contemplated by, and in accordance with the provisions of, the Agreement and the Issuing and Paying Agency Agreement do not require registration of the Notes under the Securities Act, pursuant to the exemption from registration contained in Section 3(a)(3) thereof, and do not require compliance with any provision of the Trust Indenture Act of 1939, as amended.

4. No consent or action of, or filing or registration with, any governmental or public regulatory body or authority (other than the Florida Public Service Commission with respect to the Notes) is required to authorize, or is otherwise required in connection with, the execution, delivery or performance of the Agreement, the Notes, or the Issuing and Paying Agency Agreement, except as may be required by the securities or blue sky laws of any jurisdiction in connection with the offer and sale of the Notes as to which we express no opinion (other than with respect to the United States federal securities laws) and except for those consents, actions, filings or registrations as have already been obtained or made.

5. The Notes are being issued and sold during 2011 and 2012 pursuant to the authority contained in the order of the Florida Public Service Commission issued January 31, 2011, which authority is adequate to permit the issuance and sale of the Notes during 2011 and 2012 in an amount such that the aggregate principal amount of the Notes outstanding at the time of sale (taking the sale into account), when aggregated with all other short-term securities issued by the Company and outstanding at such time, does not exceed Four Billion Dollars ($4,000,000,000). To our knowledge after due investigation, said authorization is in full force and effect, and no further approval, authorization, consent or order of the Florida Public Service Commission is legally required for the authorization of the issuance and sale of the Notes during 2011 and 2012.

6. Neither the execution and delivery of the Agreement and the Issuing and Paying Agency Agreement, nor the issuance of the Notes in accordance with the Issuing and Paying Agency Agreement, nor the fulfillment of or compliance with the terms and provisions thereof by the Company, has resulted or will result in a breach by the Company of (i) any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws, or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to which the Company is a party, except in the case of any such indenture, mortgage, deed of trust or other agreement or instrument where such breach or default would not have a material adverse effect on the business, properties or financial condition of the Company, together with its subsidiaries, taken as a whole, or (ii) any law or regulation, or any order (other than laws, regulations or orders

addressed in paragraphs numbered 3, 4 and 5 above), writ, injunction or decree of any court or government instrumentality known to us, to which the Company is subject or by which it or its property is bound.

7. The Company is not an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

The opinions expressed herein are given as of the date hereof, and we assume no obligation to update or supplement such opinions to reflect any fact or circumstance that may hereafter come to our attention or any change in law that may hereafter occur or hereafter become effective.

This opinion is limited to matters expressly set forth herein and no opinion is to be implied or may be inferred beyond the matters expressly stated herein.

This opinion may be relied upon by you only in connection with the transactions contemplated by the Agreement and the Issuing and Paying Agency Agreement and may not otherwise be used or relied upon by you or any other person for any purpose whatsoever, without in each instance our prior written consent. This opinion may be delivered to the Issuing and Paying Agent and to any nationally recognized rating agency (in connection with the rating of the Notes), each of which may rely on this opinion to the same extent as if such opinion were addressed to it.

We have made such examinations of the federal law of the United States and the laws of the State of New York as we have deemed relevant for the purposes of this opinion, and have not made any independent review of the law of any other state or other jurisdiction; provided, however, we have made no investigation as to, and we express no opinion with respect to, any securities or blue sky laws of any jurisdiction (other than with respect to the United States federal securities laws), any laws of the United States relating to siting or permitting of electric generation or ancillary facilities or the protection of human health or safety with respect to hazardous materials or the protection of the environment from contamination by hazardous materials, or tax laws of any state or the United States, or the rules, regulations and orders under any of the foregoing, local statutes, ordinances, administrative decisions, or regarding the rules and regulations of counties, towns, municipalities or special political subdivisions (whether created or enabled through legislative action at the state or regional level), or regarding judicial decisions to the extent they deal with any of the foregoing (collectively, the "Excluded Laws"). The opinions expressed herein are limited solely to the federal law of the United States insofar as they bear on matters covered hereby and the laws of the States of New York and Florida, except for Excluded Laws (collectively, the "Applicable Laws").

We are members of the New York Bar and do not hold ourselves out as experts on the laws of any other state, and accordingly, this opinion is limited to the Applicable Laws. We do not pass upon matters relating to the incorporation of the Company. As

to all matters of Florida law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Squire, Sanders & Dempsey (US) LLP, West Palm Beach, Florida. As to all matters of New York law, Squire, Sanders & Dempsey (US) LLP is hereby authorized to rely upon this opinion as though it were rendered to Squire, Sanders & Dempsey (US) LLP

Very truly yours,

Morgan, Lewis & Bockius LLP

MORGAN, LEWIS & BOCKIUS LLP

Exhibit 3(b)

Prospectus Supplement dated June 6, 2011 (including Prospectus dated August 3, 2009) with respect to the 5.125% Mortgage Bonds.

PROSPECTUS SUPPLEMENT
(To prospectus dated August 3, 2009)

Florida Power & Light Company

First Mortgage Bonds,

$250,000,000 5.125% Series due June 1, 2041

Florida Power & Light Company will pay interest on the securities on June 1 and December 1 of each year, beginning December 1, 2011. Florida Power & Light Company may redeem some or all of the securities at any time before their maturity date at the redemption prices discussed under "Certain Terms of the Offered Bonds—Redemption" beginning on page S-13 of this prospectus supplement.

Florida Power & Light Company does not plan to list the securities on any securities exchange. The securities are secured by the lien of Florida Power & Light Company's mortgage and rank equally with all of Florida Power & Light Company's first mortgage bonds from time to time outstanding. The lien of the mortgage is discussed under "Description of Bonds—Security" beginning on page 11 of the accompanying prospectus.

See "Risk Factors" beginning on page S-3 of this prospectus supplement to read about certain factors you should consider before making an investment in the securities.

Neither the Securities and Exchange Commission nor any other securities commission in any jurisdiction has approved or disapproved of the securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per First Mortgage Bond	Total
Price to Public	99.910%	$249,775,000
Underwriting Discount	0.875%	$ 2,187,500
Proceeds to Florida Power & Light Company (before expenses)	99.035%	$247,587,500

In addition to the Price to Public set forth above, each purchaser will pay an amount equal to the interest, if any, accrued on the securities from the date that the securities are originally issued to the date that they are delivered to that purchaser.

The securities are expected to be delivered in book-entry only form through The Depository Trust Company for the accounts of its participants on or about June 10, 2011.

Joint Book-Running Managers

BNP PARIBAS **BNY Mellon Capital Markets, LLC** **J.P. Morgan** **Mitsubishi UFJ Securities**

Co-Managers

Daiwa Capital Markets **Lloyds Securities** **SOCIETE GENERALE**

The date of this prospectus supplement is June 6, 2011.

You should rely only on the information incorporated by reference or provided in this prospectus supplement and in the accompanying prospectus and in any written communication from Florida Power & Light Company ("FPL") or the underwriters specifying the final terms of the offering. Neither FPL nor the underwriters have authorized anyone else to provide you with additional or different information. Neither FPL nor the underwriters are making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus supplement or in the accompanying prospectus is accurate as of any date other than the date on the front of those documents or that the information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

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RISK FACTORS

The information in this section replaces the information in the "Risk Factors" section beginning on page 2 of the accompanying prospectus.

Before purchasing the securities, investors should carefully consider the following risk factors together with the risk factors and other information incorporated by reference or provided in the accompanying prospectus or in this prospectus supplement in order to evaluate an investment in the securities.

FPL's financial results may be adversely affected by the extensive regulation of its business.

The operations of FPL are subject to complex and comprehensive federal, state and other regulation. This extensive regulatory framework, some but not all of which is more specifically identified in the following risk factors, regulates, among other things, FPL's industry, rate and cost structure, operation of nuclear power facilities, construction and operation of generation, transmission and distribution facilities, acquisition, disposal, depreciation and amortization of assets and facilities, decommissioning costs, transmission reliability, wholesale and retail competition, and commodities trading and derivatives transactions. In its business planning and in the management of its operations, FPL must address the effects of regulation on its business and proposed changes in the regulatory framework. Significant changes in the nature of the regulation of FPL's business could require changes to its business planning and management of its business and could adversely affect its financial results, including, but not limited to, the value of its assets. FPL must periodically apply for licenses and permits from various local, state, federal and other regulatory authorities and abide by their respective conditions. Should FPL be unsuccessful in obtaining necessary licenses or permits on acceptable terms, should there be a delay in obtaining or renewing necessary licenses or permits or should regulatory authorities initiate any investigations or enforcement actions or impose penalties or disallowances on FPL, FPL's business could be adversely affected.

FPL's financial results could be negatively affected if it is 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 cost recovery clauses.

FPL is a regulated entity subject to the jurisdiction of the Florida Public Service Commission ("FPSC") over a wide range of business activities, including, among other items, the retail rates charged to its customers, the terms and conditions of its services, procurement of electricity for its customers, issuance of securities, transfers of some utility assets and facilities to affiliates, and aspects of the siting and operation of its generating plants and transmission and distribution systems for the sale of electric energy. The FPSC has the authority to disallow recovery by FPL of costs that it considers excessive or imprudently incurred. The regulatory process, which may be adversely affected by the political, regulatory and economic environment in Florida and elsewhere, can restrict FPL's ability to grow earnings and does not provide any assurance as to achievement of authorized or other earnings levels. FPL's financial results could be materially adversely affected if any material amount of costs, a return on certain assets or an appropriate return on capital cannot be recovered through base rates, cost recovery clauses or other regulatory mechanisms.

Decisions of the FPSC have been and, in the future, may be adversely affected by the local and national political, regulatory and economic environment and may adversely affect the financial results of FPL. These decisions may require, for example, FPL to cancel or delay planned development activities and to reduce or delay other planned capital expenditures which could reduce the earnings potential of FPL.

FPL is subject to federal regulatory compliance and proceedings which have significant compliance costs and expose it to substantial monetary penalties and other sanctions.

In addition to the regulatory risks that may affect FPL described above, the extensive federal regulation of the operations of FPL exposes it to significant and increasing compliance costs. FPL also is subject to costs and other potentially adverse effects of regulatory investigations, proceedings, settlements, decisions and claims, including, among other items, potentially significant monetary penalties for non-compliance. As an example, under

the Energy Policy Act of 2005, FPL, as an owner and operator of bulk power transmission systems and/or electric generation facilities, is subject to mandatory reliability standards. Compliance with these mandatory reliability standards may subject FPL to higher operating costs and may result in increased capital expenditures. If FPL is found not to be in compliance with these standards, it may incur substantial monetary penalties and other sanctions.

FPL may be adversely affected by increased governmental and regulatory scrutiny or negative publicity.

From time to time, political and public sentiment may result in a significant amount of adverse press coverage and other adverse public statements affecting FPL. Adverse press coverage and other adverse statements may result in investigations by regulators, legislators and law enforcement officials or in lawsuits. Responding to these investigations and lawsuits, regardless of the ultimate outcome of the proceeding, can divert the time and effort of senior management from FPL's business. Addressing any adverse publicity, governmental scrutiny or enforcement or other legal proceedings is time consuming and expensive and, regardless of the factual basis for the assertions being made, can also have a negative impact on the reputation of FPL and on the morale and performance of its employees, which could adversely affect its financial results.

FPL's business is subject to risks associated with legislative and regulatory initiatives.

FPL operates in a changing market environment influenced by various legislative and regulatory initiatives, including, for example, initiatives regarding regulation, deregulation or restructuring of the energy industry and regulation of the commodities trading and derivatives markets. FPL will need to adapt to any changes and may face increasing costs and competitive pressures in doing so. FPL relies on the efficient operation of the commodities trading and derivatives markets. FPL's financial results and growth prospects could be adversely affected as a result of new, or changes in, laws, regulations or interpretations, or other regulatory initiatives, including, but not limited to, those that reverse or restrict the competitive restructuring of the energy industry or the effective operation of the commodities trading or derivatives markets.

FPL is subject to numerous environmental laws and regulations that require capital expenditures, increase its cost of operations and may expose it to liabilities.

FPL is subject to environmental laws and regulations, including, but not limited to, extensive federal, state, and local environmental statutes, rules and regulations relating to air quality, water quality and usage, climate change, greenhouse gas ("GHG"), including, but not limited to, carbon dioxide ("CO_2") emissions, waste management, hazardous wastes, marine, avian and other wildlife mortality and habitat protection, natural resources, health and safety standards that could, among other things, prevent or delay the development of power generation, power or natural gas transmission, or other infrastructure projects, restrict the output of some existing facilities, limit the use of some fuels required for the production of electricity, require additional pollution control equipment, and otherwise increase costs or limit or eliminate certain operations. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future as a result of new legislation, the current trend toward more stringent standards, and stricter and more expansive application of existing environmental regulations. Violations of current or future laws, rules and regulations could expose FPL to regulatory proceedings, disputes with, and legal challenges by, third parties, and potentially significant civil fines, criminal penalties and other sanctions.

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

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

mitigation measures, and the range of available compliance alternatives. While FPL's electric generating units emit GHGs at a lower rate of emissions than most of the U.S. electric generation sector, the financial results of FPL could be adversely affected to the extent that any new GHG emission limits, among other potential impacts:

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

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 FPL and in increased costs and capital expenditures.

FPL owns, or holds undivided interests in, four nuclear generation units in Florida. The construction, operation and maintenance of the facilities involve inherent risks, including, but not limited to, the following:

- The nuclear generation facilities are subject to environmental, health and financial risks, such as risks relating to site storage of spent nuclear fuel, the disposition of spent nuclear fuel, leakage and emissions of tritium and other radioactive elements in the event of a nuclear accident or otherwise, the threat of a terrorist attack and other potential liabilities arising out of the ownership or operation of the facilities. Although FPL maintains decommissioning funds and external insurance coverage which are intended to reduce the financial exposure to some of these risks, the cost of decommissioning the facilities could exceed the amount available in the decommissioning funds, and the liability and property damages could exceed the amount of insurance coverage. In the event of an incident at any nuclear generation facility in the United States or at certain nuclear generation facilities in Europe, FPL could be assessed significant retrospective assessments and/or retrospective insurance premiums as a result of its participation in a secondary financial protection system and a nuclear insurance mutual company.

- The U.S. Nuclear Regulatory Commission ("NRC") has broad authority to impose licensing and safety-related requirements for the construction of nuclear generation facilities, the addition of capacity at existing nuclear generation facilities, and the operation and maintenance of nuclear generation facilities, and such requirements are subject to change. In the event of non-compliance, the NRC has the authority to impose fines or shut down a nuclear generation facility, or to take both of these actions, depending upon its assessment of the severity of the situation, until compliance is achieved. NRC orders or new regulations related to increased security measures and any future safety requirements promulgated by the NRC could require FPL to incur substantial operating and capital expenditures at its nuclear generation facilities. In addition, any serious nuclear incident occurring at an FPL plant could result in substantial remediation costs and other expenses. A major incident at a nuclear facility anywhere in the world could cause the NRC to limit or prohibit the operation or licensing of any domestic nuclear generation facility. An incident at a nuclear facility anywhere in the world also could cause the NRC to impose additional conditions or other requirements on the industry, which could increase costs and result in additional capital expenditures.

- The operating licenses for FPL's nuclear generation facilities extend through at least 2032. If any of FPL's nuclear generation units cannot be operated through the end of its respective operating licenses, FPL may be required to increase depreciation rates, incur impairment charges and accelerate future decommissioning expenditures, which could adversely affect its financial results.

- Terrorist threats and increased public scrutiny of nuclear generation facilities could result in increased nuclear licensing or compliance costs which are difficult or impossible to predict.

FPL's operating results could suffer if it does not proceed with projects under development or is unable to complete the construction of, or capital improvements to, generation, transmission, distribution or other facilities on schedule or within budget.

FPL may incur significant costs for development of projects, including, but not limited to, preliminary engineering, permitting, legal and other expenses before it can be established whether a project is feasible, economically attractive, capable of being financed or, in some cases, approved for regulatory recoveries. The ability of FPL to complete construction of, and capital improvement projects for, its generation, transmission, distribution, gas infrastructure and other facilities on schedule and within budget may be adversely affected by escalating costs for materials and labor and regulatory compliance, inability to obtain or renew necessary licenses, rights-of-way, permits or other approvals on acceptable terms, delays in obtaining or renewing necessary licenses, permits, rights-of-way and other approvals, disputes involving contractors, labor organizations, land owners and other third parties, negative publicity, transmission interconnection issues and other factors or failures. If any development project or construction or capital improvement project is not completed or is delayed or subject to cost overruns, FPL's operational and financial results may be adversely affected. In any such event, among other matters, FPL could be subject to additional costs, which, in some cases, may not be recoverable through regulatory mechanisms, and could result in delay or termination payments and other damages under committed contracts, loss of tax credits and the write-off of its investment in the project.

The operation and maintenance of power generation, transmission and distribution facilities involve significant risks that could adversely affect the financial results of FPL.

The operation and maintenance of power generation, transmission and distribution facilities involve many risks, such as those identified elsewhere in these risk factors and those arising due to:

- risks of start-up operations;
- failures in the supply, availability or transportation of fuel;
- the impact of unusual or adverse weather conditions, including, but not limited to, natural disasters such as hurricanes, floods, earthquakes and droughts;
- performance below expected or contracted levels of output or efficiency;
- breakdown or failure of equipment, transmission and distribution lines or pipelines;
- availability of replacement equipment;
- risks of human injury from energized equipment;
- availability of adequate water resources and ability to satisfy water discharge requirements;
- inability to properly manage or mitigate known equipment defects throughout FPL's generation fleets and transmission and distribution systems;
- use of new or unproven technology; and
- dependence on a specific fuel source.

The occurrence of any of these effects or events could result in, among other matters, lost revenues due to prolonged outages, increased expenses due to monetary penalties or fines, replacement equipment costs or an obligation to purchase or generate replacement power at potentially higher prices to meet contractual obligations. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses.

FPL is subject to operating risks associated with its natural gas and oil storage and pipeline infrastructure, and the use of such fuels in its generation facilities.

FPL's operations are subject to operating risks incident to handling, storing, transporting and consuming natural gas, natural gas liquids and oil including, but not limited to, adverse weather conditions, explosions, pollution, release of toxic substances, fires and other hazards, any of which could result in damage to or destruction of its facilities and other property or human injury. If any of these events were to occur, FPL could suffer substantial losses. Moreover, as a result of any such event, FPL may be from time to time a defendant in related legal proceedings. As a result, FPL's financial results and liquidity could be materially adversely affected if a significant event occurs that is not fully covered by insurance.

FPL is subject to credit and performance risk from customers, counterparties and vendors.

FPL is exposed to risks associated with the creditworthiness and performance of its customers, hedging counterparties and vendors under contracts for the supply of equipment, materials, fuel and other goods and services required for its business operations and for the construction and operation of, and for capital improvements to, its facilities. Adverse conditions in the energy industry or the general economy, as well as circumstances of individual customers, counterparties and vendors, may affect the ability of some customers, counterparties and vendors to perform as required under its contracts. If any counterparty or vendor fails to fulfill its contractual obligations, FPL may need to make arrangements with other counterparties or vendors, which could result in higher costs, untimely completion of power generation facilities and other projects, and/or a disruption of its operations. If a defaulting counterparty is in poor financial condition, FPL may not be able to recover damages for any contract breach.

FPL's financial results may continue to be negatively affected by slower customer growth and customer usage.

FPL's results of operations are affected by the growth in customer accounts and by customer usage, each of which directly influences the demand for electricity and the need for additional power generation and power delivery facilities. A lack of growth or slower growth in the number of retail customers or in non-weather related customer usage, such as that which has occurred over the past several years, could adversely affect FPL's results of operations. Customer growth and customer usage are affected by a number of factors outside the control of FPL, such as mandated energy efficiency measures, demand side management goals, and economic and demographic conditions, such as population, job and income growth, housing starts and new business formation. FPL's financial results may also be adversely affected by FPL's ability to negotiate or renegotiate franchise agreements on acceptable terms with municipalities and counties in Florida. As a result, FPL may make, but not fully realize the anticipated benefits from, significant investments and expenditures, which could adversely affect its financial results.

FPL's financial results are subject to risks associated with weather conditions, such as the impact of severe weather.

FPL's financial results can be negatively affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas, affect the price of energy and energy-related commodities, and can affect the production of electricity at power generating facilities.

In addition FPL's financial results would be affected by the impact of severe weather, such as hurricanes, floods and earthquakes, which can be destructive and cause power outages and property damage, reduce revenue, affect fuel supply, and require FPL to incur additional costs to restore service and repair damaged facilities. As a company that provides electric service throughout most of the east and lower west coasts of Florida, FPL operates in

an area that historically has been more prone to severe weather events, such as hurricanes. A disruption or failure of electric generation, transmission or distribution systems or natural gas production, transmission, storage or distribution systems in the event of a hurricane, tornado, or other severe weather event, or otherwise, could prevent FPL from operating its business in the normal course and could result in any of the adverse consequences described above. At FPL, recovery of costs to restore service and repair damaged facilities is subject to FPSC approval, and any determination by the FPSC not to permit timely and full recovery of the costs incurred would result in a negative financial impact on FPL.

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

FPL relies on access to capital and credit markets as significant sources of liquidity for capital requirements and other operations requirements that are not satisfied by operating cash flows. Disruptions, uncertainty or volatility in those capital and credit markets, such as conditions that have existed in the recent past, could increase FPL's cost of capital. If FPL is unable to access regularly the capital and credit markets on terms that are reasonable, it may have to delay raising capital, issue shorter-term securities and incur an unfavorable cost of capital, which, in turn, could adversely affect its ability to grow its business and could contribute to lower earnings and reduced financial flexibility.

FPL's inability to maintain its current credit ratings may adversely affect FPL's liquidity, limit the ability of FPL to grow its business, and increase interest costs, while the liquidity of FPL also could be impaired by the inability of its credit providers to maintain their current credit ratings or to fund their credit commitments.

The inability of FPL to maintain its current credit ratings could adversely affect its ability to raise capital or obtain credit on favorable terms, which, in turn, could impact FPL's ability to grow its business and service indebtedness and repay borrowings, and would likely increase its interest costs. Some of the factors that can affect credit ratings are cash flows, liquidity, the amount of debt as a component of total capitalization, and political, legislative and regulatory actions. There can be no assurance that one or more of the ratings of FPL will not be lowered or withdrawn entirely by a rating agency.

The inability of FPL's credit providers to maintain credit ratings acceptable under various agreements, or to fund their credit commitments, could require FPL, among other things, to renegotiate requirements in agreements, find an alternative credit provider with acceptable credit ratings to meet funding requirements, or post cash collateral.

The use of derivative contracts by FPL in the normal course of business could result in financial losses or the payment of margin cash collateral that could adversely affect its financial results and liquidity.

FPL uses derivative instruments, such as swaps, options and forwards, some of which are traded in the over-the-counter ("OTC") markets or on exchanges, to manage its commodity and financial market risks. FPL could suffer a reduction in operating cash flows as a result of the requirement to post margin cash collateral. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. Although FPL executes transactions in derivative instruments on either recognized exchanges or via the OTC markets, depending on the most favorable credit and market execution factors, there is greater volatility and less liquidity in transactions executed in OTC markets and, as a result, FPL may not be able to execute such transactions in times of market volatility. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these derivative instruments. In addition, FPL's use of such instruments could be subject to prudence challenges and, if found imprudent, could result in disallowances of cost recovery for such use by the FPSC.

FPL has hedging and trading procedures and associated risk management tools, such as separate but complementary financial, credit, operational, compliance and legal reporting systems, internal controls, management review processes and other mechanisms, that may not work as planned. Risk management tools and metrics such as

daily value at risk, earnings at risk, stop loss limits and liquidity guidelines are based on historical price movements. If price movements significantly or persistently deviate from historical behavior, the risk management tools may not protect against significant losses. As a result of these and other factors, FPL cannot predict with precision the impact that risk management decisions may have on its financial results and liquidity.

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 broaden the scope of its provisions regarding the regulation of OTC financial derivatives and make them applicable to FPL.

The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") was enacted into law in July 2010 and, among other things, provides for the regulation of the OTC derivatives market. While the legislation is broad and detailed, substantial portions of the legislation require implementing rules to be adopted by federal governmental agencies including, but not limited to, the Securities and Exchange Commission and the U.S. Commodity Futures Trading Commission. FPL cannot predict the final rules that will be adopted to implement the OTC derivatives market provisions of the Dodd-Frank Act. Those rules could negatively affect FPL's ability to hedge its commodity and interest rate risks, which could have a material adverse effect on FPL's financial results. In addition, if the rules require FPL to post cash collateral with respect to swap transactions, FPL's liquidity could be materially adversely affected, and its ability to enter into OTC derivatives to hedge commodity and interest rate risks could be significantly limited. Reporting and compliance requirements of the rules also could significantly increase operating costs and expose FPL to penalties for non-compliance.

Changes in tax laws, as well as judgments and estimates used in the determination of tax-related asset and liability amounts, could adversely affect FPL's financial results, financial condition and liquidity.

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

FPL's retail business is subject to the risk that sensitive customer data may be compromised, which could result in an adverse impact to its reputation and/or the financial results of the retail business.

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

A failure in FPL's operational systems or infrastructure, or those of third parties, could impair its liquidity, disrupt its business, result in the disclosure of confidential information and adversely affect its financial results.

FPL's business is highly dependent on its ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex, and cross numerous and diverse markets. Due to the size, scope and geographical reach of FPL's business, and due to the complexity of the process of power generation, transmission and distribution, the development and maintenance of FPL's operational systems and infrastructure is

challenging. FPL's operating systems and facilities may fail to operate properly or become disabled as a result of events that are either within, or wholly or partially outside, its control, such as operator error, severe weather or terrorist activities. Any such failure or disabling event could adversely affect FPL's ability to process transactions and provide services, and its financial results and liquidity.

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

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

Threats of terrorism and catastrophic events that could result from terrorism, cyber attacks, or individuals and/or groups attempting to disrupt FPL's business, or the businesses of third parties, may impact the operations of FPL in unpredictable ways and could adversely affect FPL's financial results and liquidity.

FPL is subject to the potentially adverse operating and financial effects of terrorist acts and threats, as well as cyber attacks and other disruptive activities of individuals or groups. FPL's generation, transmission and distribution facilities, fuel storage facilities, information technology systems and other infrastructure facilities and systems and physical assets, could be direct targets of, or indirectly affected by, such activities. Terrorist acts or other similar events could harm FPL's business by limiting its ability to generate, purchase or transmit power and by delaying its development and construction of new generating facilities and capital improvements to existing facilities. These events, and governmental actions in response, could result in a material decrease in revenues and significant additional costs to repair and insure FPL's assets, and could adversely affect FPL's operations by contributing to disruption of supplies and markets for natural gas, oil and other fuels. They could also impair FPL's ability to raise capital by contributing to financial instability and lower economic activity.

FPL operates in a highly regulated industry that requires the continued operation of sophisticated information technology systems and network infrastructure. Despite FPL's implementation of security measures, all of its technology systems are vulnerable to disability, failures or unauthorized access due to such activities. If FPL's technology systems were to fail or be breached and be unable to recover in a timely way, FPL would be unable to fulfill critical business functions, and sensitive confidential and other data could be compromised, which could have a material adverse effect on FPL's financial results.

The implementation of security guidelines and measures and maintenance of insurance, to the extent available, addressing such activities could increase costs. These types of events could materially adversely affect FPL's financial results. In addition, these types of events could require significant management attention and resources, and could adversely affect FPL's reputation among customers and the public.

A disruption of the regional electric transmission grid, natural gas pipeline infrastructure or other fuel sources, could negatively impact FPL's business. Because generation, transmission systems and natural gas pipelines are part of an interconnected system, FPL faces the risk of possible loss of business due to a disruption caused by the impact of an event on the interconnected system (such as severe weather or a generator or transmission facility outage or pipeline rupture) within FPL's systems or within a neighboring system. Any such disruption could have a material adverse effect on FPL's financial results.

The ability of 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. FPL's insurance coverage may not provide protection against all significant losses.

The ability of FPL to obtain insurance, as well as the cost and coverage of such insurance, could be affected by developments affecting its business, as well as by international, national, state or local events, as well as the financial condition of insurers. Insurance coverage may not continue to be available at all or at rates or on terms similar to those presently available to FPL. A loss for which FPL is not fully insured could materially and adversely affect its financial results. FPL's insurance may not be sufficient or effective under all circumstances and against all hazards or liabilities to which the companies may be subject.

The business and financial results of FPL could be negatively affected by the lack of a qualified workforce, work strikes or stoppages and increasing personnel costs.

FPL may not be able effectively and profitably to obtain new customers, or grow its customer base, service existing customers and meet its other business plan goals if it does not attract and retain a qualified workforce. The lack of a qualified workforce, including, for example, the loss or retirement of key executives and other employees, may adversely affect service and productivity and contribute to higher training and safety costs. Over the next several years, a significant portion of FPL's workforce, including, but not limited to, many workers with specialized skills maintaining and servicing the nuclear generation facilities and electrical infrastructure, will be eligible to retire. Such highly skilled individuals may not be able to be replaced quickly due to the technically complex work they perform. Personnel costs also may increase due to inflationary or competitive pressures on payroll and benefits costs and revised terms of collective bargaining agreements with union employees. Employee strikes or work stoppages could disrupt operations and lead to a loss of customers and revenue.

Poor market performance and other economic factors could affect FPL's nuclear decommissioning funds' asset value or defined benefit pension plan's funded status, which may adversely affect FPL's liquidity and financial results.

FPL is required to maintain decommissioning funds to satisfy its future obligations to decommission its nuclear power plants. In addition, NextEra Energy, Inc., FPL's parent company, sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of FPL. A decline in the market value of the assets held in the decommissioning funds or in the defined benefit pension plan due to poor investment performance or other factors may increase the funding requirements for these obligations. Moreover, the defined benefit pension plan is sensitive to changes in interest rates, since, as interest rates decrease the funding liabilities increase, potentially increasing benefits costs and funding requirements. Any increase in benefits costs or funding requirements may have an adverse effect on FPL's liquidity and financial results.

Increasing costs associated with health care plans may adversely affect FPL's financial results.

The costs of providing health care benefits to employees and retirees have increased substantially in recent years. FPL believes that its employee benefit costs, including, but not limited to, costs related to health care plans for employees and former employees, will continue to rise. The increasing costs and funding requirements associated with FPL's health care plans may adversely affect its financial results.

FLORIDA POWER & LIGHT COMPANY

The information in this section replaces the information in the "Florida Power & Light Company" section on page 6 of the accompanying prospectus.

FPL is a rate-regulated utility engaged primarily in the generation, transmission, distribution and sale of electric energy in Florida. FPL supplies electric service to a population of more than 8.7 million throughout most of the east and lower west coasts of Florida. During 2010, FPL served approximately 4.5 million customer accounts. FPL is a wholly-owned subsidiary of NextEra Energy, Inc. FPL was incorporated under the laws of Florida in 1925.

USE OF PROCEEDS

The information in this section adds to the information in the "Use of Proceeds" section on page 6 of the accompanying prospectus. Please read these two sections together.

The $250,000,000 aggregate principal amount of First Mortgage Bonds, 5.125% Series due June 1, 2041 offered by this prospectus supplement and the accompanying prospectus are referred to in this prospectus supplement as the "Offered Bonds."

FPL will add the net proceeds from the sale of the Offered Bonds, which are expected to be approximately $246.3 million (after deducting the underwriting discount and other offering expenses), to its general funds. FPL expects to use its general funds to repay a portion of FPL's total outstanding commercial paper obligations and for other general corporate purposes. As of June 3, 2011, FPL had $542.6 million of outstanding commercial paper obligations which had maturities of up to 14 days and which had annual interest rates ranging from 0.24% to 0.26%. FPL will temporarily invest in short-term instruments any proceeds that are not immediately used for these purposes.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

The information in this section adds to the information in the "Consolidated Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends" section on page 7 of the accompanying prospectus.

FPL's consolidated ratio of earnings to fixed charges for the three months ended March 31, 2011 was 4.27, and for the years ended December 31, 2010 and 2009 was 4.95 and 4.73, respectively.

CONSOLIDATED CAPITALIZATION OF FPL AND SUBSIDIARIES

The following table shows FPL's consolidated capitalization as of March 31, 2011, and as adjusted to reflect the issuance of the Offered Bonds. This table, which is presented in this prospectus supplement solely to provide limited introductory information, is qualified in its entirety by, and should be considered in conjunction with, the more detailed information incorporated by reference or provided in this prospectus supplement or in the accompanying prospectus.

	March 31, 2011	Adjusted[a]	
		Amount	Percent
	(In Millions)		
Common shareholder's equity	$ 9,577	$ 9,577	58.1%
Long-term debt (excluding current maturities)	6,657	6,907	41.9%
Total capitalization	$16,234	$16,484	100.0%

(a) To give effect to the issuance of the Offered Bonds offered by this prospectus supplement. Adjusted amounts do not reflect the addition of any premiums or deduction of any discounts or commissions in connection with the issuance of the Offered Bonds. Adjusted amounts do not reflect principal repayments of loans, principal repayments on storm-recovery bonds, increases in debt associated with a reclaimed water agreement or the effect of adjustments related to premiums and discounts. Adjusted amounts also do not reflect any possible additional borrowings or issuance and sale of additional securities by FPL from time to time after the date of this prospectus supplement.

CERTAIN TERMS OF THE OFFERED BONDS

The information in this section adds to the information in the "Description of Bonds" section beginning on page 10 of the accompanying prospectus. Please read these two sections together.

General. FPL will issue $250,000,000 aggregate principal amount of the Offered Bonds as a new series of First Mortgage Bonds under the Mortgage (as defined in the accompanying prospectus). The One Hundred Seventeenth Supplemental Indenture, dated as of June 1, 2011, supplements the Mortgage and establishes the specific terms of the Offered Bonds.

Interest and Payment. FPL will pay interest semi-annually on the Offered Bonds at the rate of 5.125% per year. The Offered Bonds will mature on June 1, 2041. FPL will pay interest on the Offered Bonds on June 1 and December 1 of each year, each an "Interest Payment Date," until maturity or earlier redemption. The first Interest Payment Date will be December 1, 2011. The record date for interest payable on any Interest Payment Date on the Offered Bonds shall be the close of business (1) on the business day immediately preceding such Interest Payment Date so long as all of the Offered Bonds remain in book-entry only form, or (2) on the 15th calendar day immediately preceding each Interest Payment Date if any of the Offered Bonds do not remain in book-entry only form. See "—Book-Entry Only Issuance."

Interest on the Offered Bonds will accrue from and including the date of original issuance to but excluding the first Interest Payment Date. Starting on the first Interest Payment Date, interest on each Offered Bond will accrue from and including the last Interest Payment Date to which FPL has paid, or duly provided for the payment of, interest on that Offered Bond to but excluding the next succeeding Interest Payment Date. No interest will accrue on an Offered Bond for the day that the Offered Bond matures. The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of interest payable for any period shorter than a full semi-annual period for which interest is computed will be computed on the basis of the number of days in the period using 30-day calendar months.

FPL will pay interest on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest on the Offered Bonds at the rate of 6% per year.

Issuance of Additional Bonds. As of March 31, 2011, FPL could have issued under the Mortgage in excess of $8.5 billion of additional First Mortgage Bonds based on unfunded Property Additions (as defined in the accompanying prospectus) and in excess of $5.8 billion of additional First Mortgage Bonds based on retired First Mortgage Bonds.

Dividend Restrictions. As of March 31, 2011, no retained earnings were restricted by provisions of the Mortgage described in the accompanying prospectus which restrict the amount of retained earnings that FPL can use to pay cash dividends on its common stock.

Redemption. FPL may redeem any of the Offered Bonds at its option or if and when required by the Mortgage. FPL may redeem any of the Offered Bonds at any time or from time to time, on any date prior to their maturity (each a "Redemption Date"). FPL will give notice of its intent to redeem any or all of the Offered Bonds at least 30 days prior to a Redemption Date. If FPL redeems all or any part of the Offered Bonds at any time prior to December 1, 2040, it will pay a redemption price ("Redemption Price") equal to the sum of:

(1) 100% of the principal amount of the Offered Bonds being redeemed plus

(2) accrued and unpaid interest thereon, if any, to the Redemption Date plus

(3) any applicable "make-whole premium."

The Redemption Price for the Offered Bonds will never be less than 100% of the principal amount of those Offered Bonds plus accrued and unpaid interest on those Offered Bonds to the Redemption Date.

The amount of the make-whole premium with respect to any Offered Bonds to be redeemed in accordance with the foregoing paragraph will be equal to the excess, if any, of:

(1) the sum of the present values, calculated as of the Redemption Date, of:

(a) each interest payment that, but for such redemption, would have been payable on the Offered Bonds being redeemed on each Interest Payment Date occurring after the Redemption Date (excluding any accrued interest for the period prior to the Redemption Date); and

(b) the principal amount that, but for such redemption, would have been payable at the final maturity of the Offered Bonds being redeemed; over

(2) the principal amount of the Offered Bonds being redeemed.

The present values of interest and principal payments referred to in clause (1) above will be determined in accordance with generally accepted principles of financial analysis. Such present values will be calculated by discounting the amount of each payment of interest or principal from the date that each such payment would have been payable, but for the redemption, to the Redemption Date at a discount rate equal to the Treasury Yield (as defined below) plus 15 basis points.

If FPL redeems all or any part of the Offered Bonds at any time on or after December 1, 2040, it will pay a redemption price equal to 100% of the principal amount of the Offered Bonds being redeemed, plus accrued and unpaid interest thereon, if any, to the Redemption Date.

FPL will appoint an independent investment banking institution of national standing to calculate the make-whole premium; provided that BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, J.P. Morgan Securities LLC or Mitsubishi UFJ Securities (USA), Inc. will make such calculation if (1) FPL fails to make such appointment at least 30 days prior to the Redemption Date, or (2) the institution so appointed is unwilling or unable to make such calculation. If BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, J.P. Morgan Securities LLC or Mitsubishi UFJ Securities (USA), Inc. is to make such calculation but if none is willing or able to do so, then the Trustee (as defined in the accompanying prospectus) will appoint an independent investment banking institution of national standing, in consultation with FPL, to make such calculation. In any case, the institution making such calculation is referred to in this prospectus supplement as an "Independent Investment Banker."

For purposes of determining the make-whole premium, "Treasury Yield" means a rate of interest per year equal to the weekly average yield to maturity of United States Treasury Notes that have a constant maturity that corresponds to the remaining term to maturity of the Offered Bonds to be redeemed, calculated to the nearest 1/12th of a year (the "Remaining Term"). The Independent Investment Banker will determine the Treasury Yield as of the third business day immediately preceding the applicable Redemption Date.

The Independent Investment Banker will determine the weekly average yields of United States Treasury Notes by reference to the most recent statistical release published by the Federal Reserve Bank of New York and designated "H.15(519) Selected Interest Rates" or any successor release (the "H.15 Statistical Release"). If the H.15 Statistical Release sets forth a weekly average yield for United States Treasury Notes having a constant maturity that is the same as the Remaining Term, then the Treasury Yield will be equal to such weekly average yield. In all other cases, the Independent Investment Banker will calculate the Treasury Yield by interpolation, on a straight-line basis, between the weekly average yields on the United States Treasury Notes that have a constant maturity closest to and greater than the Remaining Term and the United States Treasury Notes that have a constant maturity closest to and less than the Remaining Term (in each case as set forth in the H.15 Statistical Release). The Independent Investment Banker will round any weekly average yields so calculated to the nearest 1/100th of

1%, and will round upward for any figure of 1/200th of 1% or above. If weekly average yields for United States Treasury Notes are not available in the H.15 Statistical Release or otherwise, then the Independent Investment Banker will select comparable rates and calculate the Treasury Yield by reference to those rates.

The Mortgage provides that if FPL at any time elects to redeem only a part of the Offered Bonds, the Trustee will select the particular Offered Bonds to be redeemed by proration among registered holders of the Offered Bonds or, in some cases, by such other method that it deems proper as provided in the Mortgage. However, if the Offered Bonds are solely registered in the name of Cede & Co. and traded through The Depository Trust Company, or "DTC," then DTC will select the Offered Bonds to be redeemed in accordance with its practices as described below in "—Book-Entry Only Issuance."

If at the time notice of redemption is given, the redemption moneys are not on deposit with the Trustee, then the redemption shall be subject to their receipt before the Redemption Date and such notice shall be of no effect unless such moneys are received.

Cash deposited under any provisions of the Mortgage (with certain exceptions) may be applied to the purchase of First Mortgage Bonds of any series.

Book-Entry Only Issuance. The Offered Bonds will trade through DTC. The Offered Bonds will be represented by one or more global certificates and registered in the name of Cede & Co., DTC's nominee. Upon issuance of the Offered Bonds, DTC or its nominee will credit, on its book-entry registration and transfer system, the principal amount of the Offered Bonds represented by such global securities to the accounts of institutions that have an account with DTC or its participants. The accounts to be credited shall be designated by the underwriters. Ownership of beneficial interests in the global securities will be limited to participants or persons that may hold interests through participants. The global certificates will be deposited with the Trustee as custodian for DTC.

DTC is a New York clearing corporation and a clearing agency registered under Section 17A of the Securities Exchange Act of 1934. DTC holds securities for its participants. DTC also facilitates the post-trade settlement of securities transactions among its participants through electronic computerized book-entry transfers and pledges in the participants' accounts. This eliminates the need for physical movement of securities certificates. The participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Others who maintain a custodial relationship with a participant can use the DTC system. The rules that apply to DTC and those using its systems are on file with the Securities and Exchange Commission.

Purchases of the Offered Bonds within the DTC system must be made through participants, who will receive a credit for the Offered Bonds on DTC's records. The beneficial ownership interest of each purchaser will be recorded on the appropriate participant's records. Beneficial owners will not receive written confirmation from DTC of their purchases, but beneficial owners should receive written confirmations of the transactions, as well as periodic statements of their holdings, from the participants through whom they purchased Offered Bonds. Transfers of ownership in the Offered Bonds are to be accomplished by entries made on the books of the participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates for their Offered Bonds, except if use of the book-entry system for the Offered Bonds is discontinued.

To facilitate subsequent transfers, all Offered Bonds deposited by participants with DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of the Offered Bonds with DTC and their registration in the name of Cede & Co. effects no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Offered Bonds. DTC's records reflect only the identity of the participants to whose accounts such Offered Bonds are credited. These participants may or may not be the beneficial owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to participants, and by participants to beneficial owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may

be in effect from time to time. Beneficial owners of Offered Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Offered Bonds, such as redemptions, tenders, defaults and proposed amendments to the Offered Bonds. Beneficial owners of the Offered Bonds may wish to ascertain that the nominee holding the Offered Bonds has agreed to obtain and transmit notices to the beneficial owners.

Redemption notices will be sent to Cede & Co., as registered holder of the Offered Bonds. If less than all of the Offered Bonds are being redeemed, DTC's practice is to determine by lot the amount of Offered Bonds of each participant to be redeemed.

Neither DTC nor Cede & Co. will itself consent or vote with respect to Offered Bonds, unless authorized by a participant in accordance with DTC's procedures. Under its usual procedures, DTC would mail an omnibus proxy to FPL as soon as possible after the record date. The omnibus proxy assigns the consenting or voting rights of Cede & Co. to those participants to whose accounts the Offered Bonds are credited on the record date. FPL believes that these arrangements will enable the beneficial owners to exercise rights equivalent in substance to the rights that can be directly exercised by a registered holder of the Offered Bonds.

Payments of redemption proceeds, principal of, and interest on the Offered Bonds will be made to Cede & Co., or such other nominee as may be requested by DTC. DTC's practice is to credit participants' accounts upon DTC's receipt of funds and corresponding detail information from FPL or its agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices. Payments will be the responsibility of participants and not of DTC, Deutsche Bank Trust Company Americas (the Trustee under the Mortgage) or FPL, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest to Cede & Co. (or such other nominee as may be requested by DTC) is the responsibility of FPL. Disbursement of payments to participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of participants.

Except as provided in this prospectus supplement, a beneficial owner will not be entitled to receive physical delivery of the Offered Bonds. Accordingly, each beneficial owner must rely on the procedures of DTC to exercise any rights under the Offered Bonds.

DTC may discontinue providing its services as securities depositary with respect to the Offered Bonds at any time by giving reasonable notice to FPL. In the event no successor securities depositary is obtained, certificates for the Offered Bonds will be printed and delivered. FPL may decide to replace DTC or any successor depositary. Additionally, subject to the procedures of DTC, FPL may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depositary) with respect to some or all of the Offered Bonds. In that event, certificates for such Offered Bonds will be printed and delivered. If certificates for Offered Bonds are printed and delivered,

- the Offered Bonds will be issued in fully registered form without coupons;
- a holder of certificated Offered Bonds would be able to exchange those Offered Bonds, without charge, for an equal aggregate principal amount of Offered Bonds of the same series, having the same issue date and with identical terms and provisions; and
- a holder of certificated Offered Bonds would be able to transfer those Offered Bonds without cost to another holder, other than for applicable stamp taxes or other governmental charges.

However, FPL shall not be required to make transfers or exchanges of certificated Offered Bonds for a period of ten days next preceding any Interest Payment Date or next preceding any designation of Offered Bonds to be redeemed, and FPL shall not be required to make transfers or exchanges of any certificated Offered Bonds designated in whole or in part for redemption.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that FPL believes to be reliable, none of FPL or the underwriters takes any responsibility for the accuracy of this information.

UNDERWRITING

The information in this section adds to the information in the "Plan of Distribution" section beginning on page 41 of the accompanying prospectus. Please read these two sections together.

FPL is selling the Offered Bonds to the underwriters named in the table below pursuant to an underwriting agreement between FPL and the underwriters named below, for whom BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, J.P. Morgan Securities LLC and Mitsubishi UFJ Securities (USA), Inc. are acting as representatives. Subject to certain conditions, FPL has agreed to sell to each of the underwriters, and each of the underwriters has severally agreed to purchase, the principal amount of Offered Bonds set forth opposite that underwriter's name in the table below:

Underwriter	Principal Amount of Offered Bonds
BNP Paribas Securities Corp.	$ 53,125,000
BNY Mellon Capital Markets, LLC	53,125,000
J.P. Morgan Securities LLC	53,125,000
Mitsubishi UFJ Securities (USA), Inc.	53,125,000
Daiwa Capital Markets America Inc.	12,500,000
Lloyds Securities Inc.	12,500,000
SG Americas Securities, LLC	12,500,000
Total	$250,000,000

Under the terms and conditions of the underwriting agreement, the underwriters must buy all of the Offered Bonds when and if they buy any of them. The underwriting agreement provides that the obligations of the underwriters pursuant thereto are subject to certain conditions. In the event of a default by an underwriter, the underwriting agreement provides that, in certain circumstances, the purchase commitment of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated. The underwriters will sell the Offered Bonds to the public if the underwriters buy the Offered Bonds from FPL.

FPL will compensate the underwriters by selling the Offered Bonds to them at a price that is less than the price to the public by the amount of the "Underwriting Discount" set forth in the table below. The underwriters will sell the Offered Bonds to the public at the price to the public set forth on the cover page of this prospectus supplement and may sell the Offered Bonds to certain dealers at a price that is less than the price to the public by no more than the amount of the "Initial Dealers' Concession" set forth in the table below. The underwriters and such dealers may sell the Offered Bonds to certain other dealers at a price that is less than the price to the public by no more than the amounts of the "Initial Dealers' Concession" and the "Reallowed Dealers' Concession" set forth in the table below.

	(expressed as a percentage of principal amount)
Underwriting Discount	0.875%
Initial Dealers' Concession	0.500%
Reallowed Dealers' Concession	0.250%

An underwriter may reject any or all offers for the Offered Bonds. After the initial public offering of the Offered Bonds, the underwriters may change the offering price and other selling terms of the Offered Bonds.

The Offered Bonds are a new issue of securities with no established trading market. FPL does not plan to list the securities on any securities exchange. The underwriters have advised FPL that they intend to make a market in the Offered Bonds but are not obligated to do so and may discontinue such market-making activities at any time without notice. FPL cannot give any assurance as to the maintenance of the trading market for, or the liquidity of, the Offered Bonds.

In connection with the offering, BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, J.P. Morgan Securities LLC and Mitsubishi UFJ Securities (USA), Inc., on behalf of the underwriters, may purchase and sell the Offered Bonds in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment includes syndicate sales of Offered Bonds in excess of the principal amount of Offered Bonds to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of the Offered Bonds in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing transactions consist of certain bids or purchases of Offered Bonds made for the purpose of preventing or retarding a decline in the market price of the Offered Bonds while the offering is in progress.

The underwriters may also impose a penalty bid. Penalty bids permit the underwriters to reclaim an initial dealers' concession from a syndicate member when BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, J.P. Morgan Securities LLC or Mitsubishi UFJ Securities (USA), Inc., in covering syndicate short positions or making stabilizing purchases, repurchases the Offered Bonds originally sold by that syndicate member.

Any of these activities may cause the price of the Offered Bonds to be higher than the price that otherwise would exist in the open market in the absence of such transactions. These transactions may be effected in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

Daiwa Capital Markets America Inc. ("DCMA") has entered into an agreement with SMBC Nikko Securities America, Inc. ("SMBC Nikko") pursuant to which SMBC Nikko provides certain advisory and/or other services to DCMA, including services with respect to this offering. In return for the provision of such services by SMBC Nikko to DCMA, DCMA will pay to SMBC Nikko a mutually agreed-upon fee.

FPL estimates that its expenses in connection with the sale of the Offered Bonds, other than underwriting discounts, will be $1.3 million. This estimate includes expenses relating to Florida taxes, printing, rating agency fees, trustee's fees and legal fees, among other expenses.

FPL has agreed to indemnify the underwriters against, or to contribute to payments the underwriters may be required to make in respect of, certain liabilities, including liabilities under the Securities Act of 1933.

The underwriters and their affiliates may engage in transactions with, and perform services for, FPL and its affiliates in the ordinary course of business and have engaged, and may engage in the future, in commercial banking and/or investment banking transactions with FPL and its affiliates.

EXPERTS

The information in this section replaces the information in the "Experts" section on page 43 of the accompanying prospectus.

The consolidated financial statements incorporated in this prospectus supplement by reference from FPL's Annual Report on Form 10-K for the year ended December 31, 2010, and the effectiveness of FPL's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

The information in this section replaces the information in the "Legal Opinions" section on page 43 of the accompanying prospectus.

Morgan, Lewis & Bockius LLP, New York, New York and Squire, Sanders & Dempsey (US) LLP, West Palm Beach, Florida, co-counsel to FPL will pass upon the legality of the Offered Bonds offered by this prospectus supplement for FPL. Hunton & Williams LLP, New York, New York, will pass upon the legality of the Offered Bonds offered by this prospectus supplement for the underwriters. Morgan, Lewis & Bockius LLP and Hunton & Williams LLP may rely as to all matters of Florida law upon the opinion of Squire, Sanders & Dempsey (US) LLP. Squire, Sanders & Dempsey (US) LLP may rely as to all matters of New York law upon the opinion of Morgan, Lewis & Bockius LLP.

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PROSPECTUS

FLORIDA POWER & LIGHT COMPANY

Preferred Stock,
Warrants,
First Mortgage Bonds,
Senior Debt Securities,
Subordinated Debt Securities
and
Junior Subordinated Debentures

FLORIDA POWER & LIGHT COMPANY TRUST I
FLORIDA POWER & LIGHT COMPANY TRUST II

Preferred Trust Securities,

Guaranteed as described in this prospectus by

FLORIDA POWER & LIGHT COMPANY

Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II may offer any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized from time to time. This prospectus may also be used by a selling securityholder of the securities described herein.

One or more of Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II will provide specific terms of the securities, including the offering prices, in supplements to this prospectus. The supplements may also add, update or change information contained in this prospectus. You should read this prospectus and any supplements carefully before you invest.

Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II may offer these securities directly or through underwriters, agents or dealers. The supplements to this prospectus will describe the terms of any particular plan of distribution, including any underwriting arrangements. The "Plan of Distribution" section beginning on page 41 of this prospectus also provides more information on this topic.

See "Risk Factors" beginning on page 2 of this prospectus to read about certain factors you should consider before purchasing any of the securities being offered.

Florida Power & Light Company's, Florida Power & Light Company Trust I's and Florida Power & Light Company Trust II's principal executive offices are located at 700 Universe Boulevard, Juno Beach, Florida 33408-0420, telephone number (561) 694-4000, and their mailing address is P.O. Box 14000, Juno Beach, Florida 33408-0420.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

August 3, 2009

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that Florida Power & Light Company ("FPL"), Florida Power & Light Company Trust I and Florida Power & Light Company Trust II and certain of their affiliates have filed with the Securities and Exchange Commission ("SEC") using a "shelf" registration process. Florida Power & Light Company Trust I and Florida Power & Light Company Trust II each are referred to in this prospectus as the "Trust."

Under this shelf registration process, FPL and/or the Trust may issue and sell any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized by the board of directors of FPL. FPL may offer any of the following securities: preferred stock, warrants to purchase preferred stock, first mortgage bonds, senior debt securities, subordinated debt securities, junior subordinated debentures and guarantees related to the preferred trust securities which the Trust may offer. Unless otherwise stated in a prospectus supplement, the Trust may offer preferred trust securities.

This prospectus provides you with a general description of the securities that FPL and/or the Trust may offer. Each time FPL and/or the Trust sells securities, FPL and/or the Trust will provide a prospectus supplement that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will be discussed in the applicable prospectus supplement if necessary. The applicable prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any applicable prospectus supplement together with additional information described under the headings "Where You Can Find More Information" and "Incorporation by Reference."

For more detailed information about the securities, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

RISK FACTORS

Before purchasing the securities, investors should carefully consider the following risk factors together with the risk factors and other information incorporated by reference or provided in this prospectus or in a prospectus supplement in order to evaluate an investment in the securities.

FPL is subject to complex laws and regulations and to changes in laws and regulations as well as changing governmental policies and regulatory actions. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL.

FPL is subject to complex laws and regulations, and to changes in laws or regulations, with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, construction and operation of generation facilities, construction and operation of transmission and distribution facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity and equity ratio limits, transmission reliability and present or prospective wholesale and retail competition. This substantial and complex framework exposes FPL to increased compliance costs and potentially significant monetary penalties for non-compliance. The Florida Public Service Commission has the authority to disallow recovery by FPL of any and all costs that it considers excessive or imprudently incurred. The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.

FPL also is subject to extensive federal, state and local environmental statutes, rules and regulations, as well as the effect of changes in or additions to applicable statutes, rules and regulations that relate to, or in the future may relate to, for example, air quality, water quality, climate change, greenhouse gas emissions, carbon dioxide emissions, waste management, marine and wildlife mortality, natural resources, health, safety and renewable portfolio standards that could, among other things, restrict or limit the output of certain facilities or the use of certain fuels required for the production of electricity and/or require additional pollution control equipment and otherwise increase costs. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.

FPL operates in a changing market environment influenced by various legislative and regulatory initiatives regarding regulation, deregulation or restructuring of the energy industry, including, for example, deregulation or restructuring of the production and sale of electricity, as well as increased focus on renewable and clean energy sources and reduction of carbon emissions. FPL will need to adapt to these changes and may face increasing costs and competitive pressure in doing so.

FPL's results of operations could be affected by FPL's ability to negotiate or renegotiate franchise agreements with municipalities and counties in Florida.

The operation and maintenance of power generation, transmission and distribution facilities involve significant risks that could adversely affect the results of operations and financial condition of FPL.

The operation and maintenance of power generation, transmission and distribution facilities involve many risks, including, for example, start up risks, breakdown or failure of equipment, transmission and distribution lines or pipelines, the inability to properly manage or mitigate known equipment defects throughout FPL's generation fleets and transmission and distribution systems, use of new or unproven technology, the dependence on a specific fuel source, failures in the supply or transportation of fuel, the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes, floods and droughts), and performance below expected or contracted levels of output or efficiency. This could result in lost revenues and/or increased expenses, including, for example, lost revenues due to prolonged outages and increased expenses due to monetary penalties or

fines, replacement equipment costs or an obligation to purchase or generate replacement power at potentially higher prices to meet contractual obligations. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses.

The operation and maintenance of nuclear facilities involves inherent risks, including environmental, health, regulatory, terrorism and financial risks, that could result in fines or the closure of nuclear units owned by FPL, and which may present potential exposures in excess of insurance coverage.

FPL owns, or holds undivided interests in, nuclear generation facilities in Florida. These nuclear facilities are subject to environmental, health and financial risks such as on-site storage of spent nuclear fuel, the ability to dispose of spent nuclear fuel, the ability to maintain adequate reserves for decommissioning, potential liabilities arising out of the operation of these facilities, and the threat of a possible terrorist attack. Although FPL maintains decommissioning trusts and external insurance coverage to minimize the financial exposure to these risks, it is possible that the cost of decommissioning the facilities could exceed the amount available in the decommissioning trusts, and that liability and property damages could exceed the amount of insurance coverage.

The Nuclear Regulatory Commission has broad authority to impose licensing and safety-related requirements for the construction and operation and maintenance of nuclear generation facilities. In the event of non-compliance, the Nuclear Regulatory Commission has the authority to impose fines or shut down a unit, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Nuclear Regulatory Commission orders or new regulations related to increased security measures and any future safety requirements promulgated by the Nuclear Regulatory Commission could require FPL to incur substantial operating and capital expenditures at its nuclear plants. In addition, if a serious nuclear incident were to occur at an FPL plant, it could result in substantial costs. A major incident at a nuclear facility anywhere in the world could cause the Nuclear Regulatory Commission to limit or prohibit the operation or licensing of any domestic nuclear unit.

In addition, potential terrorist threats and increased public scrutiny of utilities could result in increased nuclear licensing or compliance costs which are difficult or impossible to predict.

The construction of, and capital improvements to, power generation and transmission facilities involve substantial risks. Should construction or capital improvement efforts be unsuccessful or delayed, the results of operations and financial condition of FPL could be adversely affected.

The ability of FPL to complete construction of, and capital improvement projects for, its power generation and transmission facilities on schedule and within budget are contingent upon many variables that could delay completion, increase costs or otherwise adversely affect operational and financial results, including, for example, limitations related to transmission interconnection issues, escalating costs for materials and labor and environmental compliance, delays with respect to permits and other approvals, and disputes involving third parties, and are subject to substantial risks. Should any such efforts be unsuccessful or delayed, FPL could be subject to additional costs, termination payments under committed contracts, loss of tax credits and/or the write-off of its investment in the project or improvement.

The use of derivative contracts by FPL in the normal course of business could result in financial losses or the payment of margin cash collateral that adversely impact the results of operations or cash flows of FPL.

FPL uses derivative instruments, such as swaps, options, futures and forwards, some of which are traded in the over-the-counter markets or on exchanges, to manage its commodity and financial market risks. FPL could suffer a reduction in operating cash flows as a result of the requirement to post margin cash collateral. In the absence of actively quoted market prices and pricing information from

external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these derivative instruments. In addition, FPL's use of such instruments could be subject to prudence challenges and, if found imprudent, cost recovery could be disallowed by the Florida Public Service Commission.

Customer growth and customer usage in FPL's service area affect FPL's results of operations.

FPL's results of operations are affected by the growth in customer accounts in FPL's service area and by customer usage. Customer growth can be affected by population growth. Customer growth and customer usage can be affected by economic factors in Florida and elsewhere, including, for example, job and income growth, housing starts and new home prices. Customer growth and customer usage directly influence the demand for electricity and the need for additional power generation and power delivery facilities at FPL.

Weather affects FPL's results of operations, as can the impact of severe weather. Weather conditions directly influence the demand for electricity and natural gas, affect the price of energy commodities, and can affect the production of electricity at power generating facilities.

FPL's results of operations are affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas, affect the price of energy commodities, and can affect the production of electricity at power generating facilities. FPL's results of operations can be affected by the impact of severe weather which can be destructive, causing outages and/or property damage, may affect fuel supply, and could require additional costs to be incurred. At FPL, recovery of these costs is subject to Florida Public Service Commission approval.

Adverse capital and credit market conditions may adversely affect FPL's ability to meet liquidity needs, access capital and operate and grow its business, and increase the cost of capital. Disruptions, uncertainty or volatility in the financial markets can also adversely impact the results of operations and financial condition of FPL.

Having access to the credit and capital markets, at a reasonable cost, is necessary for FPL to fund its operations, including its capital requirements. Those markets have provided FPL with the liquidity to operate and grow its business that is not otherwise provided from operating cash flows. Disruptions, uncertainty or volatility in those markets can increase FPL's cost of capital. If FPL is unable to access the credit and capital markets on terms that are reasonable, it may have to delay raising capital, issue shorter-term securities and/or bear an unfavorable cost of capital, which, in turn, could adversely impact its ability to grow its business, decrease earnings and/or significantly reduce financial flexibility.

FPL's inability to maintain its current credit ratings may adversely affect FPL's liquidity, limit the ability of FPL to grow its business, and would likely increase interest costs.

FPL relies on access to capital and credit markets as significant sources of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL to maintain its current credit ratings could affect its ability to raise capital or obtain credit on favorable terms, which, in turn, could impact FPL's ability to grow its business and would likely increase its interest costs.

FPL is subject to credit and performance risk from third parties under supply and service contracts.

FPL relies on contracts with vendors for the supply of equipment, materials, fuel and other goods and services required for the construction and operation of, and for capital improvements to, its facilities, as well as for business operations. If vendors fail to fulfill their contractual obligations, FPL

may need to make arrangements with other suppliers, which could result in higher costs, untimely completion of power generation facilities and other projects, and/or a disruption to its operations.

FPL is subject to costs and other potentially adverse effects of legal and regulatory proceedings, as well as regulatory compliance and changes in or additions to applicable tax laws, rates or policies, rates of inflation, accounting standards, securities laws, corporate governance requirements and labor and employment laws.

FPL is subject to costs and other potentially adverse effects of legal and regulatory proceedings, settlements, investigations and claims, as well as regulatory compliance and the effect of new, or changes in, tax laws, rates or policies, rates of inflation, accounting standards, securities laws, corporate governance requirements and labor and employment laws.

FPL, as an owner and operator of bulk power transmission systems, is subject to mandatory reliability standards promulgated by the North American Electric Reliability Corporation and enforced by the Federal Energy Regulatory Commission. These standards, which previously were being applied on a voluntary basis, became mandatory in June 2007. Noncompliance with these mandatory reliability standards could result in sanctions, including substantial monetary penalties, which likely would not be recoverable from customers.

Threats of terrorism and catastrophic events that could result from terrorism, cyber attacks, or individuals and/or groups attempting to disrupt FPL's business may impact the operations of FPL in unpredictable ways.

FPL is subject to direct and indirect effects of terrorist threats and activities as well as cyber attacks and disruptive activities of individuals and/or groups. Infrastructure facilities and systems, including, for example, generation, transmission and distribution facilities, physical assets and information systems, in general, have been identified as potential targets. The effects of these threats and activities include, but are not limited to, the inability to generate, purchase or transmit power, the delay in development and construction of new generating facilities, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the United States, and the increased cost and adequacy of security and insurance.

The ability of 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.

FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be adversely affected by international, national, state or local events as well as company-specific events.

FPL is subject to employee workforce factors that could adversely affect the business and financial condition of FPL.

FPL is subject to employee workforce factors, including, for example, loss or retirement of key executives, availability of qualified personnel, inflationary pressures on payroll and benefits costs and collective bargaining agreements with union employees and work stoppage that could adversely affect the business and financial condition of FPL.

FLORIDA POWER & LIGHT COMPANY

FPL was incorporated under the laws of Florida in 1925. FPL is a rate-regulated utility engaged primarily in the generation, transmission, distribution and sale of electric energy. At December 31, 2008, FPL supplied electric service to a population of more than 8.7 million, throughout most of the east and lower west coasts of Florida. During 2008, FPL served approximately 4.5 million customer accounts.

FLORIDA POWER & LIGHT COMPANY TRUST I AND FLORIDA POWER & LIGHT COMPANY TRUST II

Florida Power & Light Company Trust I and Florida Power & Light Company Trust II are Delaware statutory trusts created pursuant to separate trust agreements among FPL as depositor of the Trust, The Bank of New York Mellon as the Property Trustee, BNY Mellon Trust of Delaware as the Delaware Trustee and one or more Administrative Trustees appointed by FPL. At the time of the issuance of securities by the Trust, the applicable trust agreement will be amended and restated substantially in the form filed as an exhibit to the registration statement. Each trust agreement, as so amended and restated, is referred to in this prospectus as the "Trust Agreement." Unless otherwise stated in a prospectus supplement,

- the Trust exists only to issue its preferred trust securities and common trust securities and to hold the junior subordinated debentures of FPL as trust assets,
- all of the common trust securities will be owned by FPL, and
- the common trust securities will represent at least 3% of the total capital of the applicable Trust.

Payments on any distribution payment date or redemption date will be made on the common trust securities pro rata with the preferred trust securities, except that the common trust securities' right to payment will be subordinated to the rights of the preferred trust securities if there is a default under the Trust Agreement. The Trust will have a term as stated in the applicable prospectus supplement, but may dissolve earlier as provided in the Trust Agreement.

The Trust's business and affairs will be conducted by its Administrative Trustees.

USE OF PROCEEDS

Unless otherwise stated in a prospectus supplement, FPL will add the net proceeds from the sale of its securities to its general funds. FPL uses its general funds for corporate purposes, including to repay, redeem or repurchase outstanding debt, to repay short-term borrowings and to finance the acquisition or construction of additional electric facilities and capital improvements to and maintenance of existing facilities. FPL will temporarily invest any proceeds that it does not need to use immediately in short-term instruments.

Unless otherwise stated in a prospectus supplement, the Trust will use the proceeds from the sale of preferred trust securities and common trust securities to invest in junior subordinated debentures issued by FPL. FPL will add the net proceeds from the sale of such junior subordinated debentures to its general funds, which will be used as described above.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table shows FPL's consolidated ratio of earnings to fixed charges for each of its last five fiscal years:

Years Ended December 31,				
2008	2007	2006	2005	2004
4.43	4.96	5.14	5.74	6.74

The following table shows FPL's consolidated ratio of earnings to combined fixed charges and preferred stock dividends for each of its last five fiscal years:

Years Ended December 31,				
2008	2007	2006	2005	2004
4.43	4.96	5.14	5.74	6.67

FPL's consolidated ratio of earnings to fixed charges and consolidated ratio of earnings to combined fixed charges and preferred stock dividends for the six months ended June 30, 2009 was 4.06.

WHERE YOU CAN FIND MORE INFORMATION

FPL files annual, quarterly and other reports and other information with the SEC. You can read and copy any information filed by FPL with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain additional information about the Public Reference Room by calling the SEC at 1-800-SEC-0330.

In addition, the SEC maintains an Internet site (*www.sec.gov*) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including FPL. FPL also maintains an Internet site (*www.fpl.com*). Information on FPL's Internet site is not a part of this prospectus.

FPL and the Trust do not expect the Trust to file reports or other information with the SEC under Sections 13 or 15(d) of the Securities Exchange Act of 1934.

INCORPORATION BY REFERENCE

The SEC allows FPL and the Trust to "incorporate by reference" the information that FPL files with the SEC, which means that FPL and the Trust may, in this prospectus, disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Information that FPL files in the future with the SEC will automatically update and supersede this information. FPL and the Trust are incorporating by reference the documents listed below and any future filings FPL makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus (other than any documents, or portions of documents, not deemed to be filed) until FPL and/or the Trust sell all of the securities covered by the registration statement:

(1) FPL's Annual Report on Form 10-K for the year ended December 31, 2008;

(2) FPL's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009; and

(3) FPL's Current Reports on Form 8-K filed with the SEC on January 27, 2009 (with January 22, 2009 earliest report date), March 18, 2009, March 19, 2009 and July 22, 2009 (other than any documents, or portions of documents, not deemed to be filed).

You may request a copy of these documents, at no cost to you, by writing or calling Robert J. Reger, Jr., Esq., Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178, (212) 309-6000. FPL will provide to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of any or all of the information that has been incorporated by reference in this prospectus but not delivered with this prospectus.

FORWARD-LOOKING STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, FPL and the Trust are herein filing cautionary statements identifying important factors that could cause FPL's actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) made by or on behalf of FPL and the Trust in this prospectus or any supplement to this prospectus, in presentations, in response to questions or otherwise. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events or performance, climate change strategy or growth strategies (often, but not always, through the use of words or phrases such as "will," "will likely result," "are expected to," "will continue," "aim," "is anticipated," "believe," "could," "should," "would," "estimated," "may," "plan," "potential," "projection," "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 specific factors discussed in "Risk Factors" herein and in the reports that are incorporated herein by reference (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 FPL's operations and financial results, and could cause FPL's actual results to differ materially from those contained or implied in forward-looking statements made by or on behalf of FPL or the Trust.

Any forward-looking statement speaks only as of the date on which that statement is made, and neither FPL nor the Trust undertakes any obligation to update any forward-looking statement to reflect events or circumstances, including unanticipated events, after the date on which that 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 those factors, nor can it assess the impact of each of those factors on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The issues and associated risks and uncertainties discussed in "Risk Factors" herein and in the reports that are incorporated herein by reference are not the only ones FPL may face. Additional issues may arise or become material as the energy industry evolves. The risks and uncertainties associated with those additional issues could impair FPL's business in the future.

DESCRIPTION OF PREFERRED STOCK

General. The following statements describing FPL's preferred stock are not intended to be a complete description. For additional information, please see FPL's Restated Articles of Incorporation, as amended ("Charter"), and its bylaws, as currently in effect. You should read this summary together with the articles of amendment to the Charter which will describe the terms of any preferred stock to be offered hereby for a complete understanding of all the provisions. Each of these documents has previously been filed, or will be filed, with the SEC and each is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. Reference is also made to the laws of the State of Florida.

The Charter currently authorizes three classes of preferred stock. No shares of preferred stock are presently outstanding. Unless the Charter is amended prior to the offering of the preferred stock offered hereunder to change the class or classes of preferred stock authorized to be issued, the preferred stock offered hereunder will be one or more series of FPL's Preferred Stock, $100 par value per share ("Serial Preferred Stock") and/or one or more series of FPL's Preferred Stock, without par value ("No Par Preferred Stock"). Under the Charter, 10,414,100 shares of Serial Preferred Stock and 5,000,000 shares of No Par Preferred Stock are available for issuance. The Charter also authorizes the issuance of 5,000,000 shares of Subordinated Preferred Stock, without par value ("Subordinated Preferred Stock"). References in this "Description of Preferred Stock" section of this prospectus to preferred stock do not include the Subordinated Preferred Stock.

In the event that the Charter is amended to change its authorized preferred stock, a prospectus supplement will describe the authorized preferred stock.

Some terms of a series of preferred stock may differ from those of another series. A prospectus supplement will describe the terms of any preferred stock being offered. These terms will also be described in articles of amendment to the Charter, which will establish the terms of the preferred stock being offered. These terms will include any of the following that apply to that series:

(1) the class of preferred stock, the number of shares in the series and the title of that series of preferred stock,

(2) the annual rate or rates of dividends payable and the date from which such dividends shall commence to accrue,

(3) the terms and conditions, including the redemption price and the date or dates, on which the shares of the series of preferred stock may be redeemed or converted into another class of security, the manner of effecting such redemption and any restrictions on such redemptions,

(4) any sinking fund or other provisions that would obligate FPL to redeem or repurchase shares of the series of preferred stock, and

(5) with respect to the No Par Preferred Stock only, variations with respect to whole or fractional voting rights and involuntary liquidation values.

In the event the trusts established by FPL issue preferred trust securities and FPL exercises a right to delay interest payments on junior subordinated debentures issued in connection with preferred trust securities, FPL will not be able to pay dividends on its common or preferred stock during the periods when such payments are delayed with certain limited exceptions.

Any shares of preferred stock offered hereunder by FPL will, when issued, be fully paid and non-assessable.

Voting Rights. FPL Group, as the owner of all of FPL's common stock, has sole voting power with respect to FPL, except as provided in the Charter or as otherwise required by law. The Charter does not limit the right of any affiliate of FPL to vote any shares of preferred stock owned by it. The

voting rights provided in the Charter relating to the Serial Preferred Stock and the No Par Preferred Stock will be described in the applicable prospectus supplement relating to any particular preferred stock being offered.

Liquidation Rights. In the event of any voluntary liquidation, dissolution or winding up of FPL, unless otherwise described in a particular prospectus supplement, the Serial Preferred Stock and No Par Preferred Stock will rank pari passu with all classes of preferred stock then outstanding and shall have a preference over each series of the Subordinated Preferred Stock (none of which has been issued or is currently outstanding) and the common stock until an amount equal to the then current redemption price shall have been paid. In the event of any involuntary liquidation, dissolution or winding up of FPL,

(1) the Serial Preferred Stock will rank pari passu with all classes of preferred stock then outstanding and shall also have a preference over each series of the Subordinated Preferred Stock and the common stock until $100 per share shall have been paid, and

(2) the No Par Preferred Stock will rank pari passu with all classes of FPL's preferred stock then outstanding and shall also have a preference over each series of Subordinated Preferred Stock and the common stock until the full involuntary liquidation value thereof, as established upon issuance of the applicable series of No Par Preferred Stock, shall have been paid,

plus, in each case, all accumulated and unpaid dividends thereon, if any. Any changes to the liquidation rights of the Serial Preferred Stock and the No Par Preferred Stock will be described in the particular prospectus supplement relating to any preferred stock being offered.

DESCRIPTION OF WARRANTS

FPL may issue warrants to purchase preferred stock. A prospectus supplement will describe the terms of any such warrants being offered and any related warrant agreement between FPL and a warrant agent.

DESCRIPTION OF BONDS

General. FPL will issue first mortgage bonds, in one or more series, under its Mortgage and Deed of Trust dated as of January 1, 1944, with Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee, which has been amended and supplemented in the past, may be supplemented prior to the issuance of these first mortgage bonds, and which will be supplemented again by one or more supplemental indentures relating to these first mortgage bonds. The Mortgage and Deed of Trust, as amended and supplemented, is referred to in this prospectus as the "Mortgage." The first mortgage bonds offered pursuant to this prospectus and any applicable prospectus supplement are referred to as the "Bonds."

FPL may issue an unlimited amount of First Mortgage Bonds under the Mortgage so long as it meets the issuance tests set forth in the Mortgage, which are generally described below under "—Issuance of Additional Bonds." The Bonds and all other first mortgage bonds issued under the Mortgage are collectively referred to in this prospectus as the "First Mortgage Bonds."

This section briefly summarizes some of the terms of the Bonds and some of the provisions of the Mortgage and uses some terms that are not defined in this prospectus but that are defined in the Mortgage. This summary is not complete. You should read this summary together with the Mortgage and the supplemental indenture creating the Bonds for a complete understanding of all the provisions. The Mortgage and the form of supplemental indenture have previously been filed with the SEC, and are exhibits to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Mortgage is qualified as an indenture under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

All Bonds of one series need not be issued at the same time, and a series may be re-opened for issuances of additional Bonds of such particular series. This means that FPL may from time to time, without notice to, or the consent of the existing holders of the previously-issued Bonds of a particular series, create and issue additional Bonds of such series. Such additional Bonds will have the same terms as the Bonds of such series in all respects (except for the payment of interest accruing prior to the issue date of the additional Bonds or except for the first payments of interest following the issue date of the additional Bonds) so that the additional Bonds may be consolidated and form a single series with the previously-issued Bonds of such series.

Each series of Bonds may have different terms. FPL will include some or all of the following information about a specific series of Bonds in the particular prospectus supplement relating to that specific series of Bonds:

(1) the designation and series of those Bonds,

(2) the aggregate principal amount of those Bonds,

(3) the offering price of those Bonds,

(4) the date(s) on which those Bonds will mature,

(5) the interest rate(s) for those Bonds, or how the interest rate(s) will be determined,

(6) the dates on which FPL will pay the interest on those Bonds,

(7) the denominations in which FPL may issue those Bonds, if other than denominations of $1,000 or multiples of $1,000,

(8) the place where the principal of and interest on those Bonds will be payable, if other than at Deutsche Bank Trust Company Americas in New York City,

(9) the currency or currencies in which payment of the principal of and interest on those Bonds may be made, if other than U.S. dollars,

(10) the terms pursuant to which FPL may redeem any of those Bonds,

(11) whether all or a portion of those Bonds will be in global form, and

(12) any other terms or provisions relating to those Bonds that are not inconsistent with the provisions of the Mortgage.

FPL will issue the Bonds in fully registered form without coupons, unless otherwise stated in a prospectus supplement. A holder of Bonds may exchange those Bonds, without charge, for an equal aggregate principal amount of Bonds of the same series, having the same issue date and with identical terms and provisions, unless otherwise stated in a prospectus supplement. A holder of Bonds may transfer those Bonds without cost to the holder, other than for applicable stamp taxes or other governmental charges, unless otherwise stated in a prospectus supplement.

Special Provisions for Retirement of Bonds. If, during any 12 month period, any governmental body orders FPL to dispose of mortgaged property, or buys mortgaged property from FPL, and FPL receives $10 million or more from the sale or disposition, then, in most cases, FPL must use that money to redeem First Mortgage Bonds. If this occurs, FPL may redeem First Mortgage Bonds of any series that are redeemable for such reason at the redemption prices applicable to those First Mortgage Bonds. If any Bonds are so redeemable, the redemption prices applicable to those Bonds will be set forth in a prospectus supplement.

Security. The Mortgage secures the Bonds as well as all other First Mortgage Bonds already issued under the Mortgage and still outstanding. FPL may issue more First Mortgage Bonds in the

future and those First Mortgage Bonds will also be secured by the Mortgage. The Mortgage constitutes a first mortgage lien on all of the properties and franchises that FPL owns, except as discussed below.

The lien of the Mortgage is or may be subject to the following:

(1) leases of minor portions of FPL's property to others for uses that do not interfere with FPL's business,

(2) leases of certain property that is not used in FPL's electric business,

(3) Excepted Encumbrances, which include certain tax and real estate liens, and specified rights, easements, restrictions and other obligations, and

(4) vendors' liens, purchase money mortgages and liens on property that already exist at the time FPL acquires that property.

The Mortgage does not create a lien on the following "excepted property":

(1) cash and securities,

(2) certain equipment, materials or supplies and fuel (including nuclear fuel unless it is expressly subjected to the lien of the Mortgage),

(3) automobiles and other vehicles,

(4) receivables, contracts, leases and operating agreements,

(5) materials or products, including electric energy, that FPL generates, produces or purchases for sale or use by FPL, and

(6) timber, minerals, mineral rights and royalties.

The Mortgage will generally also create a lien on property that FPL acquires after the date of this prospectus, other than "excepted property." However, if FPL consolidates or merges with, or sells substantially all of its assets to, another corporation, the lien created by the Mortgage will generally not cover the property of the successor company, other than the property that it acquires from FPL and improvements, replacements and additions to that property.

The Mortgage provides that the Trustee has a lien on the mortgaged property for the payment of its reasonable compensation and expenses and for indemnity against certain liabilities. This lien takes priority over the lien securing the Bonds.

Issuance of Additional Bonds. FPL may issue an unlimited amount of First Mortgage Bonds under the Mortgage so long as it meets the issuance tests set forth in the Mortgage, which are generally described below. FPL may issue Bonds from time to time in an amount equal to:

(1) 60% of unfunded Property Additions after adjustments to offset retirements,

(2) the amount of retired First Mortgage Bonds or Qualified Lien Bonds (as such term is defined in the Mortgage), and

(3) the amount of cash that FPL deposits with the Trustee.

"Property Additions" generally include the following:

(a) plants, lines, pipes, mains, cables, machinery, boilers, transmission lines, pipe lines, distribution systems, service systems and supply systems,

(b) nuclear fuel that has been expressly subjected to the lien of the Mortgage,

(c) railroad cars, barges and other transportation equipment (other than trucks) for the transportation of fuel, and

(d) other property, real or personal, and improvements, extensions, additions, renewals or replacements located within the United States of America or its coastal waters.

FPL may use any property of the type described in (a) through (d) immediately above as Property Additions whether or not that property is in operation and prior to obtaining permits or licenses relating to that property. Securities, fuel (including nuclear fuel unless expressly subjected to the lien of the Mortgage), automobiles or other vehicles, or property used principally for the production or gathering of natural gas will not qualify as Property Additions. The Mortgage contains restrictions on the issuance of First Mortgage Bonds based on Property Additions that are subject to other liens and upon the increase of the amount of those liens.

In most cases, FPL may not issue Bonds unless it meets the "net earnings" test set forth in the Mortgage, which requires, generally, that FPL's adjusted net earnings (before income taxes) for 12 consecutive months out of the 15 months preceding the issuance must have been either:

(1) at least twice the annual interest requirements on all First Mortgage Bonds at the time outstanding, including the Bonds that FPL proposes to issue at the pertinent time, and all indebtedness of FPL that ranks prior or equal to the First Mortgage Bonds, or

(2) at least 10% of the principal amount of all First Mortgage Bonds at the time outstanding, including the Bonds that FPL proposes to issue at the pertinent time, and all indebtedness of FPL that ranks prior or equal to the First Mortgage Bonds.

The Mortgage requires FPL to replace obsolete or worn out property and specifies certain deductions to FPL's adjusted net earnings for property repairs, retirement, additions and maintenance. With certain exceptions, FPL does not need to meet the "net earnings" test to issue Bonds if the issuance is based on retired First Mortgage Bonds or Qualified Lien Bonds.

As of June 30, 2009, FPL could have issued under the Mortgage in excess of $7.2 billion of additional First Mortgage Bonds based on unfunded Property Additions and in excess of $5.8 billion of additional First Mortgage Bonds based on retired First Mortgage Bonds.

Release and Substitution of Property. FPL may release property from the lien of the Mortgage if it does any of the following in an aggregate amount equal to the fair value of the property to be released:

(1) deposits with the Trustee, cash or, to a limited extent, purchase money mortgages,

(2) uses unfunded Property Additions acquired by FPL in the last five years, or

(3) waives its right to issue First Mortgage Bonds

in each case without satisfying any net earnings requirement.

If FPL deposits cash so that it may release property from the lien of the Mortgage or so that it may issue additional First Mortgage Bonds, it may withdraw that cash if it uses unfunded Property Additions or waives its right to issue First Mortgage Bonds without satisfying any net earnings requirement in an amount equal to the cash that FPL seeks to withdraw.

When property released from the lien of the Mortgage is not Funded Property (as such term is defined in the Mortgage), then, if FPL acquires new Property Additions within two years:

(1) Property Additions used for the release of that property will not (subject to some exceptions) be considered Funded Property, and

(2) any waiver by FPL of its right to issue First Mortgage Bonds, which waiver is used for the release of that property, will cease to be an effective waiver and FPL will regain the right to issue those First Mortgage Bonds.

The Mortgage contains provisions relating to cash proceeds of property that is not Funded Property that are similar to the provisions relating to release of that property. The Mortgage contains special provisions relating to pledged Qualified Lien Bonds and the disposition of money received on those Qualified Lien Bonds.

FPL does not need a release from the Mortgage in order to use its nuclear fuel even if that nuclear fuel has been expressly subjected to the lien and operation of the Mortgage.

Dividend Restrictions. In some cases, the Mortgage restricts the amount of retained earnings that FPL can use to pay cash dividends on its common stock. The restricted amount may change depending on factors set out in the Mortgage. Other than this restriction on the payment of common stock dividends, the Mortgage does not restrict FPL's use of retained earnings. As of June 30, 2009, no retained earnings were restricted by these provisions of the Mortgage.

Modification of the Mortgage. Generally the rights of all of the holders of First Mortgage Bonds may be modified with the consent of the holders of 66⅔% of the principal amount of all of the outstanding First Mortgage Bonds. However, if less than all series of First Mortgage Bonds are affected by a modification, that modification also requires the consent of the holders of 66⅔% of the principal amount of all of the outstanding First Mortgage Bonds of each series affected.

FPL has reserved the right to amend the Mortgage without the consent of the holders of any series of First Mortgage Bonds created after April 30, 1992 (including the Bonds) to permit modification of the Mortgage generally with the consent of the holders of only a majority of the First Mortgage Bonds affected by the modification. Since all of the First Mortgage Bonds issued on or prior to April 30, 1992 have matured or have been redeemed and are no longer outstanding under the Mortgage, FPL may exercise this right to amend the Mortgage at any time.

Notwithstanding the immediately preceding paragraph, in most cases, the following modifications will not be effective against any holder of First Mortgage Bonds affected by the modification unless that holder consents:

(1) modification of the terms of payment of principal and interest payable to that holder,

(2) modification creating an equal or prior lien on the mortgaged property or depriving that holder of the benefit of the lien of the Mortgage, and

(3) modification reducing the percentage vote required for modification (except as described above).

Default and Notice Thereof. The following are defaults under the Mortgage:

(1) failure to pay the principal of any First Mortgage Bond when due,

(2) failure to pay interest on any First Mortgage Bond for 60 days after that interest is due,

(3) failure to pay principal of or interest on any Qualified Lien Bond beyond any applicable grace period for the payment of that principal or interest,

(4) failure to pay any installments of funds for retirement of First Mortgage Bonds for 60 days after that installment is due,

(5) certain events in bankruptcy, insolvency or reorganization pertaining to FPL, and

(6) the expiration of 90 days following notice by the Trustee or the holders of 15% of the First Mortgage Bonds relating to any failure by FPL to perform its other covenants under the Mortgage.

Except in the case of failure to pay principal, interest or any installment for retirement of First Mortgage Bonds, the Trustee may withhold notice of default if it believes that withholding the notice is in the interests of the holders of First Mortgage Bonds.

Holders of 25% of the First Mortgage Bonds may declare the principal and the interest due on default. A majority of the holders of First Mortgage Bonds may annul that declaration if the default has been cured. No holder of First Mortgage Bonds may enforce the lien of the Mortgage unless the following things have occurred:

(1) the holder has given the Trustee written notice of a default,

(2) the holders of 25% of the First Mortgage Bonds have requested the Trustee to act and offered it reasonable opportunity to act and indemnity satisfactory to the Trustee for the costs, expenses and liabilities that the Trustee may incur by acting, and

(3) the Trustee has failed to act.

Notwithstanding the foregoing, a holder of First Mortgage Bonds has the right to sue FPL if FPL fails to pay, when due, interest or principal on those First Mortgage Bonds, unless that holder gives up that right.

The Trustee is not required to risk its funds or incur personal liability if there is reasonable ground for believing that the repayment is not reasonably assured. The holders of a majority of the First Mortgage Bonds may direct the time, method, and place of conducting any proceedings for any remedy available to the Trustee, or exercising any of the Trustee's powers.

Satisfaction and Discharge of Mortgage. The Mortgage may be satisfied and discharged if and when FPL provides for the payment of all of the First Mortgage Bonds and all other sums due under the Mortgage.

Evidence to be Furnished to the Trustee. FPL furnishes written statements of FPL's officers, or persons selected or paid by FPL, annually (and when certain events occur) to the Trustee to show that FPL is in compliance with Mortgage provisions and that there are no defaults under the Mortgage. In some cases, these written statements must be provided by an independent accountant, appraiser, engineer or counsel.

DESCRIPTION OF SENIOR DEBT SECURITIES AND SUBORDINATED DEBT SECURITIES

FPL may issue its debt securities (other than (i) the Bonds and (ii) the FPL Junior Subordinated Debentures (as defined below under "Description of Junior Subordinated Debentures")), in one or more series, under one or more Indentures, between FPL and The Bank of New York Mellon, as trustee. The terms of any offered debt securities will be described in a supplement to this prospectus.

DESCRIPTION OF PREFERRED TRUST SECURITIES

General. The Trust may issue preferred trust securities and common trust securities under the Trust Agreement.

The agreements pursuant to which the preferred trust securities of the Trust will be issued are substantially the same; each of these agreements is referred to in this prospectus as the "Trust Agreement." The preferred trust securities and common trust securities issued by the Trust are referred to in this prospectus as "Preferred Trust Securities" and "Common Trust Securities," respectively, and collectively as "Trust Securities." These Trust Securities will represent undivided beneficial interests in the assets of the Trust. Unless otherwise specified in a prospectus supplement, the Junior Subordinated Debentures (as defined below under "Description of Junior Subordinated Debentures") will be held by

the Trust. This section briefly summarizes some of the provisions of the Trust Agreement. This summary does not contain a complete description of the Trust Agreement. You should read this summary together with the Trust Agreement for a complete understanding of all the provisions. The form of the Trust Agreement has previously been filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, each Trust Agreement will be qualified as an indenture under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

In this section, any discussion of the Trust, Preferred Trust Securities and Common Trust Securities relate only to the applicable Trust. Holders of Preferred Trust Securities of the Trust will be entitled to any of the benefits and protections contained in the Trust Agreement applicable to the particular Trust which issued the relevant Trust Securities and not with respect to any other Trust.

The Preferred Trust Securities and Common Trust Securities issued by the Trust will be substantially the same except that, if there is an event of default under the Trust Agreement, as described below, that results from an event of default under the Subordinated Indenture (as such term is defined below under "Description of Junior Subordinated Debentures—General"), the right of FPL, as holder of the Common Trust Securities, to payment of distributions and upon liquidation or redemption will be subordinated to the rights of the holders of the Preferred Trust Securities. (Trust Agreement, Section 4.03). All of the Common Trust Securities will be owned by FPL. (Trust Agreement, Section 5.10).

The following obligations and rights, in combination, have the effect of providing a full and unconditional guarantee of payments due on the Preferred Trust Securities issued by the Trust:

(1) FPL's obligations under the Junior Subordinated Debentures;

(2) the rights of holders of Preferred Trust Securities to enforce those obligations;

(3) FPL's agreement to pay the expenses of the Trust; and

(4) FPL's guarantee (the "Preferred Trust Securities Guarantee") of payments due on the Preferred Trust Securities to the extent of the Trust's legally available assets.

No single one of the rights and obligations listed above standing alone or operating in conjunction with fewer than all of the other applicable rights and obligations constitutes a full and unconditional guarantee by FPL of the Preferred Trust Securities. It is only the combined operation of these rights and obligations that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL of the Preferred Trust Securities.

The Trust will use the proceeds from its sale of the Trust Securities to purchase Junior Subordinated Debentures from FPL. (Trust Agreement, Section 2.05). The Junior Subordinated Debentures will be issued under a subordinated indenture between FPL and The Bank of New York Mellon, as trustee. The Junior Subordinated Debentures will be held in trust for the benefit of holders of the applicable Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 2.09).

A prospectus supplement relating to the Preferred Trust Securities will include specific terms of those securities and of the Junior Subordinated Debentures issued in connection therewith. For a description of some specific terms that will affect both the Preferred Trust Securities and the Junior Subordinated Debentures, and holders' rights under each, see "Description of Junior Subordinated Debentures" below.

Distributions. The only income of the Trust available for distribution to the holders of Preferred Trust Securities will be payments on the applicable Junior Subordinated Debentures. (Trust Agreement,

Section 8.01). If FPL does not make interest payments on the Junior Subordinated Debentures, the Trust will not have funds available to pay distributions on Preferred Trust Securities. The payment of distributions, if and to the extent the Trust has sufficient funds available for the payment of such distributions, is guaranteed on a limited basis by FPL as described under "Description of Preferred Trust Securities Guarantee."

If so specified in the related prospectus supplement, FPL will have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods, in which case, distributions on the Preferred Trust Securities would be deferred during any such period. Unless otherwise provided in the related prospectus supplement, distributions would, however, continue to accumulate. (Trust Agreement, Section 4.01). Unless otherwise provided in the related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, FPL may not:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures; or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures,

other than

(a) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the payment of interest is deferred requiring it to purchase, redeem or acquire its capital stock;

(b) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(c) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(d) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock) and distributions in connection with the settlement of stock purchase contracts;

(e) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(f) payments under any preferred trust securities guarantee or guarantee of subordinated debentures executed and delivered by FPL concurrently with the issuance by a Trust of any preferred trust securities, so long as the amount of payments made with respect to

any preferred trust securities or subordinated debentures (as the case may be) is paid on all preferred trust securities or subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or subordinated debentures (as the case may be) is then entitled if paid in full.

Unless otherwise provided in the related prospectus supplement, (i) before an optional deferral period ends, FPL may further defer the payment of interest and (ii) after any optional deferral period and the payment of all amounts then due, FPL may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures.

Redemption. Whenever Junior Subordinated Debentures are repaid, whether at maturity or earlier redemption, the Property Trustee will apply the proceeds to redeem a like amount of Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 4.02(a)).

Preferred Trust Securities will be redeemed at the redemption price plus accrued and unpaid distributions with the proceeds from the contemporaneous redemption or repayment of Junior Subordinated Debentures. Redemptions of the Preferred Trust Securities will be made on a redemption date only if the Trust has funds available for the payment of the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(c)).

Holders of Preferred Trust Securities will be given not less than 30 nor more than 60 days' notice of any redemption. (Trust Agreement, Section 4.02(b)). On or before the redemption date, the Trust will irrevocably deposit with the paying agent for Preferred Trust Securities sufficient funds and will give the paying agent irrevocable instructions and authority to pay the redemption price plus accrued and unpaid distributions to the holders upon surrender of their Preferred Trust Securities. Distributions payable on or before a redemption date will be payable to the holders on the record date for the distribution payment. If notice is given and funds are deposited as required, then on the redemption date all rights of holders of the Preferred Trust Securities called for redemption will cease, except the right of the holders to receive the redemption price plus accrued and unpaid distributions, and the Preferred Trust Securities will cease to be outstanding. No interest will accrue on amounts payable on the redemption date. In the event that any date fixed for redemption of Preferred Trust Securities is not a business day, then payment will be made on the next business day, except that, if such business day falls in the next calendar year, then payment will be made on the immediately preceding business day. No interest will be payable because of any such delay. If payment of Preferred Trust Securities called for redemption is improperly withheld or refused and not paid either by the Trust or by FPL pursuant to the Preferred Trust Securities Guarantee, distributions on such Preferred Trust Securities will continue to accrue to the date of payment. In that event, the actual payment date will be considered the date fixed for redemption for purposes of calculating the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(d)).

Subject to applicable law, including United States federal securities laws, FPL or its affiliates may at any time and from time to time purchase outstanding Preferred Trust Securities by tender, in the open market or by private agreement.

If Preferred Trust Securities are partially redeemed on a redemption date, a corresponding percentage of the Common Trust Securities will be redeemed. The particular Preferred Trust Securities to be redeemed will be selected not more than 60 days prior to the redemption date by the Property Trustee by such method as the Property Trustee shall deem fair, taking into account the denominations in which they were issued. The Property Trustee will promptly notify the Preferred Trust Security registrar in writing of the Preferred Trust Securities selected for redemption and, where applicable, the partial amount to be redeemed. (Trust Agreement, Section 4.02(f)).

Subordination of Common Trust Securities. Payment of distributions on, and the redemption price, plus accrued and unpaid distributions, of, the Preferred Trust Securities and Common Trust Securities shall be made pro rata based on the liquidation preference amount of such securities. However, if on any distribution payment date or redemption date an event of default under the Trust Agreement resulting from an event of default under the related Subordinated Indenture has occurred and is continuing, no payment on any Common Trust Security shall be made until all payments due on the Preferred Trust Securities have been made. In that case, funds available to the Property Trustee shall first be applied to the payment in full of all distributions on, or the redemption price plus accrued and unpaid distributions of, Preferred Trust Securities then due and payable. (Trust Agreement, Section 4.03(a)).

If an event of default under the Trust Agreement results from an event of default under the related Subordinated Indenture, the holder of Common Trust Securities cannot take action with respect to the Trust Agreement default until the effect of all defaults with respect to the Preferred Trust Securities has been cured, waived or otherwise eliminated. Until the event of default under the Trust Agreement with respect to Preferred Trust Securities has been cured, waived or otherwise eliminated, the Property Trustee shall, to the fullest extent permitted by law, act solely on behalf of the holders of Preferred Trust Securities and not the holder of the Common Trust Securities, and only the holders of Preferred Trust Securities will have the right to direct the Property Trustee to act on their behalf. (Trust Agreement, Section 4.03(b)).

Liquidation Distribution upon Dissolution. The Trust will be dissolved and liquidated by the Property Trustee on the first to occur of:

(1) the expiration of the term of the Trust;

(2) the bankruptcy, dissolution or liquidation of FPL;

(3) the redemption of all of the Preferred Trust Securities of the Trust;

(4) the entry of an order for dissolution of the Trust by a court of competent jurisdiction; or

(5) at any time, at the election of FPL. (Trust Agreement, Sections 9.01 and 9.02).

If a dissolution of the Trust occurs, the Trust will be liquidated by the Property Trustee as expeditiously as the Property Trustee determines to be appropriate. If a dissolution of the Trust occurs other than by redemption of all the Preferred Trust Securities, the Property Trustee will provide for the satisfaction of liabilities of creditors, if any, and distribute to each holder of the Preferred Trust Securities and Common Trust Securities a proportionate amount of Junior Subordinated Debentures. If a distribution of Junior Subordinated Debentures is determined by the Property Trustee not to be practical, holders of Preferred Trust Securities will be entitled to receive, out of the assets of the Trust after adequate provision for the satisfaction of liabilities of creditors, if any, an amount equal to the aggregate liquidation preference of the Preferred Trust Securities plus accrued and unpaid distributions thereon to the date of payment. If this liquidation distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate liquidation distribution, then the amounts payable by the Trust on the Preferred Trust Securities shall be paid on a pro rata basis. FPL, as holder of the Common Trust Securities, will be entitled to receive distributions upon any dissolution pro rata with the holders of the Preferred Trust Securities, except that if an event of default (or event that, with the lapse of time or giving of notice, would become such an event of default) has occurred and is continuing under the related Subordinated Indenture, the Preferred Trust Securities will have a preference over the Common Trust Securities. (Trust Agreement, Section 9.04).

Events of Default; Notice. Any one of the following events will be an event of default under the Trust Agreement whether it shall be voluntary or involuntary or be effected by operation of law or

pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(1) the occurrence of an event of default as described in the related Subordinated Indenture;

(2) default by the Trust in the payment of any distribution when it becomes due and payable, and continuation of that default for a period of 30 days;

(3) default by the Trust in the payment of any redemption price, plus accrued and unpaid distributions, of any Preferred Trust Security or Common Trust Security when it becomes due and payable;

(4) default in the performance, or breach, in any material respect, of any covenant or warranty of the trustees in the Trust Agreement which is not dealt with above, and continuation of that default or breach for a period of 90 days after written notice to the Trust, the defaulting trustee under the Trust Agreement and FPL by the holders of Preferred Trust Securities having at least 33% of the total liquidation preference amount of the outstanding Preferred Trust Securities. However, the holders of Preferred Trust Securities will be deemed to have agreed to an extension of the 90 day period if corrective action is initiated by any of the trustees within such period and is diligently pursued in good faith; or

(5) the occurrence of certain events of bankruptcy or insolvency with respect to the Trust. (Trust Agreement, Section 1.01).

Within 90 days after the occurrence of any default known to the Property Trustee, the Property Trustee shall transmit to the holders of Preferred Trust Securities, FPL and the Administrative Trustees notice of any such default, unless that default shall have been cured or waived. (Trust Agreement, Section 8.02).

A holder of Preferred Trust Securities may directly institute a proceeding to enforce payment when due to the holder of the Preferred Trust Securities of the principal of or interest on Junior Subordinated Debentures having a principal amount equal to the aggregate liquidation preference amount of the holder's Preferred Trust Securities. The holders of Preferred Trust Securities have no other rights to exercise directly any other remedies available to the holder of the Junior Subordinated Debentures unless the trustees under the Trust Agreement fail to do so. (Trust Agreement, Section 6.01(a)).

Removal of Trustees. Unless an event of default under the related Subordinated Indenture has occurred and is continuing, the holder of the Common Trust Securities may remove any trustee under the Trust Agreement at any time. If an event of default under the Subordinated Indenture has occurred and is continuing, the holders of a majority of the total liquidation preference amount of the outstanding Preferred Trust Securities may remove the Property Trustee or the Delaware Trustee, or both of them. The holder of the Common Trust Securities may remove any Administrative Trustee at any time. Any resignation or removal of a trustee under the Trust Agreement will take effect only on the acceptance of appointment by the successor trustee. (Trust Agreement, Section 8.10).

Holders of Preferred Trust Securities will have no right to appoint or remove the Administrative Trustees of the Trust, who may be appointed, removed or replaced solely by FPL as the holder of the Common Trust Securities. (Trust Agreement, Section 8.10).

Voting Rights. Except as provided below and under "Description of Preferred Trust Securities Guarantee—Modification and Assignment," and as otherwise required by law or the Trust Agreement, the holders of Preferred Trust Securities will have no voting rights.

While Junior Subordinated Debentures are held by the Property Trustee, the Property Trustee shall not:

(1) direct the time, method and place to conduct any proceeding for any remedy available to the Subordinated Indenture Trustee (as such term is defined below under "Description of Junior Subordinated Debentures—General"), or execute any trust or power conferred on the Subordinated Indenture Trustee with respect to the Junior Subordinated Debentures;

(2) waive any past default under the related Subordinated Indenture;

(3) exercise any right to rescind or annul a declaration that the principal of all the Junior Subordinated Debentures will be due and payable; or

(4) consent to any amendment, modification or termination of the related Subordinated Indenture or the Junior Subordinated Debentures, where that consent will be required,

without, in each case, obtaining the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of all outstanding Preferred Trust Securities of the Trust. Where a consent of each holder of Junior Subordinated Debentures affected is required, no consent shall be given by the Property Trustee without the prior consent of each holder of the Preferred Trust Securities affected. The Property Trustee shall not revoke any action previously authorized or approved by a vote of the holders of Preferred Trust Securities, except pursuant to the subsequent vote of the holders of Preferred Trust Securities. (Trust Agreement, Section 6.01(b)). If the Property Trustee fails to enforce its rights, as holder, under the Junior Subordinated Debentures or the Trust Agreement, a holder of the Preferred Trust Securities may institute a legal proceeding directly against FPL to enforce the Property Trustee's rights under the Junior Subordinated Debentures or the Trust Agreement without first instituting any legal proceeding against the Property Trustee or anyone else. (Trust Agreement, Section 6.01(a)). The Property Trustee shall notify all holders of Preferred Trust Securities of any notice of default received from the Subordinated Indenture Trustee. The Property Trustee shall not take any action approved by the consent of the holders of Preferred Trust Securities without an opinion of counsel experienced in those matters to the effect that the Trust will be classified as a grantor trust and not as an association taxable as a corporation for United States federal income tax purposes on account of that action. (Trust Agreement, Section 6.01(b)).

Holders of Preferred Trust Securities may give any required approval at a meeting convened for such purpose or by written consent without prior notice. (Trust Agreement, Section 6.06). The Administrative Trustees will give notice of any meeting at which holders of Preferred Trust Securities are entitled to vote. (Trust Agreement, Section 6.02).

No vote or consent of the holders of Preferred Trust Securities will be required for the Trust to redeem and cancel Preferred Trust Securities in accordance with the Trust Agreement.

Notwithstanding that holders of Preferred Trust Securities are entitled to vote or consent under any of the circumstances described above, any Preferred Trust Securities that are owned by FPL, any Administrative Trustee or any affiliate of any of them, shall be treated as if they were not outstanding for purposes of such vote or consent. (Trust Agreement, Section 1.01).

Amendments. The Trust Agreement may be amended from time to time by a majority of its Administrative Trustees and FPL, without the consent of any holders of Preferred Trust Securities or the other trustees under the Trust Agreement in order to:

(1) cure any ambiguity; correct or supplement any provision that may be inconsistent with any other provision of the Trust Agreement or amendment to the Trust Agreement; or make any other provisions with respect to matters or questions arising under the Trust Agreement;

(2) change the name of the Trust; or

(3) modify, eliminate or add to any provisions of the Trust Agreement to the extent necessary to ensure that the Trust will not be classified for United States federal income tax purposes other than as a grantor trust (and not an association taxable as a corporation) at any time that any Preferred Trust Securities and Common Trust Securities are outstanding or to ensure the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940.

No amendment described above may materially adversely affect the interests of any holder of Preferred Trust Securities or Common Trust Securities without the applicable consents required pursuant to the following two paragraphs. Any of the amendments of the Trust Agreement described in paragraph (1) above shall become effective when notice of the amendment is given to the holders of Preferred Trust Securities and Common Trust Securities in accordance with the provisions of the Trust Agreement. (Trust Agreement, Section 10.03(a)).

Except as provided below, any provision of the Trust Agreement may be amended by the Administrative Trustees and FPL with:

(1) the consent of holders of Preferred Trust Securities and Common Trust Securities representing not less than a majority in aggregate liquidation preference amount of the Preferred Trust Securities and Common Trust Securities then outstanding; and

(2) receipt by the trustees of an opinion of counsel to the effect that such amendment or the exercise of any power granted to the trustees in accordance with the amendment will not affect the Trust's status as a grantor trust for federal income tax purposes (and not an association taxable as a corporation) or affect the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940. (Trust Agreement, Section 10.03(b)).

Each affected holder of Preferred Trust Securities must consent to any amendment to the Trust Agreement that:

(1) adversely changes the amount or timing of any distribution with respect to Preferred Trust Securities or otherwise adversely affects the amount of any distribution required to be made in respect of Preferred Trust Securities as of a specified date;

(2) restricts the right of a holder of Preferred Trust Securities to institute suit for the enforcement of any such payment on or after that date; or

(3) modify the provisions described in clauses (1) and (2) above. (Trust Agreement, Section 10.03(c)).

Form, Exchange and Transfer. Preferred Trust Securities may be exchanged for other Preferred Trust Securities in any authorized denomination and of like tenor and aggregate liquidation preference. (Trust Agreement, Section 5.04).

Subject to the terms of the Trust Agreement, Preferred Trust Securities may be presented for exchange as provided above or for registration of transfer, duly endorsed or accompanied by a duly executed instrument of transfer, at the office of the Preferred Trust Security registrar. The Administrative Trustees may designate FPL or any affiliate of FPL as the Preferred Trust Security registrar. The Property Trustee will initially act as the Preferred Trust Security registrar and transfer agent. (Trust Agreement, Section 5.08). No service charge will be made for any registration of transfer or exchange of Preferred Trust Securities, but the Preferred Trust Security registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange. A transfer or exchange will be made when the Preferred Trust Security registrar and Administrative Trustees are satisfied with the documents of title and identity of the person making the request. (Trust Agreement, Section 5.04). The Administrative Trustees may at any time

designate another transfer agent and registrar or rescind the designation of any transfer agent and registrar or approve a change in the office through which any transfer agent and registrar acts, except that FPL will, or will cause the Preferred Trust Security registrar to, maintain an office or agency in The City of New York where Preferred Trust Securities may be transferred or exchanged. (Trust Agreement, Sections 2.07(a) and 5.08).

The Trust will not be required to:

(1) issue, register the transfer of, or exchange any Preferred Trust Securities during the period beginning at the opening of business 15 calendar days before the mailing of a notice of redemption of any Preferred Trust Securities called for redemption and ending at the close of business on the day the notice is mailed; or

(2) register the transfer of or exchange any Preferred Trust Securities so selected for redemption, in whole or in part, except the unredeemed portion of any Preferred Trust Securities being redeemed in part. (Trust Agreement, Section 5.04).

Payment on Preferred Trust Securities and Paying Agent. Unless otherwise stated in a prospectus supplement, payments in respect of the Preferred Trust Securities will be made on the applicable distribution dates by check mailed to the address of the holder entitled thereto as such address appears on the Preferred Trust Security register. (Trust Agreement, Section 4.04). The paying agent shall initially be the Property Trustee and any co-paying agent chosen by the Property Trustee that is acceptable to the Administrative Trustees and FPL. The paying agent may resign upon 30 days' written notice to the Administrative Trustees, the Property Trustee and FPL. In the event that the Property Trustee shall no longer be the paying agent, the Administrative Trustees shall appoint a successor, which shall be a bank, trust company or affiliate of FPL reasonably acceptable to the Property Trustee and FPL, to act as paying agent. (Trust Agreement, Section 5.09).

Duties of the Trustees. The Delaware Trustee will act as the resident trustee in the State of Delaware and will have no other significant duties. The Property Trustee will hold the Junior Subordinated Debentures on behalf of the Trust and will maintain a payment account with respect to the Preferred Trust Securities and Common Trust Securities, and will also act as trustee under the Trust Agreement for the purposes of the Trust Indenture Act of 1939. (Trust Agreement, Sections 2.06 and 2.07(b)).

The Administrative Trustees of the Trust are authorized and directed to conduct the affairs of the Trust and to operate the Trust so that

(1) the Trust will not be deemed to be an "investment company" required to be registered under the Investment Company Act of 1940,

(2) the Trust will not be taxed as a corporation, and

(3) the Junior Subordinated Debentures will be treated as indebtedness of FPL for United States federal income tax purposes.

In this regard, FPL and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust or the Trust Agreement, that FPL and the Administrative Trustees determine in their discretion to be necessary or desirable for those purposes, as long as the action does not materially adversely affect the interests of the holders of the Preferred Trust Securities. (Trust Agreement, Section 2.07(d)).

Miscellaneous. Holders of the Preferred Trust Securities have no preemptive or similar rights. (Trust Agreement, Section 5.13).

Notices. Notices to holders of Preferred Trust Securities will be sent by mail to the addresses of those holders as they appear in the security register for those Preferred Trust Securities. (Trust Agreement, Section 6.02).

Title. The Property Trustee, the Delaware Trustee, the Administrative Trustees, and the Preferred Trust Security registrar and transfer agent, and any agent of the Property Trustee, the Delaware Trustee, the Administrative Trustees, or the Preferred Trust Security registrar and transfer agent, may treat the person in whose name a Preferred Trust Security is registered as the absolute owner of that Preferred Trust Security for the purpose of receiving distributions and all other purposes, regardless of any notice to the contrary. (Trust Agreement, Section 5.06).

Governing Law. The Trust Agreement, the Preferred Trust Securities and the Common Trust Securities will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Trust Agreement, Section 10.05).

DESCRIPTION OF PREFERRED TRUST SECURITIES GUARANTEE

General. This section briefly summarizes some of the provisions of the Preferred Trust Securities Guarantee Agreement that FPL will execute and deliver for the benefit of the holders of the Preferred Trust Securities issued by the Trust. The terms of these agreements are substantially the same, and they are referred to in this prospectus as the "Preferred Trust Securities Guarantee Agreement." This summary does not contain a complete description of the Preferred Trust Securities Guarantee Agreement. You should read this summary together with the Preferred Trust Securities Guarantee Agreement for a complete understanding of all the provisions. The form of the Preferred Trust Securities Guarantee Agreement has previously been filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Preferred Trust Securities Guarantee Agreement will be qualified as an indenture under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

The Bank of New York Mellon will act as Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement and will hold the Preferred Trust Securities Guarantee for the benefit of the holders of the Preferred Trust Securities.

General Terms of the Preferred Trust Securities Guarantee. FPL will absolutely, irrevocably and unconditionally agree to make the guarantee payments listed below in full to the holders of the Preferred Trust Securities if they are not made by the Trust, as and when due, regardless of any defense, right of set-off or counterclaim that the Trust may have or assert. (Preferred Trust Securities Guarantee Agreement, Section 5.01). The following payments will be subject to the Preferred Trust Securities Guarantee (without duplication):

(1) any accrued and unpaid distributions required to be paid on Preferred Trust Securities, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time;

(2) the redemption price, plus all accrued and unpaid distributions to the redemption date, for any Preferred Trust Securities called for redemption by the Trust, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

(3) upon a voluntary or involuntary dissolution, winding-up or termination of the Trust (except in connection with the distribution of Junior Subordinated Debentures to the holders in exchange for Preferred Trust Securities as provided in the Trust Agreement or upon a redemption of all of the Preferred Trust Securities upon maturity or redemption of the Junior Subordinated Debentures as provided in the Trust Agreement), the lesser of:

   (a) the aggregate of the liquidation preference amount and all accrued and unpaid distributions on Preferred Trust Securities to the date of payment, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

   (b) the amount of assets of the Trust remaining available for distribution to holders of Preferred Trust Securities in liquidation of the Trust after satisfaction of liabilities to creditors of the Trust as required by applicable law.

(Preferred Trust Securities Guarantee Agreement, Section 1.01). FPL's obligation to make a guarantee payment may be satisfied by either making a direct payment of the required amounts by FPL to the holders of Preferred Trust Securities or causing the Trust to pay such amounts to those holders. (Preferred Trust Securities Guarantee Agreement, Section 5.01).

The Preferred Trust Securities Guarantee will be a guarantee, subject to certain subordination provisions, as to payment with respect to the Preferred Trust Securities, but will not apply to any

payment of distributions if and to the extent that the Trust does not have funds legally available to make those payments. (Preferred Trust Securities Guarantee Agreement, Sections 1.01 and 5.05). If FPL does not make interest payments on the Junior Subordinated Debentures held by a Trust, the applicable Trust will not have funds available to pay distributions on the Preferred Trust Securities.

The following obligations and rights, in combination, have the effect of providing a full and unconditional guarantee of payments due on the Preferred Trust Securities issued by the Trust:

(1) FPL's obligations under the Junior Subordinated Debentures;

(2) the rights of holders of Preferred Trust Securities to enforce those obligations;

(3) FPL's agreement to pay the expenses of the Trust; and

(4) the Preferred Trust Securities Guarantee.

No single one of the rights and obligations listed above standing alone or operating in conjunction with fewer than all of the other applicable rights and obligations constitutes a full and unconditional guarantee by FPL of the Preferred Trust Securities. It is only the combined operation of these rights and obligations that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL of the Preferred Trust Securities.

Except as otherwise stated in the related prospectus supplement, the covenants in the Preferred Trust Securities Guarantee Agreement would not give holders of the Preferred Trust Securities protection in the event of a highly-leveraged transaction involving FPL.

Security and Ranking. The Preferred Trust Securities Guarantee will be an unsecured obligation of FPL and will rank:

(1) subordinate and junior in right of payment to all other liabilities of FPL (except those made pari passu or subordinate by their terms);

(2) equal in right of payment with the most senior preferred or preference stock that may be issued by FPL and with any guarantee that may be entered into by FPL in respect of any preferred or preference stock of any affiliate of FPL; and

(3) senior to FPL common stock. (Preferred Trust Securities Guarantee Agreement, Section 6.01).

The Preferred Trust Securities Guarantee Agreement does not limit the amount of other indebtedness, including guarantees, that FPL may issue or incur or the amount of preferred or preference stock it may issue.

The Trust Agreement provides that by accepting Preferred Trust Securities, a holder agrees to the subordination provisions and other terms of the Preferred Trust Securities Guarantee. (Trust Agreement, Section 5.02).

The Preferred Trust Securities Guarantee will be a guarantee of payment and not of collection, that is, the guaranteed party may institute a legal proceeding directly against FPL to enforce its rights under the Preferred Trust Securities Guarantee without first instituting a legal proceeding against anyone else. (Preferred Trust Securities Guarantee Agreement, Sections 5.04 and 5.05).

Events of Default. An event of default under the Preferred Trust Securities Guarantee Agreement will occur upon failure of FPL to perform any of its payment obligations under the Preferred Trust Securities Guarantee Agreement, which failure has not been cured within 90 days of receipt of notice thereof. (Preferred Trust Securities Guarantee Agreement, Section 1.01). Upon an

event of default, the holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities have the right to:

(1) direct the time, method and place of conducting any proceeding for any remedy available to the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement, or

(2) direct the exercise of any trust or power conferred upon the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 5.04).

Any holder of the Preferred Trust Securities may enforce the Preferred Trust Securities Guarantee, or institute a legal proceeding directly against FPL to enforce the Preferred Trust Securities Guarantee Trustee's rights under the Preferred Trust Securities Guarantee Agreement without first instituting a legal proceeding against the Trust, the Preferred Trust Securities Guarantee Trustee or anyone else. (Preferred Trust Securities Guarantee Agreement, Section 5.04). The holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities may waive any past event of default and its consequences. (Preferred Trust Securities Guarantee Agreement, Section 2.06).

FPL will be required to deliver to the Preferred Trust Securities Guarantee Trustee an annual statement as to its compliance with all conditions under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 2.04).

Modification and Assignment. No consent of holders of Preferred Trust Securities is required for changes to the Preferred Trust Securities Guarantee Agreement that do not materially adversely affect their rights. Except as provided below, changes to the Preferred Trust Securities Guarantee Agreement that materially adversely affect the rights of Preferred Trust Securities require the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of the outstanding Preferred Trust Securities. Each affected holder of Preferred Trust Securities must consent to any amendment to the Preferred Trust Securities Guarantee Agreement that impairs the right of such holder to receive guarantee payments under the Preferred Trust Securities Guarantee Agreement or to institute suit for enforcement of any such payment. (Preferred Trust Securities Guarantee Agreement, Section 8.01).

All guarantees and agreements contained in the Preferred Trust Securities Guarantee Agreement will bind the successors, assigns, receivers, trustees and representatives of FPL and will inure to the benefit of the holders of the Preferred Trust Securities then outstanding. (Preferred Trust Securities Guarantee Agreement, Section 8.02).

Termination of the Preferred Trust Securities Guarantee. The Preferred Trust Securities Guarantee Agreement will terminate and be of no further force and effect upon:

(1) full payment of the redemption price, plus accrued and unpaid distributions to the redemption date, for all the Preferred Trust Securities;

(2) the distribution of Junior Subordinated Debentures to holders of the Preferred Trust Securities in exchange for all of the Preferred Trust Securities; or

(3) full payment of the amounts payable upon liquidation of the Trust.

However, the Preferred Trust Securities Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time, as result of the subordination provisions or any mistake or any judicial proceeding or otherwise, any holder of Preferred Trust Securities must return any sums paid under the Preferred Trust Securities or the Preferred Trust Securities Guarantee. (Preferred Trust Securities Guarantee Agreement, Section 7.01).

Governing Law. The Preferred Trust Securities Guarantee Agreement provides that it is to be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Preferred Trust Securities Guarantee Agreement, Section 8.06).

DESCRIPTION OF JUNIOR SUBORDINATED DEBENTURES

General. The junior subordinated debentures issued by FPL are referred to in this prospectus as the "Junior Subordinated Debentures." The Junior Subordinated Debentures, which the Property Trustee will hold on behalf of the Trust as trust assets, will be issued by FPL in one or more series under one or more indentures between FPL and The Bank of New York Mellon, as trustee. The indenture or indentures pursuant to which Junior Subordinated Debentures may be issued, as the same may be amended and supplemented from time to time, are referred to in this prospectus as the "Subordinated Indenture." The Bank of New York Mellon, as trustee under the Subordinated Indenture, is referred to in this prospectus as the "Subordinated Indenture Trustee." The Subordinated Indenture provides for the issuance from time to time of subordinated debt in an unlimited amount. The Junior Subordinated Debentures and all other subordinated debt issued previously or hereafter under the Subordinated Indenture are collectively referred to in this prospectus as the "Subordinated Indenture Securities."

This section briefly summarizes some of the terms of the Junior Subordinated Debentures and some of the provisions of the Subordinated Indenture. This summary does not contain a complete description of the Junior Subordinated Debentures or the Subordinated Indenture. You should read this summary together with the Subordinated Indenture and the officer's certificates or other documents creating the Junior Subordinated Debentures for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The form of Subordinated Indenture, the form of officer's certificate that may be used to create a series of Junior Subordinated Debentures and a form of the Junior Subordinated Debentures have previously been filed with the SEC, and are exhibits to the registration statement. In addition, the Subordinated Indenture will be qualified under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

The Junior Subordinated Debentures issued by FPL to the Trust will constitute a separate series under the Subordinated Indenture and the principal amount of each series will be limited to the sum of the aggregate liquidation preference amount of the related Preferred Trust Securities and the consideration paid by FPL for the related Common Trust Securities.

The Junior Subordinated Debentures will be unsecured, subordinated obligations of FPL which rank junior to all of FPL's Senior Indebtedness. The term "Senior Indebtedness" will be defined in the related prospectus supplement. All Junior Subordinated Debentures issued under the Subordinated Indenture will rank equally and ratably with all other Junior Subordinated Debentures issued under the Subordinated Indenture, except to the extent that FPL elects to provide security with respect to any series of Junior Subordinated Debentures without providing that security to all outstanding Junior Subordinated Debentures in accordance with the Subordinated Indenture.

Each series of Junior Subordinated Debentures may have different terms. FPL will include some or all of the following information about a specific series of Junior Subordinated Debentures in the particular prospectus supplement relating to that specific series of Junior Subordinated Debentures:

(1) the title of those Junior Subordinated Debentures,

(2) any limit upon the aggregate principal amount of those Junior Subordinated Debentures,

(3) the date(s) on which the principal will be paid,

(4) the rate(s) of interest on those Junior Subordinated Debentures, or how the rate(s) of interest will be determined, the date(s) from which interest will accrue, the dates on which interest will be paid and the record date for any interest payable on any interest payment date,

(5) the person to whom interest will be paid on any interest payment date, if other than the person in whose name those Junior Subordinated Debentures are registered at the close of business on the record date for that interest payment,

(6) the place(s) at which or methods by which payments will be made on those Junior Subordinated Debentures and the place(s) at which or methods by which the registered owners of those Junior Subordinated Debentures may transfer or exchange those Junior Subordinated Debentures and serve notices and demands to or upon FPL,

(7) the security registrar and any paying agent or agents for those Junior Subordinated Debentures,

(8) any date(s) on which, the price(s) at which and the terms and conditions upon which FPL may, at its option, redeem those Junior Subordinated Debentures, in whole or in part, and any restrictions on those redemptions,

(9) any sinking fund or other provisions, including any options held by the registered owners of those Junior Subordinated Debentures, that would obligate FPL to repurchase or redeem those Junior Subordinated Debentures,

(10) the denominations in which those Junior Subordinated Debentures may be issued, if other than denominations of $25 and any integral multiple of $25,

(11) the currency or currencies in which the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid (if other than in U.S. dollars),

(12) if FPL or a registered owner may elect to pay, or receive, principal of or premium, if any, or interest on those Junior Subordinated Debentures in a currency other than that in which those Junior Subordinated Debentures are stated to be payable, the terms and conditions upon which that election may be made,

(13) if the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid in securities or other property, the type and amount of those securities or other property and the terms and conditions upon which FPL or a registered owner may elect to pay or receive those payments,

(14) if the amount payable in respect of principal of or premium, if any, or interest on those Junior Subordinated Debentures may be determined by reference to an index or other fact or event ascertainable outside of the Subordinated Indenture, the manner in which those amounts will be determined,

(15) the portion of the principal amount of the Junior Subordinated Debentures that FPL will pay upon declaration of acceleration of the maturity of those Junior Subordinated Debentures, if other than the entire principal amount of those Junior Subordinated Debentures,

(16) events of default, if any, with respect to those Junior Subordinated Debentures and covenants, if any, of FPL for the benefit of the registered owners of those Junior Subordinated Debentures, other than those specified in the Subordinated Indenture,

(17) the terms, if any, pursuant to which those Junior Subordinated Debentures may be exchanged for shares of capital stock or other securities of any other entity,

(18) a definition of "Eligible Obligations" under the Subordinated Indenture with respect to the Junior Subordinated Debentures denominated in a currency other than U.S. dollars,

(19) any other provisions for the reinstatement of FPL's indebtedness in respect of those Junior Subordinated Debentures after their satisfaction and discharge,

(20) if those Junior Subordinated Debentures will be issued in global form, necessary information relating to the issuance of those Junior Subordinated Debentures in global form,

(21) if those Junior Subordinated Debentures will be issued as bearer securities, necessary information relating to the issuance of those Junior Subordinated Debentures as bearer securities,

(22) any limits on the rights of the registered owners of those Junior Subordinated Debentures to transfer or exchange those Junior Subordinated Debentures or to register their transfer, and any related service charges,

(23) any exceptions to the provisions governing payments due on legal holidays or any variations in the definition of business day with respect to those Junior Subordinated Debentures,

(24) any collateral security, assurance, or guarantee for those Junior Subordinated Debentures,

(25) the designation of the trust to which the Junior Subordinated Debentures are to be issued,

(26) the terms relating to any additional interest that may be payable as a result of any tax, assessment or governmental charges, and

(27) any other terms of those Junior Subordinated Debentures that are not inconsistent with the provisions of the Subordinated Indenture. (Subordinated Indenture, Section 301).

Except as otherwise stated in the related prospectus supplement, the covenants in the Subordinated Indenture would not give registered owners of Junior Subordinated Debentures protection in the event of a highly-leveraged transaction involving FPL.

Subordination. The Junior Subordinated Debentures will be subordinate and junior in right of payment to all Senior Indebtedness of FPL. (Subordinated Indenture, Article Fourteen). No payment of the principal (including redemption and sinking fund payments) of, or interest, or premium, if any, on the Junior Subordinated Debentures may be made by FPL until all holders of Senior Indebtedness of FPL have been paid in full (or provision has been made for such payment), if any of the following occurs:

(1) certain events of bankruptcy, insolvency or reorganization of FPL;

(2) any Senior Indebtedness of FPL is not paid when due (after the expiration of any applicable grace period) and that default continues without waiver; or

(3) any other default has occurred and continues without waiver (after the expiration of any applicable grace period) pursuant to which the holders of Senior Indebtedness of FPL are permitted to accelerate the maturity of such Senior Indebtedness. (Subordinated Indenture, Section 1402).

Upon any distribution of assets of FPL to creditors in connection with any insolvency, bankruptcy or similar proceeding, all principal of, and premium, if any, and interest due or to become due on all Senior Indebtedness of FPL must be paid in full before the holders of the Junior Subordinated Debentures are entitled to receive or retain any payment from such distribution. (Subordinated Indenture, Section 1402).

Payment and Paying Agents. Except as stated in the related prospectus supplement, on each interest payment date FPL will pay interest on each Junior Subordinated Debenture to the person in whose name that Junior Subordinated Debenture is registered as of the close of business on the record date relating to that interest payment date. However, on the date that the Junior Subordinated Debentures mature, FPL will pay the interest to the person to whom it pays the principal. Also, if FPL

has defaulted in the payment of interest on any Junior Subordinated Debenture, it may pay that defaulted interest to the registered owner of that Junior Subordinated Debenture:

(1) as of the close of business on a date that the Subordinated Indenture Trustee selects, which may not be more than 15 days or less than 10 days before the date that FPL proposes to pay the defaulted interest, or

(2) in any other lawful manner that does not violate the requirements of any securities exchange on which that Junior Subordinated Debenture is listed and that the Subordinated Indenture Trustee believes is acceptable. (Subordinated Indenture, Section 307).

Unless otherwise stated in the related prospectus supplement, the principal, premium, if any, and interest on the Junior Subordinated Debentures at maturity will be payable when such Junior Subordinated Debentures are presented at the main corporate trust office of The Bank of New York Mellon, as paying agent, in The City of New York. FPL may change the place of payment on the Junior Subordinated Debentures, appoint one or more additional paying agents, including itself, and remove any paying agent. (Subordinated Indenture, Section 602).

Transfer and Exchange. Unless otherwise stated in the related prospectus supplement, Junior Subordinated Debentures may be transferred or exchanged at the main corporate trust office of The Bank of New York Mellon, as security registrar, in The City of New York. FPL may change the place for transfer and exchange of the Junior Subordinated Debentures and may designate one or more additional places for that transfer and exchange.

Except as otherwise stated in the related prospectus supplement, there will be no service charge for any transfer or exchange of the Junior Subordinated Debentures. However, FPL may require payment of any tax or other governmental charge in connection with any transfer or exchange of the Junior Subordinated Debentures.

FPL will not be required to transfer or exchange any Junior Subordinated Debenture selected for redemption. Also, FPL will not be required to transfer or exchange any Junior Subordinated Debenture during a period of 15 days before selection of Junior Subordinated Debentures to be redeemed. (Subordinated Indenture, Section 305).

Unless otherwise stated in the related prospectus supplement, if Junior Subordinated Debentures are distributed to holders of Preferred Trust Securities in a dissolution of the Trust, the Junior Subordinated Debentures will be issued in fully registered certificated form in the denominations and integral multiples thereof in which the Preferred Trust Securities have been issued, and they may be transferred or exchanged as described above. (Trust Agreement, Section 9.04).

Defeasance. FPL may, at any time, elect to have all of its obligations discharged with respect to all or a portion of any Subordinated Indenture Securities (including the Junior Subordinated Debentures). To do so, FPL must irrevocably deposit with the Subordinated Indenture Trustee or any paying agent, in trust:

(1) money in an amount that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(2) in the case of a deposit made prior to the maturity of that series of Subordinated Indenture Securities,

(a) direct obligations of, or obligations unconditionally guaranteed by, the United States and entitled to the benefit of its full faith and credit that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, and

(b) certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations that do not contain provisions permitting their redemption or other prepayment at the option of their issuer,

the principal of and the interest on which, when due, without any regard to reinvestment of that principal or interest, will provide money that, together with any money deposited with or held by the Subordinated Indenture Trustee, will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(3) a combination of (1) and (2) that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity. (Subordinated Indenture, Section 701).

Option to Defer Interest Payments. If so specified in the related prospectus supplement, FPL will have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods. As a consequence, distributions on the Preferred Trust Securities would be deferred during any optional deferral period. Interest would, however, continue to accrue on the Junior Subordinated Debentures. Unless otherwise provided in the related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, FPL may not:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures; or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures,

other than

(a) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the payment of interest is deferred requiring it to purchase, redeem or acquire its capital stock;

(b) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(c) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(d) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for

shares of its capital stock) and distributions in connection with the settlement of stock purchase contracts;

(e) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(f) payments under any preferred trust securities guarantee or guarantee of subordinated debentures executed and delivered by FPL concurrently with the issuance by a Trust of any preferred trust securities, so long as the amount of payments made with respect to any preferred trust securities or subordinated debentures (as the case may be) is paid on all preferred trust securities or subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or subordinated debentures (as the case may be) is then entitled if paid in full. (Subordinated Indenture, Section 608).

Unless otherwise provided in the related prospectus supplement, (i) before an optional deferral period ends, FPL may further defer the payment of interest and (ii) after any optional deferral period and the payment of all amounts then due, FPL may select a new optional deferral period. Unless otherwise provided in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures. FPL will give the Trust and the Subordinated Indenture Trustee notice of its election of an optional deferral period prior to the earlier of (i) one business day before the record date for the distribution on the Preferred Trust Securities which would occur if FPL did not make the election to defer or (ii) the date the Administrative Trustees are required to give notice to any securities exchange or any other applicable self-regulatory organization of the record date for such a distribution. The Property Trustee shall send notice of that election to the holders of Preferred Trust Securities.

Additional Interest. So long as any Preferred Trust Securities remain outstanding, if the Trust is required to pay any taxes, duties, assessments or governmental charges imposed by the United States or any other taxing authority on income derived from the interest payments on the Junior Subordinated Debentures, then FPL will pay as interest on the Junior Subordinated Debentures any additional interest that may be necessary in order that the net amounts received and retained by the Trust after the payment of those taxes, duties, assessments or governmental charges will be the same as the Trust would have had if such taxes, duties, assessments or other governmental charges had not been imposed. (Subordinated Indenture, Section 313).

Redemption. For so long as the Trust is the holder of all of the related Junior Subordinated Debentures, the proceeds of any redemption of Junior Subordinated Debentures will used by the Trust to redeem Preferred Trust Securities and Common Trust Securities in accordance with their terms. (Trust Agreement, Section 4.02(a)). The redemption terms of the Junior Subordinated Debentures, if any, will be set forth in a prospectus supplement. Unless set forth differently in a prospectus supplement, and except with respect to Junior Subordinated Debentures redeemable at the option of the holder, Junior Subordinated Debentures will be redeemable upon notice between 30 and 60 days prior to the redemption date. If less than all of the Junior Subordinated Debentures of any series or any tranche thereof are to be redeemed, the Subordinated Indenture Trustee will select the Junior Subordinated Debentures to be redeemed. In the absence of any provision for selection, the Subordinated Indenture Trustee will choose a method of random selection as it deems fair and appropriate. (Subordinated Indenture, Sections 403 and 404).

Junior Subordinated Debentures selected for redemption will cease to bear interest on the redemption date. The paying agent will pay the redemption price and any accrued interest once the Junior Subordinated Debentures are surrendered for redemption. (Subordinated Indenture,

Section 405). If only part of a Junior Subordinated Debenture is redeemed, the Subordinated Indenture Trustee will deliver a new Junior Subordinated Debenture of the same series for the remaining portion without charge. (Subordinated Indenture, Section 406).

Any redemption at the option of FPL may be conditional upon the receipt by the paying agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the paying agent has not received such money by the date fixed for redemption, FPL will not be required to redeem such Junior Subordinated Debentures. (Subordinated Indenture, Section 404).

Subject to applicable law, including United States federal securities laws, FPL or its affiliates may at any time and from time to time purchase outstanding Junior Subordinated Debentures by tender, in the open market or by private agreement.

Consolidation, Merger, and Sale of Assets. Under the Subordinated Indenture, FPL may not consolidate with or merge into any other entity or convey, transfer or lease its properties and assets substantially as an entirety to any entity, unless:

(1) the entity formed by that consolidation, or the entity into which FPL is merged, or the entity that acquires or leases FPL's property and assets, is an entity organized and existing under the laws of the United States, any state or the District of Columbia and that entity expressly assumes FPL's obligations on all Subordinated Indenture Securities and under the Subordinated Indenture,

(2) immediately after giving effect to the transaction, no event of default under the Subordinated Indenture and no event that, after notice or lapse of time or both, would become an event of default under the Subordinated Indenture exists, and

(3) FPL delivers an officer's certificate and an opinion of counsel to the Subordinated Indenture Trustee, as provided in the Subordinated Indenture. (Subordinated Indenture, Section 1101).

The Subordinated Indenture does not prevent or restrict:

(a) any consolidation or merger after the consummation of which FPL would be the surviving or resulting entity;

(b) any consolidation of FPL with any entity all of the outstanding voting securities of which are owned, directly or indirectly, by FPL, or any merger of any such entity into any other of such entities, or any conveyance or other transfer, or lease, of properties or assets by any thereof to any other thereof;

(c) any conveyance or other transfer, or lease, of any part of the properties or assets of FPL which does not constitute the entirety, or substantially the entirety, thereof; or

(d) the approval by FPL of, or the consent by FPL to any consolidation or merger to which any direct or indirect subsidiary or affiliate of FPL may be a party, or any conveyance, transfer or lease by any such subsidiary or affiliate of any or all of its properties or assets. (Subordinated Indenture, Section 1103).

Events of Default. Each of the following is an event of default under the Subordinated Indenture with respect to the Subordinated Indenture Securities of any series:

(1) failure to pay interest on the Subordinated Indenture Securities of that series within 30 days after it is due (provided, however, that a failure to pay interest during a valid optional deferral period will not constitute an event of default),

(2) failure to pay principal or premium, if any, on the Subordinated Indenture Securities of that series when it is due,

(3) failure to comply with any other covenant in the Subordinated Indenture, other than a covenant that does not relate to that series of Subordinated Indenture Securities, that continues for 90 days after (i) FPL receive written notice of such failure to comply from the Subordinated Indenture Trustee, or (ii) FPL and the Subordinated Indenture Trustee receive written notice of such failure to comply from the registered owners of at least 33% in principal amount of the Subordinated Indenture Securities of that series,

(4) certain events of bankruptcy, insolvency or reorganization of FPL, or

(5) any other event of default specified with respect to the Subordinated Indenture Securities of that series. (Subordinated Indenture, Section 801).

In the case of the third event of default listed above, the Subordinated Indenture Trustee may extend the grace period. In addition, if holders of a particular series have given a notice of default, then holders of at least the same percentage of Junior Subordinated Debentures of that series, together with the Subordinated Indenture Trustee, may also extend the grace period. The grace period will be automatically extended if FPL has initiated and is diligently pursuing corrective action in good faith. (Subordinated Indenture, Section 801). An event of default with respect to the Subordinated Indenture Securities of a particular series will not necessarily constitute an event of default with respect to Subordinated Indenture Securities of any other series issued under the Subordinated Indenture.

Remedies. If an event of default applicable to the Subordinated Indenture Securities of one or more series, but not applicable to all outstanding Subordinated Indenture Securities, exists, then either (i) the Subordinated Indenture Trustee or (ii) the registered owners of at least 33% in aggregate principal amount of the Subordinated Indenture Securities of each of the affected series may declare the principal of and accrued but unpaid interest on all the Subordinated Indenture Securities of that series to be due and payable immediately. (Subordinated Indenture, Section 802).

If the event of default is applicable to all outstanding Subordinated Indenture Securities, then either (i) the Subordinated Indenture Trustee or (ii) the registered owners of at least 33% in aggregate principal amount of all outstanding Subordinated Indenture Securities of all series, voting as one class, and not the registered owners of any one series, may make a declaration of acceleration. (Subordinated Indenture, Section 802). However, the event of default giving rise to the declaration relating to any series of Subordinated Indenture Securities will be automatically waived, and that declaration and its consequences will be automatically rescinded and annulled, if, at any time after that declaration and before a judgment or decree for payment of the money due has been obtained:

(1) FPL deposits with the Subordinated Indenture Trustee a sum sufficient to pay:

  (a) all overdue interest on all Subordinated Indenture Securities of the relevant series,

  (b) the principal of and any premium on any Subordinated Indenture Securities of the relevant series that have become due for reasons other than that declaration, and interest that is then due,

  (c) interest on overdue interest for the relevant series, and

  (d) all amounts then due to the Subordinated Indenture Trustee under the Subordinated Indenture, and

(2) any other event of default with respect to the Subordinated Indenture Securities of the relevant series has been cured or waived as provided in the Subordinated Indenture. (Subordinated Indenture, Section 802).

Other than its obligations and duties in case of an event of default under the Subordinated Indenture, the Subordinated Indenture Trustee is not obligated to exercise any of its rights or powers under the Subordinated Indenture at the request or direction of any of the registered owners of the Subordinated Indenture Securities, unless those registered owners offer reasonable indemnity to the

Subordinated Indenture Trustee. (Subordinated Indenture, Section 903). If they provide this reasonable indemnity, the registered owners of a majority in principal amount of any series of Subordinated Indenture Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Subordinated Indenture Trustee, or exercising any trust or power conferred on the Subordinated Indenture Trustee, with respect to the Subordinated Indenture Securities of that series. However, if an event of default under the Subordinated Indenture relates to more than one series of Subordinated Indenture Securities, only the registered owners of a majority in aggregate principal amount of all affected series of Subordinated Indenture Securities, considered as one class, will have the right to make that direction. Also, the direction must not violate any law or the Subordinated Indenture, and may not expose the Subordinated Indenture Trustee to personal liability in circumstances where its indemnity would not, in the Subordinated Indenture Trustee's sole discretion, be adequate. (Subordinated Indenture, Section 812).

A registered owner of a Subordinated Indenture Security has the right to institute a suit for the enforcement of payment of the principal of or premium, if any, or interest on that Subordinated Indenture Security on or after the applicable due date specified in that Subordinated Indenture Security. (Subordinated Indenture, Section 808). No registered owner of Subordinated Indenture Securities of any series will have any other right to institute any proceeding under the Subordinated Indenture, or exercise any other remedy under the Subordinated Indenture, unless:

(1) that registered owner has previously given to the Subordinated Indenture Trustee written notice of a continuing event of default with respect to the Subordinated Indenture Securities of that series,

(2) the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, have made written request to the Subordinated Indenture Trustee, and have offered reasonable indemnity to the Subordinated Indenture Trustee to institute that proceeding in its own name as trustee, and

(3) the Subordinated Indenture Trustee has failed to institute any proceeding, and has not received from the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, a direction inconsistent with that request, within 60 days after that notice, request and offer. (Subordinated Indenture, Section 807).

FPL is required to deliver to the Subordinated Indenture Trustee an annual statement as to its compliance with all conditions and covenants applicable to it under the Subordinated Indenture. (Subordinated Indenture, Section 606).

Enforcement of Certain Rights by Holders of Preferred Trust Securities. If there is an event of default with respect to Junior Subordinated Debentures held by the Trust, a holder of Preferred Trust Securities may enforce the Subordinated Indenture directly against FPL to the same extent, and upon the same conditions, as if the holder of Preferred Trust Securities held a principal amount of Junior Subordinated Debentures equal to the aggregate liquidation amount of its Preferred Trust Securities. (Subordinated Indenture, Section 610).

Subject to their right to bring suit to enforce their right to payment, the holders of Preferred Trust Securities would not be able to institute any proceeding with respect to the Subordinated Indenture unless the Subordinated Indenture Trustee has failed to do so for 60 days after a request of the holders of at least a majority of the aggregate liquidation amount of outstanding Preferred Trust Securities. Upon such failure, the holders of a majority of the aggregate liquidation amount of the outstanding Preferred Trust Securities would have the right to directly institute proceedings for enforcement of all

other rights of the Subordinated Indenture Trustee against FPL to the fullest extent permitted by law. (Subordinated Indenture, Sections 807, 808 and 812).

Modification and Waiver. Without the consent of any registered owner of Subordinated Indenture Securities, FPL and the Subordinated Indenture Trustee may amend or supplement the Subordinated Indenture for any of the following purposes:

(1) to provide for the assumption by any permitted successor to FPL of FPL's obligations with respect to the Subordinated Indenture and the Subordinated Indenture Securities in the case of a merger or consolidation or a conveyance, transfer or lease of its properties and assets substantially as an entirety,

(2) to add covenants of FPL or to surrender any right or power conferred upon FPL by the Subordinated Indenture,

(3) to add any additional events of default,

(4) to change, eliminate or add any provision of the Subordinated Indenture, provided that if that change, elimination or addition will materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche, that change, elimination or addition will become effective with respect to that particular series or tranche only

  (a) when the required consent of the registered owners of Subordinated Indenture Securities of that particular series or tranche has been obtained, or

  (b) when no Subordinated Indenture Securities of that particular series or tranche remain outstanding under the Subordinated Indenture,

(5) to provide collateral security for all but not a part of the Subordinated Indenture Securities,

(6) to create the form or terms of Subordinated Indenture Securities of any other series or tranche,

(7) to provide for the authentication and delivery of bearer securities and the related coupons and for other matters relating to those bearer securities,

(8) to accept the appointment of a successor Subordinated Indenture Trustee or co-trustee with respect to the Subordinated Indenture Securities of one or more series and to change any of the provisions of the Subordinated Indenture as necessary to provide for the administration of the trusts under the Subordinated Indenture by more than one trustee,

(9) to add procedures to permit the use of a non-certificated system of registration for all, or any series or tranche of, the Subordinated Indenture Securities,

(10) to change any place where

  (a) the principal of and premium, if any, and interest on all, or any series or tranche of, Subordinated Indenture Securities are payable,

  (b) all, or any series or tranche of, Subordinated Indenture Securities may be transferred or exchanged, and

  (c) notices and demands to or upon FPL in respect of Subordinated Indenture Securities and the Subordinated Indenture may be served, or

(11) to cure any ambiguity or inconsistency or to add or change any other provisions with respect to matters and questions arising under the Subordinated Indenture, provided those changes or additions may not materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche. (Subordinated Indenture, Section 1201).

The registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding may waive compliance by FPL with certain restrictive provisions of the Subordinated Indenture. (Subordinated Indenture, Section 607). The registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of any series may waive any past default under the Subordinated Indenture with respect to that series, except a default in the payment of principal, premium, if any, or interest and a default with respect to certain restrictive covenants or provisions of the Subordinated Indenture that cannot be modified or amended without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series affected. (Subordinated Indenture, Section 813). If the Trust holds Subordinated Indenture Securities of any series, the Trust may not waive compliance, or any default in compliance, by FPL with any covenant or term contained in, or any past default under, the Subordinated Indenture or the Subordinated Indenture Securities of such series, without the approval of at least a majority (or such greater percentage required by the Trust Agreement) in aggregate liquidation preference amount of the outstanding Preferred Trust Securities. (Subordinated Indenture, Sections 607 and 813).

In addition to any amendments described above, if the Trust Indenture Act of 1939 is amended after the date of the Subordinated Indenture in a way that requires changes to the Subordinated Indenture or in a way that permits changes to, or the elimination of, provisions that were previously required by the Trust Indenture Act of 1939, the Subordinated Indenture will be deemed to be amended to conform to that amendment of the Trust Indenture Act of 1939 or to make those changes, additions or eliminations. FPL and the Subordinated Indenture Trustee may, without the consent of any registered owners, enter into supplemental indentures to make that amendment. (Subordinated Indenture, Section 1201).

Except for any amendments described above, the consent of the registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding, considered as one class, is required for all other modifications to the Subordinated Indenture. However, if less than all of the series of Subordinated Indenture Securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the registered owners of a majority in aggregate principal amount of outstanding Subordinated Indenture Securities of all directly affected series, considered as one class, is required. But, if FPL issues any series of Subordinated Indenture Securities in more than one tranche and if the proposed supplemental indenture directly affects the rights of the registered owners of Subordinated Indenture Securities of less than all of those tranches, then the consent only of the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all directly affected tranches, considered as one class, will be required. However, none of those amendments or modifications may:

(1) change the dates on which the principal of or interest (except as described above under "—Option to Defer Interest Payments") on a Subordinated Indenture Security is due without the consent of the registered owner of that Subordinated Indenture Security,

(2) reduce any Subordinated Indenture Security's principal amount or rate of interest (or the amount of any installment of that interest) or change the method of calculating that rate without the consent of the registered owner of that Subordinated Indenture Security,

(3) reduce any premium payable upon the redemption of a Subordinated Indenture Security without the consent of the registered owner of that Subordinated Indenture Security,

(4) change the currency (or other property) in which a Subordinated Indenture Security is payable without the consent of the registered owner of that Subordinated Indenture Security,

(5) impair the right to sue to enforce payments on any Subordinated Indenture Security on or after the date that it states that the payment is due (or, in the case of redemption, on or after the redemption date) without the consent of the registered owner of that Subordinated Indenture Security,

(6) reduce the percentage in principal amount of the outstanding Subordinated Indenture Securities of any series or tranche whose owners must consent to an amendment, supplement or waiver without the consent of the registered owner of each outstanding Subordinated Indenture Security of that particular series or tranche,

(7) reduce the requirements for quorum or voting of any series or tranche without the consent of the registered owner of each outstanding Subordinated Indenture Security of that particular series or tranche, or

(8) modify certain of the provisions of the Subordinated Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the Subordinated Indenture Securities of any series or tranche, without the consent of the registered owner of each outstanding Subordinated Indenture Security affected by the modification.

A supplemental indenture that changes or eliminates any provision of the Subordinated Indenture that has expressly been included only for the benefit of one or more particular series or tranches of Subordinated Indenture Securities, or that modifies the rights of the registered owners of Subordinated Indenture Securities of that particular series or tranche with respect to that provision, will not affect the rights under the Subordinated Indenture of the registered owners of the Subordinated Indenture Securities of any other series or tranche. So long as any Preferred Trust Securities are outstanding, the Subordinated Indenture Trustee may not consent to any supplemental indenture without the prior consent of (i) the holders of a majority in aggregate liquidation preference of all outstanding Preferred Trust Securities affected or (ii), in the case of changes described in clauses (1) through (8) immediately above, 100% in aggregate liquidation preference of all such outstanding Preferred Trust Securities affected. (Subordinated Indenture, Section 1202).

The Subordinated Indenture provides that, in order to determine whether the registered owners of the required principal amount of the outstanding Subordinated Indenture Securities have given any request, demand, authorization, direction, notice, consent or waiver under the Subordinated Indenture, or whether a quorum is present at the meeting of the registered owners of Subordinated Indenture Securities, Subordinated Indenture Securities owned by FPL or any other obligor upon the Subordinated Indenture Securities or any affiliate of FPL or of that other obligor (unless FPL, that affiliate or that obligor owns all Subordinated Indenture Securities outstanding under the Subordinated Indenture, determined without regard to this provision) will be disregarded and deemed not to be outstanding. (Subordinated Indenture, Section 101).

If FPL solicits any action under the Subordinated Indenture from registered owners of Subordinated Indenture Securities, FPL may, at its option, by signing a written request to the Subordinated Indenture Trustee, fix in advance a record date for determining the registered owners of Subordinated Indenture Securities entitled to take that action. However, FPL will not be obligated to do this. If FPL fixes such a record date, that action may be taken before or after that record date, but only the registered owners of record at the close of business on that record date will be deemed to be registered owners of Subordinated Indenture Securities for the purposes of determining whether registered owners of the required proportion of the outstanding Subordinated Indenture Securities have authorized that action. For these purposes, the outstanding Subordinated Indenture Securities will be computed as of the record date. Any action of a registered owner of any Subordinated Indenture Security under the Subordinated Indenture will bind every future registered owner of that Subordinated Indenture Security, or any Subordinated Indenture Security replacing that Subordinated Indenture Security, with respect to anything that the Subordinated Indenture Trustee or FPL do, fail to do, or allow to be done in reliance on that action, whether or not that action is noted upon that Subordinated Indenture Security. (Subordinated Indenture, Section 104).

Resignation and Removal of Subordinated Indenture Trustee. The Subordinated Indenture Trustee may resign at any time with respect to any series of Subordinated Indenture Securities by giving written notice of its resignation to FPL. Also, the registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of one or more series of Subordinated Indenture Securities may remove the Subordinated Indenture Trustee at any time with respect to the Subordinated Indenture Securities of that series, by delivering an instrument evidencing this action to the Subordinated Indenture Trustee and FPL. However, so long as any Preferred Trust Securities remain outstanding, the Trust cannot deliver an instrument evidencing this action without the consent of the holders of a majority in aggregate liquidation preference of Preferred Trust Securities outstanding. (Subordinated Indenture, Section 910). The resignation or removal of the Subordinated Indenture Trustee and the appointment of a successor trustee will not become effective until a successor trustee accepts its appointment.

Except with respect to a Subordinated Indenture Trustee appointed by the registered owners of Subordinated Indenture Securities, the Subordinated Indenture Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Subordinated Indenture if:

(1) no event of default under the Subordinated Indenture or event that, after notice or lapse of time, or both, would become an event of default under the Subordinated Indenture exists, and

(2) FPL has delivered to the Subordinated Indenture Trustee resolutions of its Board of Directors appointing a successor trustee and that successor trustee has accepted that appointment in accordance with the terms of the Subordinated Indenture. (Subordinated Indenture, Section 910).

Notices. Notices to registered owners of Subordinated Indenture Securities will be sent by mail to the addresses of those registered owners as they appear in the security register for those Subordinated Indenture Securities. (Subordinated Indenture, Section 106).

Title. The person in whose name a Subordinated Indenture Security is registered may be treated as the absolute owner of that Subordinated Indenture Security, whether or not that Subordinated Indenture Security is overdue, for the purpose of making payments and for all other purposes, regardless of any notice to the contrary. (Subordinated Indenture, Section 308).

Governing Law. The Subordinated Indenture and the Subordinated Indenture Securities will be governed by, and construed in accordance with, the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Subordinated Indenture, Section 112).

INFORMATION CONCERNING THE TRUSTEES

In the regular course of business, FPL may obtain short-term funds from several banks, including Deutsche Bank Trust Company Americas.

FPL and its affiliates, including FPL Group and FPL Group Capital Inc, also maintain various banking and trust relationships with The Bank of New York Mellon. The Bank of New York Mellon would act as (i) Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement described under "Description of Preferred Trust Securities Guarantee" above, (ii) Property Trustee under the Trust Agreement and (iii) Subordinated Indenture Trustee, security registrar and paying agent under the Subordinated Indenture. BNY Mellon Trust of Delaware acts as the Delaware Trustee under the Trust Agreement.

PLAN OF DISTRIBUTION

FPL and the Trust may sell the securities offered pursuant to this prospectus ("Offered Securities"):

(1) through underwriters or dealers,

(2) through agents, or

(3) directly to one or more purchasers.

This prospectus may be used in connection with any offering of securities through any of these methods or other methods described in the applicable prospectus supplement.

Through Underwriters or Dealers. If FPL and/or the Trust uses underwriters in the sale of the Offered Securities, the underwriters will acquire the Offered Securities for their own account. The underwriters may resell the Offered Securities in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The underwriters may sell the Offered Securities directly or through underwriting syndicates represented by managing underwriters. Unless otherwise stated in the prospectus supplement relating to the Offered Securities, the obligations of the underwriters to purchase those Offered Securities will be subject to certain conditions, and the underwriters will be obligated to purchase all of those Offered Securities if they purchase any of them. If FPL and/or the Trust uses a dealer in the sale, FPL and/or the Trust will sell the Offered Securities to the dealer as principal. The dealer may then resell those Offered Securities at varying prices determined at the time of resale.

Any initial public offering price and any discounts or concessions allowed or reallowed or paid to dealers may be changed from time to time.

Through Agents. FPL and/or the Trust may designate one or more agents to sell the Offered Securities. Unless otherwise stated in a prospectus supplement, the agents will agree to use their best efforts to solicit purchases for the period of their appointment.

Directly. FPL and/or the Trust may sell the Offered Securities directly to one or more purchasers. In this case, no underwriters, dealers or agents would be involved.

General Information. A prospectus supplement will state the name of any underwriter, dealer or agent and the amount of any compensation, underwriting discounts or concessions paid, allowed or reallowed to them. A prospectus supplement will also state the proceeds to FPL and/or the Trust from the sale of the Offered Securities, any initial public offering price and other terms of the offering of those Offered Securities.

FPL and/or the Trust may authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase the Offered Securities from FPL and/or the Trust at the public offering price and on the terms described in the related prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future.

The Offered Securities may also be offered and sold, if so indicated in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms, which are referred to herein as the "remarketing firms," acting as principals for their own accounts or as agent for FPL or the Trust, as applicable. Any remarketing firm will be identified and the terms of its agreement, if any, with FPL and/or the Trust, and its compensation will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters, as that term is defined in the Securities Act of 1933, in connection with the securities remarketed thereby.

In compliance with guidelines of the Financial Industry Regulatory Authority, Inc. ("FINRA"), the maximum consideration or discount to be received by any FINRA member or independent broker may not exceed 8% of the aggregate amount of the securities offered pursuant to this prospectus and any applicable prospectus supplement.

FPL and/or the Trust may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by FPL and/or the Trust or borrowed from any of them or others to settle those sales or to close out any related open borrowings of securities, and may use securities received from FPL and/or the Trust in settlement of those derivatives to close out any related open borrowings of securities. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement.

FPL and/or the Trust may have agreements to indemnify underwriters, dealers and agents against, or to contribute to payments which the underwriters, dealers and agents may be required to make in respect of, certain civil liabilities, including liabilities under the Securities Act of 1933.

EXPERTS

The consolidated financial statements incorporated in this prospectus by reference from FPL's Annual Report on Form 10-K for the year ended December 31, 2008, and the effectiveness of FPL's internal control over financial reporting, have been audited by *Deloitte & Touche LLP, an independent* registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

Morgan, Lewis & Bockius LLP, New York, New York and Squire, Sanders & Dempsey L.L.P., West Palm Beach, Florida, co-counsel to FPL, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II, will pass upon the legality of the Offered Securities for FPL, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II. Hunton & Williams LLP, New York, New York, will pass upon the legality of the Offered Securities for any underwriter, dealer or agent. Certain matters of Delaware law relating to the validity of the Preferred Trust Securities, the enforceability of the Trust Agreement and the creation of the Trust will be passed upon by Morris James LLP, special Delaware counsel to FPL, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II. Morgan, Lewis & Bockius LLP and Hunton & Williams LLP may rely as to all matters of Florida law upon the opinion of Squire, Sanders & Dempsey L.L.P., and on the opinion of Morris James LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities. Squire, Sanders & Dempsey L.L.P. may rely as to all matters of New York law upon the opinion of Morgan, Lewis & Bockius LLP, and on the opinion of Morris James LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement or in any written communication from FPL or the Trust specifying the final terms of a particular offering of securities. Neither FPL nor the Trust has authorized anyone else to provide you with additional or different information. Neither FPL nor the Trust is making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents or that the information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

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Florida Power & Light Company

First Mortgage Bonds,

$250,000,000 5.125% Series due June 1, 2041

PROSPECTUS SUPPLEMENT

June 6, 2011

BNP PARIBAS

BNY Mellon Capital Markets, LLC

J.P. Morgan

Mitsubishi UFJ Securities

Daiwa Capital Markets **Lloyds Securities** **SOCIETE GENERALE**

Exhibit 3(c)

Prospectus Supplement dated December 8, 2011 (including Prospectus dated August 3, 2009) with respect to the 4.125% Mortgage Bonds.

PROSPECTUS SUPPLEMENT
(To prospectus dated August 3, 2009)

Florida Power & Light Company

First Mortgage Bonds,

$600,000,000 4.125% Series due February 1, 2042

Florida Power & Light Company will pay interest on the first mortgage bonds on February 1 and August 1 of each year, beginning August 1, 2012, while the first mortgage bonds are outstanding. Florida Power & Light Company may redeem some or all of the first mortgage bonds at any time before their maturity date at the redemption prices discussed under "Certain Terms of the Offered Bonds—Redemption" beginning on page S-13 of this prospectus supplement.

Florida Power & Light Company does not plan to list the first mortgage bonds on any securities exchange. The first mortgage bonds are secured by the lien of Florida Power & Light Company's mortgage and rank equally with all of Florida Power & Light Company's first mortgage bonds from time to time outstanding. The lien of the mortgage is discussed under "Description of Bonds—Security" beginning on page 11 of the accompanying prospectus.

See "Risk Factors" beginning on page S-3 of this prospectus supplement to read about certain factors you should consider before making an investment in the first mortgage bonds.

Neither the Securities and Exchange Commission nor any other securities commission in any jurisdiction has approved or disapproved of the first mortgage bonds or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per First Mortgage Bond	Total
Price to Public	99.753%	$598,518,000
Underwriting Discount	0.875%	$ 5,250,000
Proceeds to Florida Power & Light Company (before expenses)	98.878%	$593,268,000

In addition to the Price to Public set forth above, each purchaser will pay an amount equal to the interest, if any, accrued on the first mortgage bonds from the date that the first mortgage bonds are originally issued to the date that they are delivered to that purchaser.

The first mortgage bonds are expected to be delivered in book-entry only form through The Depository Trust Company for the accounts of its participants on or about December 13, 2011.

Joint Book-Running Managers

Barclays Capital | **Citigroup** | **Goldman, Sachs & Co.**
Mizuho Securities | **Scotia Capital** | **Wells Fargo Securities**

Co-Managers

KeyBanc Capital Markets | **Morgan Keegan** | **RBC Capital Markets**

UniCredit Capital Markets | **US Bancorp**

The date of this prospectus supplement is December 8, 2011.

You should rely only on the information incorporated by reference or provided in this prospectus supplement and in the accompanying prospectus and in any written communication from Florida Power & Light Company ("FPL") or the underwriters specifying the final terms of the offering. Neither FPL nor the underwriters have authorized anyone else to provide you with additional or different information. Neither FPL nor the underwriters are making an offer of these first mortgage bonds in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus supplement or in the accompanying prospectus is accurate as of any date other than the date on the front of those documents or that the information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

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RISK FACTORS

The information in this section replaces the information in the "Risk Factors" section beginning on page 2 of the accompanying prospectus.

Before purchasing the first mortgage bonds, investors should carefully consider the following risk factors together with the risk factors and other information incorporated by reference or provided in the accompanying prospectus or in this prospectus supplement in order to evaluate an investment in the first mortgage bonds.

FPL's financial results may be adversely affected by the extensive regulation of its business.

The operations of FPL are subject to complex and comprehensive federal, state and other regulation. This extensive regulatory framework, some but not all of which is more specifically identified in the following risk factors, regulates, among other things, FPL's industry, rate and cost structure, operation of nuclear power facilities, construction and operation of generation, transmission and distribution facilities, acquisition, disposal, depreciation and amortization of assets and facilities, decommissioning costs, transmission reliability, wholesale and retail competition, and commodities trading and derivatives transactions. In its business planning and in the management of its operations, FPL must address the effects of regulation on its business and proposed changes in the regulatory framework. Significant changes in the nature of the regulation of FPL's business could require changes to its business planning and management of its business and could adversely affect its financial results, including, but not limited to, the value of its assets. FPL must periodically apply for licenses and permits from various local, state, federal and other regulatory authorities and abide by their respective conditions. Should FPL be unsuccessful in obtaining necessary licenses or permits on acceptable terms, should there be a delay in obtaining or renewing necessary licenses or permits or should regulatory authorities initiate any investigations or enforcement actions or impose penalties or disallowances on FPL, FPL's business could be adversely affected.

FPL's financial results could be negatively affected if it is 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 cost recovery clauses.

FPL is a regulated entity subject to the jurisdiction of the Florida Public Service Commission ("FPSC") over a wide range of business activities, including, among other items, the retail rates charged to its customers, the terms and conditions of its services, procurement of electricity for its customers, issuance of securities, transfers of some utility assets and facilities to affiliates, and aspects of the siting and operation of its generating plants and transmission and distribution systems for the sale of electric energy. The FPSC has the authority to disallow recovery by FPL of costs that it considers excessive or imprudently incurred. The regulatory process, which may be adversely affected by the political, regulatory and economic environment in Florida and elsewhere, can restrict FPL's ability to grow earnings and does not provide any assurance as to achievement of authorized or other earnings levels. FPL's financial results could be materially adversely affected if any material amount of costs, a return on certain assets or an appropriate return on capital cannot be recovered through base rates, cost recovery clauses or other regulatory mechanisms.

Decisions of the FPSC have been and, in the future, may be adversely affected by the local and national political, regulatory and economic environment and may adversely affect the financial results of FPL. These decisions may require, for example, FPL to cancel or delay planned development activities and to reduce or delay other planned capital expenditures which could reduce the earnings potential of FPL.

FPL is subject to federal regulatory compliance and proceedings which have significant compliance costs and expose it to substantial monetary penalties and other sanctions.

In addition to the regulatory risks that may affect FPL described above, the extensive federal regulation of the operations of FPL exposes it to significant and increasing compliance costs. FPL also is subject to costs and other potentially adverse effects of regulatory investigations, proceedings, settlements, decisions and claims, including, among other items, potentially significant monetary penalties for non-compliance. As an example, under

the Energy Policy Act of 2005, FPL, as an owner and operator of bulk power transmission systems and/or electric generation facilities, is subject to mandatory reliability standards. Compliance with these mandatory reliability standards may subject FPL to higher operating costs and may result in increased capital expenditures. If FPL is found not to be in compliance with these standards, it may incur substantial monetary penalties and other sanctions.

FPL may be adversely affected by increased governmental and regulatory scrutiny or negative publicity.

From time to time, political and public sentiment may result in a significant amount of adverse press coverage and other adverse public statements affecting FPL. Adverse press coverage and other adverse statements may result in investigations by regulators, legislators and law enforcement officials or in lawsuits. Responding to these investigations and lawsuits, regardless of the ultimate outcome of the proceeding, can divert the time and effort of senior management from FPL's business. Addressing any adverse publicity, governmental scrutiny or enforcement or other legal proceedings is time consuming and expensive and, regardless of the factual basis for the assertions being made, can also have a negative impact on the reputation of FPL and on the morale and performance of its employees, which could adversely affect its financial results.

FPL's business is subject to risks associated with legislative and regulatory initiatives.

FPL operates in a changing market environment influenced by various legislative and regulatory initiatives, including, for example, initiatives regarding regulation, deregulation or restructuring of the energy industry and regulation of the commodities trading and derivatives markets. FPL will need to adapt to any changes and may face increasing costs and competitive pressures in doing so. FPL relies on the efficient operation of the commodities trading and derivatives markets. FPL's financial results and growth prospects could be adversely affected as a result of new, or changes in, laws, regulations or interpretations, or other regulatory initiatives, including, but not limited to, those that reverse or restrict the competitive restructuring of the energy industry or the effective operation of the commodities trading or derivatives markets.

FPL is subject to numerous environmental laws and regulations that require capital expenditures, increase its cost of operations and may expose it to liabilities.

FPL is subject to environmental laws and regulations, including, but not limited to, extensive federal, state, and local environmental statutes, rules and regulations relating to air quality, water quality and usage, climate change, greenhouse gas ("GHG"), including, but not limited to, carbon dioxide ("CO_2") emissions, waste management, hazardous wastes, marine, avian and other wildlife mortality and habitat protection, natural resources, health and safety standards that could, among other things, prevent or delay the development of power generation, power or natural gas transmission, or other infrastructure projects, restrict the output of some existing facilities, limit the use of some fuels required for the production of electricity, require additional pollution control equipment, and otherwise increase costs or limit or eliminate certain operations. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future as a result of new legislation, the current trend toward more stringent standards, and stricter and more expansive application of existing environmental regulations. Violations of current or future laws, rules and regulations could expose FPL to regulatory proceedings, disputes with, and legal challenges by, third parties, and potentially significant civil fines, criminal penalties and other sanctions.

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

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

mitigation measures, and the range of available compliance alternatives. While FPL's electric generating units emit GHGs at a lower rate of emissions than most of the U.S. electric generation sector, the financial results of FPL could be adversely affected to the extent that any new GHG emission limits, among other potential impacts:

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

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 FPL and in increased costs and capital expenditures.

FPL owns, or holds undivided interests in, four nuclear generation units in Florida. The construction, operation and maintenance of the facilities involve inherent risks, including, but not limited to, the following:

- The nuclear generation facilities are subject to environmental, health and financial risks, such as risks relating to site storage of spent nuclear fuel, the disposition of spent nuclear fuel, leakage and emissions of tritium and other radioactive elements in the event of a nuclear accident or otherwise, the threat of a terrorist attack and other potential liabilities arising out of the ownership or operation of the facilities. Although FPL maintains decommissioning funds and external insurance coverage which are intended to reduce the financial exposure to some of these risks, the cost of decommissioning the facilities could exceed the amount available in the decommissioning funds, and the liability and property damages could exceed the amount of insurance coverage. In the event of an incident at any nuclear generation facility in the United States or at certain nuclear generation facilities in Europe, FPL could be assessed significant retrospective assessments and/or retrospective insurance premiums as a result of its participation in a secondary financial protection system and a nuclear insurance mutual company.

- The U.S. Nuclear Regulatory Commission ("NRC") has broad authority to impose licensing and safety-related requirements for the construction of nuclear generation facilities, the addition of capacity at existing nuclear generation facilities, and the operation and maintenance of nuclear generation facilities, and such requirements are subject to change. In the event of non-compliance, the NRC has the authority to impose fines or shut down a nuclear generation facility, or to take both of these actions, depending upon its assessment of the severity of the situation, until compliance is achieved. NRC orders or new regulations related to increased security measures and any future safety requirements promulgated by the NRC could require FPL to incur substantial operating and capital expenditures at its nuclear generation facilities. In addition, any serious nuclear incident occurring at an FPL plant could result in substantial remediation costs and other expenses. A major incident at a nuclear facility anywhere in the world could cause the NRC to limit or prohibit the operation or licensing of any domestic nuclear generation facility. An incident at a nuclear facility anywhere in the world also could cause the NRC to impose additional conditions or other requirements on the industry, which could increase costs and result in additional capital expenditures.

- The operating licenses for FPL's nuclear generation facilities extend through at least 2032. If any of FPL's nuclear generation units cannot be operated through the end of its respective operating licenses, FPL may be required to increase depreciation rates, incur impairment charges and accelerate future decommissioning expenditures, which could adversely affect its financial results.

- Terrorist threats and increased public scrutiny of nuclear generation facilities could result in increased nuclear licensing or compliance costs which are difficult or impossible to predict.

FPL's operating results could suffer if it does not proceed with projects under development or is unable to complete the construction of, or capital improvements to, generation, transmission, distribution or other facilities on schedule or within budget.

FPL may incur significant costs for development of projects, including, but not limited to, preliminary engineering, permitting, legal and other expenses before it can be established whether a project is feasible, economically attractive, capable of being financed or, in some cases, approved for regulatory recoveries. The ability of FPL to complete construction of, and capital improvement projects for, its generation, transmission, distribution, gas infrastructure and other facilities on schedule and within budget may be adversely affected by escalating costs for materials and labor and regulatory compliance, inability to obtain or renew necessary licenses, rights-of-way, permits or other approvals on acceptable terms, delays in obtaining or renewing necessary licenses, permits, rights-of-way and other approvals, disputes involving contractors, labor organizations, land owners and other third parties, negative publicity, transmission interconnection issues and other factors or failures. If any development project or construction or capital improvement project is not completed or is delayed or subject to cost overruns, FPL's operational and financial results may be adversely affected. In any such event, among other matters, FPL could be subject to additional costs, which, in some cases, may not be recoverable through regulatory mechanisms, and could result in delay or termination payments and other damages under committed contracts, loss of tax credits and the write-off of its investment in the project.

The operation and maintenance of power generation, transmission and distribution facilities involve significant risks that could adversely affect the financial results of FPL.

The operation and maintenance of power generation, transmission and distribution facilities involve many risks, such as those identified elsewhere in these risk factors and those arising due to:

- risks of start-up operations;
- failures in the supply, availability or transportation of fuel;
- the impact of unusual or adverse weather conditions, including, but not limited to, natural disasters such as hurricanes, floods, earthquakes and droughts;
- performance below expected or contracted levels of output or efficiency;
- breakdown or failure of equipment, transmission and distribution lines or pipelines;
- availability of replacement equipment;
- risks of human injury from energized equipment;
- availability of adequate water resources and ability to satisfy water discharge requirements;
- inability to properly manage or mitigate known equipment defects throughout FPL's generation fleets and transmission and distribution systems;
- use of new or unproven technology; and
- dependence on a specific fuel source.

The occurrence of any of these effects or events could result in, among other matters, lost revenues due to prolonged outages, increased expenses due to monetary penalties or fines, replacement equipment costs or an obligation to purchase or generate replacement power at potentially higher prices to meet contractual obligations. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses.

FPL is subject to operating risks associated with its natural gas and oil storage and pipeline infrastructure, and the use of such fuels in its generation facilities.

FPL's operations are subject to operating risks incident to handling, storing, transporting and consuming natural gas, natural gas liquids and oil including, but not limited to, adverse weather conditions, explosions, pollution, release of toxic substances, fires and other hazards, any of which could result in damage to or destruction of its facilities and other property or human injury. If any of these events were to occur, FPL could suffer substantial losses. Moreover, as a result of any such event, FPL may be from time to time a defendant in related legal proceedings. As a result, FPL's financial results and liquidity could be materially adversely affected if a significant event occurs that is not fully covered by insurance.

FPL is subject to credit and performance risk from customers, counterparties and vendors.

FPL is exposed to risks associated with the creditworthiness and performance of its customers, hedging counterparties and vendors under contracts for the supply of equipment, materials, fuel and other goods and services required for its business operations and for the construction and operation of, and for capital improvements to, its facilities. Adverse conditions in the energy industry or the general economy, as well as circumstances of individual customers, counterparties and vendors, may affect the ability of some customers, counterparties and vendors to perform as required under its contracts. If any counterparty or vendor fails to fulfill its contractual obligations, FPL may need to make arrangements with other counterparties or vendors, which could result in higher costs, untimely completion of power generation facilities and other projects, and/or a disruption of its operations. If a defaulting counterparty is in poor financial condition, FPL may not be able to recover damages for any contract breach.

FPL's financial results may continue to be negatively affected by slower customer growth and customer usage.

FPL's results of operations are affected by the growth in customer accounts and by customer usage, each of which directly influences the demand for electricity and the need for additional power generation and power delivery facilities. A lack of growth or slower growth in the number of retail customers or in non-weather related customer usage, such as that which has occurred over the past several years, could adversely affect FPL's results of operations. Customer growth and customer usage are affected by a number of factors outside the control of FPL, such as mandated energy efficiency measures, demand side management goals, and economic and demographic conditions, such as population, job and income growth, housing starts and new business formation. FPL's financial results may also be adversely affected by FPL's ability to negotiate or renegotiate franchise agreements on acceptable terms with municipalities and counties in Florida. As a result, FPL may make, but not fully realize the anticipated benefits from, significant investments and expenditures, which could adversely affect its financial results.

FPL's financial results are subject to risks associated with weather conditions, such as the impact of severe weather.

FPL's financial results can be negatively affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas, affect the price of energy and energy-related commodities, and can affect the production of electricity at power generating facilities.

In addition FPL's financial results would be affected by the impact of severe weather, such as hurricanes, floods and earthquakes, which can be destructive and cause power outages and property damage, reduce revenue, affect fuel supply, and require FPL to incur additional costs to restore service and repair damaged facilities. As a company that provides electric service throughout most of the east and lower west coasts of Florida, FPL operates in

an area that historically has been more prone to severe weather events, such as hurricanes. A disruption or failure of electric generation, transmission or distribution systems or natural gas production, transmission, storage or distribution systems in the event of a hurricane, tornado, or other severe weather event, or otherwise, could prevent FPL from operating its business in the normal course and could result in any of the adverse consequences described above. At FPL, recovery of costs to restore service and repair damaged facilities is subject to FPSC approval, and any determination by the FPSC not to permit timely and full recovery of the costs incurred would result in a negative financial impact on FPL.

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

FPL relies on access to capital and credit markets as significant sources of liquidity for capital requirements and other operations requirements that are not satisfied by operating cash flows. Disruptions, uncertainty or volatility in those capital and credit markets, such as conditions that have existed in the recent past, could increase FPL's cost of capital. If FPL is unable to access regularly the capital and credit markets on terms that are reasonable, it may have to delay raising capital, issue shorter-term securities and incur an unfavorable cost of capital, which, in turn, could adversely affect its ability to grow its business and could contribute to lower earnings and reduced financial flexibility.

FPL's inability to maintain its current credit ratings may adversely affect FPL's liquidity, limit the ability of FPL to grow its business, and increase interest costs, while the liquidity of FPL also could be impaired by the inability of its credit providers to maintain their current credit ratings or to fund their credit commitments.

The inability of FPL to maintain its current credit ratings could adversely affect its ability to raise capital or obtain credit on favorable terms, which, in turn, could impact FPL's ability to grow its business and service indebtedness and repay borrowings, and would likely increase its interest costs. Some of the factors that can affect credit ratings are cash flows, liquidity, the amount of debt as a component of total capitalization, and political, legislative and regulatory actions. There can be no assurance that one or more of the ratings of FPL will not be lowered or withdrawn entirely by a rating agency.

The inability of FPL's credit providers to maintain credit ratings acceptable under various agreements, or to fund their credit commitments, could require FPL, among other things, to renegotiate requirements in agreements, find an alternative credit provider with acceptable credit ratings to meet funding requirements, or post cash collateral.

The use of derivative contracts by FPL in the normal course of business could result in financial losses or the payment of margin cash collateral that could adversely affect its financial results and liquidity.

FPL uses derivative instruments, such as swaps, options and forwards, some of which are traded in the over-the-counter ("OTC") markets or on exchanges, to manage its commodity and financial market risks. FPL could suffer a reduction in operating cash flows as a result of the requirement to post margin cash collateral. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. Although FPL executes transactions in derivative instruments on either recognized exchanges or via the OTC markets, depending on the most favorable credit and market execution factors, there is greater volatility and less liquidity in transactions executed in OTC markets and, as a result, FPL may not be able to execute such transactions in times of market volatility. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these derivative instruments. In addition, FPL's use of such instruments could be subject to prudence challenges and, if found imprudent, could result in disallowances of cost recovery for such use by the FPSC.

FPL has hedging and trading procedures and associated risk management tools, such as separate but complementary financial, credit, operational, compliance and legal reporting systems, internal controls, management review processes and other mechanisms, that may not work as planned. Risk management tools and metrics such as

daily value at risk, earnings at risk, stop loss limits and liquidity guidelines are based on historical price movements. If price movements significantly or persistently deviate from historical behavior, the risk management tools may not protect against significant losses. As a result of these and other factors, FPL cannot predict with precision the impact that risk management decisions may have on its financial results and liquidity.

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 broaden the scope of its provisions regarding the regulation of OTC financial derivatives and make them applicable to FPL.

The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") was enacted into law in July 2010 and, among other things, provides for the regulation of the OTC derivatives market. While the legislation is broad and detailed, substantial portions of the legislation require implementing rules to be adopted by federal governmental agencies including, but not limited to, the Securities and Exchange Commission and the U.S. Commodity Futures Trading Commission. FPL cannot predict the final rules that will be adopted to implement the OTC derivatives market provisions of the Dodd-Frank Act. Those rules could negatively affect FPL's ability to hedge its commodity and interest rate risks, which could have a material adverse effect on FPL's financial results. In addition, if the rules require FPL to post cash collateral with respect to swap transactions, FPL's liquidity could be materially adversely affected, and its ability to enter into OTC derivatives to hedge commodity and interest rate risks could be significantly limited. Reporting and compliance requirements of the rules also could significantly increase operating costs and expose FPL to penalties for non-compliance.

Changes in tax laws, as well as judgments and estimates used in the determination of tax-related asset and liability amounts, could adversely affect FPL's financial results, financial condition and liquidity.

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

FPL's retail business is subject to the risk that sensitive customer data may be compromised, which could result in an adverse impact to its reputation and/or the financial results of the retail business.

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

A failure in FPL's operational systems or infrastructure, or those of third parties, could impair its liquidity, disrupt its business, result in the disclosure of confidential information and adversely affect its financial results.

FPL's business is highly dependent on its ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex, and cross numerous and diverse markets. Due to the size, scope and geographical reach of FPL's business, and due to the complexity of the process of power generation, transmission and distribution, the development and maintenance of FPL's operational systems and infrastructure is

challenging. FPL's operating systems and facilities may fail to operate properly or become disabled as a result of events that are either within, or wholly or partially outside, its control, such as operator error, severe weather or terrorist activities. Any such failure or disabling event could adversely affect FPL's ability to process transactions and provide services, and its financial results and liquidity.

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

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

Threats of terrorism and catastrophic events that could result from terrorism, cyber attacks, or individuals and/or groups attempting to disrupt FPL's business, or the businesses of third parties, may impact the operations of FPL in unpredictable ways and could adversely affect FPL's financial results and liquidity.

FPL is subject to the potentially adverse operating and financial effects of terrorist acts and threats, as well as cyber attacks and other disruptive activities of individuals or groups. FPL's generation, transmission and distribution facilities, fuel storage facilities, information technology systems and other infrastructure facilities and systems and physical assets, could be direct targets of, or indirectly affected by, such activities. Terrorist acts or other similar events could harm FPL's business by limiting its ability to generate, purchase or transmit power and by delaying its development and construction of new generating facilities and capital improvements to existing facilities. These events, and governmental actions in response, could result in a material decrease in revenues and significant additional costs to repair and insure FPL's assets, and could adversely affect FPL's operations by contributing to disruption of supplies and markets for natural gas, oil and other fuels. They could also impair FPL's ability to raise capital by contributing to financial instability and lower economic activity.

FPL operates in a highly regulated industry that requires the continued operation of sophisticated information technology systems and network infrastructure. Despite FPL's implementation of security measures, all of its technology systems are vulnerable to disability, failures or unauthorized access due to such activities. If FPL's technology systems were to fail or be breached and be unable to recover in a timely way, FPL would be unable to fulfill critical business functions, and sensitive confidential and other data could be compromised, which could have a material adverse effect on FPL's financial results.

The implementation of security guidelines and measures and maintenance of insurance, to the extent available, addressing such activities could increase costs. These types of events could materially adversely affect FPL's financial results. In addition, these types of events could require significant management attention and resources, and could adversely affect FPL's reputation among customers and the public.

A disruption of the regional electric transmission grid, natural gas pipeline infrastructure or other fuel sources, could negatively impact FPL's business. Because generation, transmission systems and natural gas pipelines are part of an interconnected system, FPL faces the risk of possible loss of business due to a disruption caused by the impact of an event on the interconnected system (such as severe weather or a generator or transmission facility outage or pipeline rupture) within FPL's systems or within a neighboring system. Any such disruption could have a material adverse effect on FPL's financial results.

The ability of 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. FPL's insurance coverage may not provide protection against all significant losses.

The ability of FPL to obtain insurance, as well as the cost and coverage of such insurance, could be affected by developments affecting its business, as well as by international, national, state or local events, as well as the financial condition of insurers. Insurance coverage may not continue to be available at all or at rates or on terms similar to those presently available to FPL. A loss for which FPL is not fully insured could materially and adversely affect its financial results. FPL's insurance may not be sufficient or effective under all circumstances and against all hazards or liabilities to which the companies may be subject.

The business and financial results of FPL could be negatively affected by the lack of a qualified workforce, work strikes or stoppages and increasing personnel costs.

FPL may not be able effectively and profitably to obtain new customers, or grow its customer base, service existing customers and meet its other business plan goals if it does not attract and retain a qualified workforce. The lack of a qualified workforce, including, for example, the loss or retirement of key executives and other employees, may adversely affect service and productivity and contribute to higher training and safety costs. Over the next several years, a significant portion of FPL's workforce, including, but not limited to, many workers with specialized skills maintaining and servicing the nuclear generation facilities and electrical infrastructure, will be eligible to retire. Such highly skilled individuals may not be able to be replaced quickly due to the technically complex work they perform. Personnel costs also may increase due to inflationary or competitive pressures on payroll and benefits costs and revised terms of collective bargaining agreements with union employees. Employee strikes or work stoppages could disrupt operations and lead to a loss of customers and revenue.

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

FPL is required to maintain decommissioning funds to satisfy its future obligations to decommission its nuclear power plants. In addition, NextEra Energy, Inc. ("NextEra Energy"), FPL's parent company, sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of FPL. A decline in the market value of the assets held in the decommissioning funds or in the defined benefit pension plan due to poor investment performance or other factors may increase the funding requirements for these obligations. Moreover, the defined benefit pension plan is sensitive to changes in interest rates, since, as interest rates decrease, the funding liabilities increase, potentially increasing benefits costs and funding requirements. Any increase in benefits costs or funding requirements may have an adverse effect on FPL's liquidity and financial results.

Increasing costs associated with health care plans may adversely affect FPL's financial results.

The costs of providing health care benefits to employees and retirees have increased substantially in recent years. FPL believes that its employee benefit costs, including, but not limited to, costs related to health care plans for employees and former employees, will continue to rise. The increasing costs and funding requirements associated with FPL's health care plans may adversely affect its financial results.

FLORIDA POWER & LIGHT COMPANY

The information in this section replaces the information in the "Florida Power & Light Company" section on page 6 of the accompanying prospectus.

FPL is a rate-regulated utility engaged primarily in the generation, transmission, distribution and sale of electric energy in Florida. FPL supplies electric service to a population of more than 8.7 million throughout most of the east and lower west coasts of Florida. During 2010, FPL served approximately 4.5 million customer accounts. FPL is a wholly-owned subsidiary of NextEra Energy. FPL was incorporated under the laws of Florida in 1925.

USE OF PROCEEDS

The information in this section adds to the information in the "Use of Proceeds" section on page 6 of the accompanying prospectus. Please read these two sections together.

The $600,000,000 aggregate principal amount of First Mortgage Bonds, 4.125% Series due February 1, 2042 offered by this prospectus supplement and the accompanying prospectus are referred to in this prospectus supplement as the "Offered Bonds."

FPL will add the net proceeds from the sale of the Offered Bonds, which are expected to be approximately $590.9 million (after deducting the underwriting discount and other offering expenses), to its general funds. FPL expects to use its general funds to repay a portion of FPL's total outstanding commercial paper obligations and for other general corporate purposes. FPL will temporarily invest in short-term instruments any proceeds that are not immediately used for these purposes. As of December 7, 2011, FPL had $641 million of outstanding commercial paper obligations which had maturities of up to 12 days and which had annual interest rates ranging from 0.21% to 0.26%.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

The information in this section adds to the information in the "Consolidated Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends" section on page 7 of the accompanying prospectus.

FPL's consolidated ratio of earnings to fixed charges for the nine months ended September 30, 2011 was 5.48, and for the years ended December 31, 2010 and 2009 was 4.95 and 4.73, respectively.

CONSOLIDATED CAPITALIZATION OF FPL AND SUBSIDIARIES

The following table shows FPL's consolidated capitalization as of September 30, 2011, and as adjusted to reflect the issuance of the Offered Bonds and the other transaction described below. This table, which is presented in this prospectus supplement solely to provide limited introductory information, is qualified in its entirety by, and should be considered in conjunction with, the more detailed information incorporated by reference or provided in this prospectus supplement or in the accompanying prospectus.

	September 30, 2011	Adjusted[(a)]	
		Amount	Percent
	(In Millions)		
Common shareholder's equity	$10,534	$10,634	58.7%
Long-term debt (excluding current maturities)	6,885	7,485	41.3%
Total capitalization	$17,419	$18,119	100.0%

(a) To give effect to (i) the issuance of the Offered Bonds offered by this prospectus supplement and (ii) a capital contribution of $100 million by NextEra Energy to FPL in November 2011. Adjusted amounts do not reflect the addition of any premiums or deduction of any discounts or commissions in connection with the issuance of the Offered Bonds. Adjusted amounts do not reflect principal repayments of loans, principal repayments on storm-recovery bonds, increases in debt associated with a reclaimed water agreement or the effect of adjustments related to premiums and discounts. Adjusted amounts also do not reflect any possible additional borrowings or issuance and sale of additional securities by FPL from time to time after the date of this prospectus supplement.

CERTAIN TERMS OF THE OFFERED BONDS

The information in this section adds to the information in the "Description of Bonds" section beginning on page 10 of the accompanying prospectus. Please read these two sections together.

General. FPL will issue $600,000,000 aggregate principal amount of the Offered Bonds as a new series of First Mortgage Bonds under the Mortgage (as defined in the accompanying prospectus). The One Hundred Eighteenth Supplemental Indenture, dated as of December 1, 2011, supplements the Mortgage and establishes the specific terms of the Offered Bonds.

Interest and Payment. FPL will pay interest semi-annually on the Offered Bonds at the rate of 4.125% per year. The Offered Bonds will mature on February 1, 2042. FPL will pay interest on the Offered Bonds on February 1 and August 1 of each year, each an "Interest Payment Date," until maturity or earlier redemption. The first Interest Payment Date will be August 1, 2012. The record date for interest payable on any Interest Payment Date on the Offered Bonds shall be the close of business (1) on the business day immediately preceding such Interest Payment Date so long as all of the Offered Bonds remain in book-entry only form, or (2) on the 15th calendar day immediately preceding each Interest Payment Date if any of the Offered Bonds do not remain in book-entry only form. See "—Book-Entry Only Issuance."

Interest on the Offered Bonds will accrue from and including the date of original issuance to but excluding the first Interest Payment Date. Starting on the first Interest Payment Date, interest on each Offered Bond will accrue from and including the last Interest Payment Date to which FPL has paid, or duly provided for the payment of, interest on that Offered Bond to but excluding the next succeeding Interest Payment Date. No interest will accrue on an Offered Bond for the day that the Offered Bond matures. The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of interest payable for any period shorter than a full semi-annual period for which interest is computed will be computed on the basis of the number of days in the period using 30-day calendar months.

FPL will pay interest on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest on the Offered Bonds at the rate of 6% per year.

Issuance of Additional Bonds. As of September 30, 2011, FPL could have issued under the Mortgage in excess of $8.9 billion of additional First Mortgage Bonds based on unfunded Property Additions (as defined in the accompanying prospectus) and in excess of $5.8 billion of additional First Mortgage Bonds based on retired First Mortgage Bonds.

Dividend Restrictions. *As of September 30, 2011, no retained earnings were restricted by provisions of* the Mortgage described in the accompanying prospectus which restrict the amount of retained earnings that FPL can use to pay cash dividends on its common stock.

Redemption. FPL may redeem any of the Offered Bonds at its option or if and when required by the Mortgage. FPL may redeem any of the Offered Bonds at any time or from time to time, on any date prior to their maturity (each a "Redemption Date"). FPL will give notice of its intent to redeem any or all of the Offered Bonds at least 30 days prior to a Redemption Date. If FPL redeems all or any part of the Offered Bonds at any time prior to August 1, 2041, it will pay a redemption price ("Redemption Price") equal to the sum of:

(1) 100% of the principal amount of the Offered Bonds being redeemed plus

(2) accrued and unpaid interest thereon, if any, to the Redemption Date plus

(3) any applicable "make-whole premium."

The Redemption Price for the Offered Bonds will never be less than 100% of the principal amount of those Offered Bonds plus accrued and unpaid interest on those Offered Bonds to the Redemption Date.

The amount of the make-whole premium with respect to any Offered Bonds to be redeemed in accordance with the foregoing paragraph will be equal to the excess, if any, of:

(1) the sum of the present values, calculated as of the Redemption Date, of:

(a) each interest payment that, but for such redemption, would have been payable on the Offered Bonds being redeemed on each Interest Payment Date occurring after the Redemption Date (excluding any accrued interest for the period prior to the Redemption Date); and

(b) the principal amount that, but for such redemption, would have been payable at the final maturity of the Offered Bonds being redeemed; over

(2) the principal amount of the Offered Bonds being redeemed.

The present values of interest and principal payments referred to in clause (1) above will be determined in accordance with generally accepted principles of financial analysis. Such present values will be calculated by discounting the amount of each payment of interest or principal from the date that each such payment would have been payable, but for the redemption, to the Redemption Date at a discount rate equal to the Treasury Yield (as defined below) plus 20 basis points.

If FPL redeems all or any part of the Offered Bonds at any time on or after August 1, 2041, it will pay a redemption price equal to 100% of the principal amount of the Offered Bonds being redeemed, plus accrued and unpaid interest thereon, if any, to the Redemption Date.

FPL will appoint an independent investment banking institution of national standing to calculate the make-whole premium; provided that Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., Mizuho Securities USA Inc., Scotia Capital (USA) Inc. or Wells Fargo Securities, LLC will make such calculation if (1) FPL fails to make such appointment at least 30 days prior to the Redemption Date, or (2) the institution so appointed is unwilling or unable to make such calculation. If Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., Mizuho Securities USA Inc., Scotia Capital (USA) Inc. or Wells Fargo Securities, LLC is to make such calculation but if none is willing or able to do so, then the Trustee (as defined in the accompanying prospectus) will appoint an independent investment banking institution of national standing, in consultation with FPL, to make such calculation. In any case, the institution making such calculation is referred to in this prospectus supplement as an "Independent Investment Banker."

For purposes of determining the make-whole premium, "Treasury Yield" means a rate of interest per year equal to the weekly average yield to maturity of United States Treasury Notes that have a constant maturity that corresponds to the remaining term to maturity of the Offered Bonds to be redeemed, calculated to the nearest 1/12th of a year (the "Remaining Term"). The Independent Investment Banker will determine the Treasury Yield as of the third business day immediately preceding the applicable Redemption Date.

The Independent Investment Banker will determine the weekly average yields of United States Treasury Notes by reference to the most recent statistical release published by the Federal Reserve Bank of New York and designated "H.15(519) Selected Interest Rates" or any successor release (the "H.15 Statistical Release"). If the H.15 Statistical Release sets forth a weekly average yield for United States Treasury Notes having a constant maturity that is the same as the Remaining Term, then the Treasury Yield will be equal to such weekly average yield. In all other cases, the Independent Investment Banker will calculate the Treasury Yield by interpolation, on a straight-line basis, between the weekly average yields on the United States Treasury Notes that have a constant maturity closest to and greater than the Remaining Term and the United States Treasury Notes that have a constant maturity closest to and less than the Remaining Term (in each case as set forth in the H.15 Statistical Release).

The Independent Investment Banker will round any weekly average yields so calculated to the nearest 1/100th of 1%, and will round upward for any figure of 1/200th of 1% or above. If weekly average yields for United States Treasury Notes are not available in the H.15 Statistical Release or otherwise, then the Independent Investment Banker will select comparable rates and calculate the Treasury Yield by reference to those rates.

The Mortgage provides that if FPL at any time elects to redeem only a part of the Offered Bonds, the Trustee will select the particular Offered Bonds to be redeemed by proration among registered holders of the Offered Bonds or, in some cases, by such other method that it deems proper as provided in the Mortgage. However, if the Offered Bonds are solely registered in the name of Cede & Co. and traded through The Depository Trust Company, or "DTC," then DTC will select the Offered Bonds to be redeemed in accordance with its practices as described below in "—Book-Entry Only Issuance."

If at the time notice of redemption is given, the redemption moneys are not on deposit with the Trustee, then the redemption shall be subject to their receipt before the Redemption Date and such notice shall be of no effect unless such moneys are received.

Cash deposited under any provisions of the Mortgage (with certain exceptions) may be applied to the purchase of First Mortgage Bonds of any series.

Book-Entry Only Issuance. The Offered Bonds will trade through DTC. The Offered Bonds will be represented by one or more global certificates and registered in the name of Cede & Co., DTC's nominee. Upon issuance of the Offered Bonds, DTC or its nominee will credit, on its book-entry registration and transfer system, the principal amount of the Offered Bonds represented by such global securities to the accounts of institutions that have an account with DTC or its participants. The accounts to be credited shall be designated by the underwriters. Ownership of beneficial interests in the global securities will be limited to participants or persons that may hold interests through participants. The global certificates will be deposited with the Trustee as custodian for DTC.

DTC is a New York clearing corporation and a clearing agency registered under Section 17A of the Securities Exchange Act of 1934. DTC holds securities for its participants. DTC also facilitates the post-trade settlement of securities transactions among its participants through electronic computerized book-entry transfers and pledges in the participants' accounts. This eliminates the need for physical movement of securities certificates. The participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Others who maintain a custodial relationship with a participant can use the DTC system. The rules that apply to DTC and those using its systems are on file with the Securities and Exchange Commission.

Purchases of the Offered Bonds within the DTC system must be made through participants, who will receive a credit for the Offered Bonds on DTC's records. The beneficial ownership interest of each purchaser will be recorded on the appropriate participant's records. Beneficial owners will not receive written confirmation from DTC of their purchases, but beneficial owners should receive written confirmations of the transactions, as well as periodic statements of their holdings, from the participants through whom they purchased Offered Bonds. Transfers of ownership in the Offered Bonds are to be accomplished by entries made on the books of the participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates for their Offered Bonds, except if use of the book-entry system for the Offered Bonds is discontinued.

To facilitate subsequent transfers, all Offered Bonds deposited by participants with DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of the Offered Bonds with DTC and their registration in the name of Cede & Co. effects no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Offered Bonds. DTC's records reflect only the identity of the participants to whose accounts such Offered Bonds are credited. These participants may or may not be the beneficial owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to participants, and by participants to beneficial owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of Offered Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Offered Bonds, such as redemptions, tenders, defaults and proposed amendments to the Offered Bonds. Beneficial owners of the Offered Bonds may wish to ascertain that the nominee holding the Offered Bonds has agreed to obtain and transmit notices to the beneficial owners.

Redemption notices will be sent to Cede & Co., as registered holder of the Offered Bonds. If less than all of the Offered Bonds are being redeemed, DTC's practice is to determine by lot the amount of Offered Bonds of each participant to be redeemed.

Neither DTC nor Cede & Co. will itself consent or vote with respect to Offered Bonds, unless authorized by a participant in accordance with DTC's procedures. Under its usual procedures, DTC would mail an omnibus proxy to FPL as soon as possible after the record date. The omnibus proxy assigns the consenting or voting rights of Cede & Co. to those participants to whose accounts the Offered Bonds are credited on the record date. FPL believes that these arrangements will enable the beneficial owners to exercise rights equivalent in substance to the rights that can be directly exercised by a registered holder of the Offered Bonds.

Payments of redemption proceeds, principal of, and interest on the Offered Bonds will be made to Cede & Co., or such other nominee as may be requested by DTC. DTC's practice is to credit participants' accounts upon DTC's receipt of funds and corresponding detail information from FPL or its agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices. Payments will be the responsibility of participants and not of DTC, Deutsche Bank Trust Company Americas (the Trustee under the Mortgage) or FPL, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest to Cede & Co. (or such other nominee as may be requested by DTC) is the responsibility of FPL. Disbursement of payments to participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of participants.

Except as provided in this prospectus supplement, a beneficial owner will not be entitled to receive physical delivery of the Offered Bonds. Accordingly, each beneficial owner must rely on the procedures of DTC to exercise any rights under the Offered Bonds.

DTC may discontinue providing its services as securities depositary with respect to the Offered Bonds at any time by giving reasonable notice to FPL. In the event no successor securities depositary is obtained, certificates for the Offered Bonds will be printed and delivered. FPL may decide to replace DTC or any successor depositary. Additionally, subject to the procedures of DTC, FPL may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depositary) with respect to some or all of the Offered Bonds. In that event, certificates for such Offered Bonds will be printed and delivered. If certificates for Offered Bonds are printed and delivered,

- the Offered Bonds will be issued in fully registered form without coupons;
- a holder of certificated Offered Bonds would be able to exchange those Offered Bonds, without charge, for an equal aggregate principal amount of Offered Bonds of the same series, having the same issue date and with identical terms and provisions; and
- a holder of certificated Offered Bonds would be able to transfer those Offered Bonds without cost to another holder, other than for applicable stamp taxes or other governmental charges.

However, FPL shall not be required to make transfers or exchanges of certificated Offered Bonds for a period of ten days next preceding any Interest Payment Date or next preceding any designation of Offered Bonds to be redeemed, and FPL shall not be required to make transfers or exchanges of any certificated Offered Bonds designated in whole or in part for redemption.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that FPL believes to be reliable, none of FPL or the underwriters takes any responsibility for the accuracy of this information.

UNDERWRITING

The information in this section adds to the information in the "Plan of Distribution" section beginning on page 41 of the accompanying prospectus. Please read these two sections together.

FPL is selling the Offered Bonds to the underwriters named in the table below pursuant to an underwriting agreement between FPL and the underwriters named below, for whom Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., Mizuho Securities USA Inc., Scotia Capital (USA) Inc. and Wells Fargo Securities, LLC are acting as representatives. Subject to certain conditions, FPL has agreed to sell to each of the underwriters, and each of the underwriters has severally agreed to purchase, the principal amount of Offered Bonds set forth opposite that underwriter's name in the table below:

Underwriter	Principal Amount of Offered Bonds
Barclays Capital Inc.	$ 85,000,000
Citigroup Global Markets Inc.	85,000,000
Goldman, Sachs & Co.	85,000,000
Mizuho Securities USA Inc.	85,000,000
Scotia Capital (USA) Inc.	85,000,000
Wells Fargo Securities, LLC	85,000,000
KeyBanc Capital Markets Inc.	18,000,000
Morgan Keegan & Company, Inc.	18,000,000
RBC Capital Markets, LLC	18,000,000
UniCredit Capital Markets LLC	18,000,000
U.S. Bancorp Investments, Inc.	18,000,000
Total	$600,000,000

Under the terms and conditions of the underwriting agreement, the underwriters must buy all of the Offered Bonds when and if they buy any of them. The underwriting agreement provides that the obligations of the underwriters pursuant thereto are subject to certain conditions. In the event of a default by an underwriter, the underwriting agreement provides that, in certain circumstances, the purchase commitment of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated. The underwriters will sell the Offered Bonds to the public if the underwriters buy the Offered Bonds from FPL.

FPL will compensate the underwriters by selling the Offered Bonds to them at a price that is less than the price to the public by the amount of the "Underwriting Discount" set forth in the table below. The underwriters will sell the Offered Bonds to the public at the price to the public set forth on the cover page of this prospectus supplement and may sell the Offered Bonds to certain dealers at a price that is less than the price to the public by no more than the amount of the "Initial Dealers' Concession" set forth in the table below. The underwriters and such dealers may sell the Offered Bonds to certain other dealers at a price that is less than the price to the public by no more than the amounts of the "Initial Dealers' Concession" and the "Reallowed Dealers' Concession" set forth in the table below.

	(expressed as a percentage of principal amount)
Underwriting Discount	0.875%
Initial Dealers' Concession	0.500%
Reallowed Dealers' Concession	0.250%

An underwriter may reject any or all offers for the Offered Bonds. After the initial public offering of the Offered Bonds, the underwriters may change the offering price and other selling terms of the Offered Bonds.

The Offered Bonds are a new issue of securities with no established trading market. FPL does not plan to list the securities on any securities exchange. The underwriters have advised FPL that they intend to make a market in the Offered Bonds but are not obligated to do so and may discontinue such market-making activities at any time without notice. FPL cannot give any assurance as to the maintenance of the trading market for, or the liquidity of, the Offered Bonds.

In connection with the offering, Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., Mizuho Securities USA Inc., Scotia Capital (USA) Inc. and Wells Fargo Securities, LLC, on behalf of the underwriters, may purchase and sell the Offered Bonds in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment includes syndicate sales of Offered Bonds in excess of the principal amount of Offered Bonds to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of the Offered Bonds in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing transactions consist of certain bids or purchases of Offered Bonds made for the purpose of preventing or retarding a decline in the market price of the Offered Bonds while the offering is in progress.

The underwriters may also impose a penalty bid. Penalty bids permit the underwriters to reclaim an initial dealers' concession from a syndicate member when Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., Mizuho Securities USA Inc., Scotia Capital (USA) Inc. or Wells Fargo Securities, LLC, in covering syndicate short positions or making stabilizing purchases, repurchases the Offered Bonds originally sold by that syndicate member.

Any of these activities may cause the price of the Offered Bonds to be higher than the price that otherwise would exist in the open market in the absence of such transactions. These transactions may be effected in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

FPL estimates that its expenses in connection with the sale of the Offered Bonds, other than underwriting discounts, will be $2.4 million. This estimate includes expenses relating to Florida taxes, printing, rating agency fees, trustee's fees and legal fees, among other expenses.

FPL has agreed to indemnify the underwriters against, or to contribute to payments the underwriters may be required to make in respect of, certain liabilities, including liabilities under the Securities Act of 1933.

The underwriters and their affiliates may engage in transactions with, and perform services for, FPL and its affiliates in the ordinary course of business and have engaged, and may engage in the future, in commercial banking and/or investment banking transactions with FPL and its affiliates, including acting as lenders under FPL's loan facilities and those of some of FPL's affiliates.

EXPERTS

The information in this section replaces the information in the "Experts" section on page 43 of the accompanying prospectus.

The consolidated financial statements incorporated in this prospectus supplement by reference from FPL's Annual Report on Form 10-K for the year ended December 31, 2010, and the effectiveness of FPL's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

The information in this section replaces the information in the "Legal Opinions" section on page 43 of the accompanying prospectus.

Morgan, Lewis & Bockius LLP, New York, New York and Squire, Sanders & Dempsey (US) LLP, West Palm Beach, Florida, co-counsel to FPL will pass upon the legality of the Offered Bonds offered by this prospectus supplement for FPL. Hunton & Williams LLP, New York, New York, will pass upon the legality of the Offered Bonds offered by this prospectus supplement for the underwriters. Morgan, Lewis & Bockius LLP and Hunton & Williams LLP may rely as to all matters of Florida law upon the opinion of Squire, Sanders & Dempsey (US) LLP. Squire, Sanders & Dempsey (US) LLP may rely as to all matters of New York law upon the opinion of Morgan, Lewis & Bockius LLP.

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PROSPECTUS

FLORIDA POWER & LIGHT COMPANY

Preferred Stock,
Warrants,
First Mortgage Bonds,
Senior Debt Securities,
Subordinated Debt Securities
and
Junior Subordinated Debentures

FLORIDA POWER & LIGHT COMPANY TRUST I
FLORIDA POWER & LIGHT COMPANY TRUST II

Preferred Trust Securities,

Guaranteed as described in this prospectus by

FLORIDA POWER & LIGHT COMPANY

Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II may offer any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized from time to time. This prospectus may also be used by a selling securityholder of the securities described herein.

One or more of Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II will provide specific terms of the securities, including the offering prices, in supplements to this prospectus. The supplements may also add, update or change information contained in this prospectus. You should read this prospectus and any supplements carefully before you invest.

Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II may offer these securities directly or through underwriters, agents or dealers. The supplements to this prospectus will describe the terms of any particular plan of distribution, including any underwriting arrangements. The "Plan of Distribution" section beginning on page 41 of this prospectus also provides more information on this topic.

See "Risk Factors" beginning on page 2 of this prospectus to read about certain factors you should consider before purchasing any of the securities being offered.

Florida Power & Light Company's, Florida Power & Light Company Trust I's and Florida Power & Light Company Trust II's principal executive offices are located at 700 Universe Boulevard, Juno Beach, Florida 33408-0420, telephone number (561) 694-4000, and their mailing address is P.O. Box 14000, Juno Beach, Florida 33408-0420.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

August 3, 2009

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that Florida Power & Light Company ("FPL"), Florida Power & Light Company Trust I and Florida Power & Light Company Trust II and certain of their affiliates have filed with the Securities and Exchange Commission ("SEC") using a "shelf" registration process. Florida Power & Light Company Trust I and Florida Power & Light Company Trust II each are referred to in this prospectus as the "Trust."

Under this shelf registration process, FPL and/or the Trust may issue and sell any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized by the board of directors of FPL. FPL may offer any of the following securities: preferred stock, warrants to purchase preferred stock, first mortgage bonds, senior debt securities, subordinated debt securities, junior subordinated debentures and guarantees related to the preferred trust securities which the Trust may offer. Unless otherwise stated in a prospectus supplement, the Trust may offer preferred trust securities.

This prospectus provides you with a general description of the securities that FPL and/or the Trust may offer. Each time FPL and/or the Trust sells securities, FPL and/or the Trust will provide a prospectus supplement that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will be discussed in the applicable prospectus supplement if necessary. The applicable prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any applicable prospectus supplement together with additional information described under the headings "Where You Can Find More Information" and "Incorporation by Reference."

For more detailed information about the securities, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

RISK FACTORS

Before purchasing the securities, investors should carefully consider the following risk factors together with the risk factors and other information incorporated by reference or provided in this prospectus or in a prospectus supplement in order to evaluate an investment in the securities.

FPL is subject to complex laws and regulations and to changes in laws and regulations as well as changing governmental policies and regulatory actions. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL.

FPL is subject to complex laws and regulations, and to changes in laws or regulations, with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, construction and operation of generation facilities, construction and operation of transmission and distribution facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity and equity ratio limits, transmission reliability and present or prospective wholesale and retail competition. This substantial and complex framework exposes FPL to increased compliance costs and potentially significant monetary penalties for non-compliance. The Florida Public Service Commission has the authority to disallow recovery by FPL of any and all costs that it considers excessive or imprudently incurred. The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.

FPL also is subject to extensive federal, state and local environmental statutes, rules and regulations, as well as the effect of changes in or additions to applicable statutes, rules and regulations that relate to, or in the future may relate to, for example, air quality, water quality, climate change, greenhouse gas emissions, carbon dioxide emissions, waste management, marine and wildlife mortality, natural resources, health, safety and renewable portfolio standards that could, among other things, restrict or limit the output of certain facilities or the use of certain fuels required for the production of electricity and/or require additional pollution control equipment and otherwise increase costs. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.

FPL operates in a changing market environment influenced by various legislative and regulatory initiatives regarding regulation, deregulation or restructuring of the energy industry, including, for example, deregulation or restructuring of the production and sale of electricity, as well as increased focus on renewable and clean energy sources and reduction of carbon emissions. FPL will need to adapt to these changes and may face increasing costs and competitive pressure in doing so.

FPL's results of operations could be affected by FPL's ability to negotiate or renegotiate franchise agreements with municipalities and counties in Florida.

The operation and maintenance of power generation, transmission and distribution facilities involve significant risks that could adversely affect the results of operations and financial condition of FPL.

The operation and maintenance of power generation, transmission and distribution facilities involve many risks, including, for example, start up risks, breakdown or failure of equipment, transmission and distribution lines or pipelines, the inability to properly manage or mitigate known equipment defects throughout FPL's generation fleets and transmission and distribution systems, use of new or unproven technology, the dependence on a specific fuel source, failures in the supply or transportation of fuel, the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes, floods and droughts), and performance below expected or contracted levels of output or efficiency. This could result in lost revenues and/or increased expenses, including, for example, lost revenues due to prolonged outages and increased expenses due to monetary penalties or

fines, replacement equipment costs or an obligation to purchase or generate replacement power at potentially higher prices to meet contractual obligations. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses.

The operation and maintenance of nuclear facilities involves inherent risks, including environmental, health, regulatory, terrorism and financial risks, that could result in fines or the closure of nuclear units owned by FPL, and which may present potential exposures in excess of insurance coverage.

FPL owns, or holds undivided interests in, nuclear generation facilities in Florida. These nuclear facilities are subject to environmental, health and financial risks such as on-site storage of spent nuclear fuel, the ability to dispose of spent nuclear fuel, the ability to maintain adequate reserves for decommissioning, potential liabilities arising out of the operation of these facilities, and the threat of a possible terrorist attack. Although FPL maintains decommissioning trusts and external insurance coverage to minimize the financial exposure to these risks, it is possible that the cost of decommissioning the facilities could exceed the amount available in the decommissioning trusts, and that liability and property damages could exceed the amount of insurance coverage.

The Nuclear Regulatory Commission has broad authority to impose licensing and safety-related requirements for the construction and operation and maintenance of nuclear generation facilities. In the event of non-compliance, the Nuclear Regulatory Commission has the authority to impose fines or shut down a unit, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Nuclear Regulatory Commission orders or new regulations related to increased security measures and any future safety requirements promulgated by the Nuclear Regulatory Commission could require FPL to incur substantial operating and capital expenditures at its nuclear plants. In addition, if a serious nuclear incident were to occur at an FPL plant, it could result in substantial costs. A major incident at a nuclear facility anywhere in the world could cause the Nuclear Regulatory Commission to limit or prohibit the operation or licensing of any domestic nuclear unit.

In addition, potential terrorist threats and increased public scrutiny of utilities could result in increased nuclear licensing or compliance costs which are difficult or impossible to predict.

The construction of, and capital improvements to, power generation and transmission facilities involve substantial risks. Should construction or capital improvement efforts be unsuccessful or delayed, the results of operations and financial condition of FPL could be adversely affected.

The ability of FPL to complete construction of, and capital improvement projects for, its power generation and transmission facilities on schedule and within budget are contingent upon many variables that could delay completion, increase costs or otherwise adversely affect operational and financial results, including, for example, limitations related to transmission interconnection issues, escalating costs for materials and labor and environmental compliance, delays with respect to permits and other approvals, and disputes involving third parties, and are subject to substantial risks. Should any such efforts be unsuccessful or delayed, FPL could be subject to additional costs, termination payments under committed contracts, loss of tax credits and/or the write-off of its investment in the project or improvement.

The use of derivative contracts by FPL in the normal course of business could result in financial losses or the payment of margin cash collateral that adversely impact the results of operations or cash flows of FPL.

FPL uses derivative instruments, such as swaps, options, futures and forwards, some of which are traded in the over-the-counter markets or on exchanges, to manage its commodity and financial market risks. FPL could suffer a reduction in operating cash flows as a result of the requirement to post margin cash collateral. In the absence of actively quoted market prices and pricing information from

external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these derivative instruments. In addition, FPL's use of such instruments could be subject to prudence challenges and, if found imprudent, cost recovery could be disallowed by the Florida Public Service Commission.

Customer growth and customer usage in FPL's service area affect FPL's results of operations.

FPL's results of operations are affected by the growth in customer accounts in FPL's service area and by customer usage. Customer growth can be affected by population growth. Customer growth and customer usage can be affected by economic factors in Florida and elsewhere, including, for example, job and income growth, housing starts and new home prices. Customer growth and customer usage directly influence the demand for electricity and the need for additional power generation and power delivery facilities at FPL.

Weather affects FPL's results of operations, as can the impact of severe weather. Weather conditions directly influence the demand for electricity and natural gas, affect the price of energy commodities, and can affect the production of electricity at power generating facilities.

FPL's results of operations are affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas, affect the price of energy commodities, and can affect the production of electricity at power generating facilities. FPL's results of operations can be affected by the impact of severe weather which can be destructive, causing outages and/or property damage, may affect fuel supply, and could require additional costs to be incurred. At FPL, recovery of these costs is subject to Florida Public Service Commission approval.

Adverse capital and credit market conditions may adversely affect FPL's ability to meet liquidity needs, access capital and operate and grow its business, and increase the cost of capital. Disruptions, uncertainty or volatility in the financial markets can also adversely impact the results of operations and financial condition of FPL.

Having access to the credit and capital markets, at a reasonable cost, is necessary for FPL to fund its operations, including its capital requirements. Those markets have provided FPL with the liquidity to operate and grow its business that is not otherwise provided from operating cash flows. Disruptions, uncertainty or volatility in those markets can increase FPL's cost of capital. If FPL is unable to access the credit and capital markets on terms that are reasonable, it may have to delay raising capital, issue shorter-term securities and/or bear an unfavorable cost of capital, which, in turn, could adversely impact its ability to grow its business, decrease earnings and/or significantly reduce financial flexibility.

FPL's inability to maintain its current credit ratings may adversely affect FPL's liquidity, limit the ability of FPL to grow its business, and would likely increase interest costs.

FPL relies on access to capital and credit markets as significant sources of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL to maintain its current credit ratings could affect its ability to raise capital or obtain credit on favorable terms, which, in turn, could impact FPL's ability to grow its business and would likely increase its interest costs.

FPL is subject to credit and performance risk from third parties under supply and service contracts.

FPL relies on contracts with vendors for the supply of equipment, materials, fuel and other goods and services required for the construction and operation of, and for capital improvements to, its facilities, as well as for business operations. If vendors fail to fulfill their contractual obligations, FPL

may need to make arrangements with other suppliers, which could result in higher costs, untimely completion of power generation facilities and other projects, and/or a disruption to its operations.

FPL is subject to costs and other potentially adverse effects of legal and regulatory proceedings, as well as regulatory compliance and changes in or additions to applicable tax laws, rates or policies, rates of inflation, accounting standards, securities laws, corporate governance requirements and labor and employment laws.

FPL is subject to costs and other potentially adverse effects of legal and regulatory proceedings, settlements, investigations and claims, as well as regulatory compliance and the effect of new, or changes in, tax laws, rates or policies, rates of inflation, accounting standards, securities laws, corporate governance requirements and labor and employment laws.

FPL, as an owner and operator of bulk power transmission systems, is subject to mandatory reliability standards promulgated by the North American Electric Reliability Corporation and enforced by the Federal Energy Regulatory Commission. These standards, which previously were being applied on a voluntary basis, became mandatory in June 2007. Noncompliance with these mandatory reliability standards could result in sanctions, including substantial monetary penalties, which likely would not be recoverable from customers.

Threats of terrorism and catastrophic events that could result from terrorism, cyber attacks, or individuals and/or groups attempting to disrupt FPL's business may impact the operations of FPL in unpredictable ways.

FPL is subject to direct and indirect effects of terrorist threats and activities as well as cyber attacks and disruptive activities of individuals and/or groups. Infrastructure facilities and systems, including, for example, generation, transmission and distribution facilities, physical assets and information systems, in general, have been identified as potential targets. The effects of these threats and activities include, but are not limited to, the inability to generate, purchase or transmit power, the delay in development and construction of new generating facilities, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the United States, and the increased cost and adequacy of security and insurance.

The ability of 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.

FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be adversely affected by international, national, state or local events as well as company-specific events.

FPL is subject to employee workforce factors that could adversely affect the business and financial condition of FPL.

FPL is subject to employee workforce factors, including, for example, loss or retirement of key executives, availability of qualified personnel, inflationary pressures on payroll and benefits costs and collective bargaining agreements with union employees and work stoppage that could adversely affect the business and financial condition of FPL.

FLORIDA POWER & LIGHT COMPANY

FPL was incorporated under the laws of Florida in 1925. FPL is a rate-regulated utility engaged primarily in the generation, transmission, distribution and sale of electric energy. At December 31, 2008, FPL supplied electric service to a population of more than 8.7 million, throughout most of the east and lower west coasts of Florida. During 2008, FPL served approximately 4.5 million customer accounts.

FLORIDA POWER & LIGHT COMPANY TRUST I AND FLORIDA POWER & LIGHT COMPANY TRUST II

Florida Power & Light Company Trust I and Florida Power & Light Company Trust II are Delaware statutory trusts created pursuant to separate trust agreements among FPL as depositor of the Trust, The Bank of New York Mellon as the Property Trustee, BNY Mellon Trust of Delaware as the Delaware Trustee and one or more Administrative Trustees appointed by FPL. At the time of the issuance of securities by the Trust, the applicable trust agreement will be amended and restated substantially in the form filed as an exhibit to the registration statement. Each trust agreement, as so amended and restated, is referred to in this prospectus as the "Trust Agreement." Unless otherwise stated in a prospectus supplement,

- the Trust exists only to issue its preferred trust securities and common trust securities and to hold the junior subordinated debentures of FPL as trust assets,
- all of the common trust securities will be owned by FPL, and
- the common trust securities will represent at least 3% of the total capital of the applicable Trust.

Payments on any distribution payment date or redemption date will be made on the common trust securities pro rata with the preferred trust securities, except that the common trust securities' right to payment will be subordinated to the rights of the preferred trust securities if there is a default under the Trust Agreement. The Trust will have a term as stated in the applicable prospectus supplement, but may dissolve earlier as provided in the Trust Agreement.

The Trust's business and affairs will be conducted by its Administrative Trustees.

USE OF PROCEEDS

Unless otherwise stated in a prospectus supplement, FPL will add the net proceeds from the sale of its securities to its general funds. FPL uses its general funds for corporate purposes, including to repay, redeem or repurchase outstanding debt, to repay short-term borrowings and to finance the acquisition or construction of additional electric facilities and capital improvements to and maintenance of existing facilities. FPL will temporarily invest any proceeds that it does not need to use immediately in short-term instruments.

Unless otherwise stated in a prospectus supplement, the Trust will use the proceeds from the sale of preferred trust securities and common trust securities to invest in junior subordinated debentures issued by FPL. FPL will add the net proceeds from the sale of such junior subordinated debentures to its general funds, which will be used as described above.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table shows FPL's consolidated ratio of earnings to fixed charges for each of its last five fiscal years:

Years Ended December 31,				
2008	2007	2006	2005	2004
4.43	4.96	5.14	5.74	6.74

The following table shows FPL's consolidated ratio of earnings to combined fixed charges and preferred stock dividends for each of its last five fiscal years:

Years Ended December 31,				
2008	2007	2006	2005	2004
4.43	4.96	5.14	5.74	6.67

FPL's consolidated ratio of earnings to fixed charges and consolidated ratio of earnings to combined fixed charges and preferred stock dividends for the six months ended June 30, 2009 was 4.06.

WHERE YOU CAN FIND MORE INFORMATION

FPL files annual, quarterly and other reports and other information with the SEC. You can read and copy any information filed by FPL with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain additional information about the Public Reference Room by calling the SEC at 1-800-SEC-0330.

In addition, the SEC maintains an Internet site (*www.sec.gov*) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including FPL. FPL also maintains an Internet site (*www.fpl.com*). Information on FPL's Internet site is not a part of this prospectus.

FPL and the Trust do not expect the Trust to file reports or other information with the SEC under Sections 13 or 15(d) of the Securities Exchange Act of 1934.

INCORPORATION BY REFERENCE

The SEC allows FPL and the Trust to "incorporate by reference" the information that FPL files with the SEC, which means that FPL and the Trust may, in this prospectus, disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Information that FPL files in the future with the SEC will automatically update and supersede this information. FPL and the Trust are incorporating by reference the documents listed below and any future filings FPL makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus (other than any documents, or portions of documents, not deemed to be filed) until FPL and/or the Trust sell all of the securities covered by the registration statement:

(1) FPL's Annual Report on Form 10-K for the year ended December 31, 2008;

(2) FPL's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009; and

(3) FPL's Current Reports on Form 8-K filed with the SEC on January 27, 2009 (with January 22, 2009 earliest report date), March 18, 2009, March 19, 2009 and July 22, 2009 (other than any documents, or portions of documents, not deemed to be filed).

You may request a copy of these documents, at no cost to you, by writing or calling Robert J. Reger, Jr., Esq., Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178, (212) 309-6000. FPL will provide to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of any or all of the information that has been incorporated by reference in this prospectus but not delivered with this prospectus.

FORWARD-LOOKING STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, FPL and the Trust are herein filing cautionary statements identifying important factors that could cause FPL's actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) made by or on behalf of FPL and the Trust in this prospectus or any supplement to this prospectus, in presentations, in response to questions or otherwise. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events or performance, climate change strategy or growth strategies (often, but not always, through the use of words or phrases such as "will," "will likely result," "are expected to," "will continue," "aim," "is anticipated," "believe," "could," "should," "would," "estimated," "may," "plan," "potential," "projection," "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 specific factors discussed in "Risk Factors" herein and in the reports that are incorporated herein by reference (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 FPL's operations and financial results, and could cause FPL's actual results to differ materially from those contained or implied in forward-looking statements made by or on behalf of FPL or the Trust.

Any forward-looking statement speaks only as of the date on which that statement is made, and neither FPL nor the Trust undertakes any obligation to update any forward-looking statement to reflect events or circumstances, including unanticipated events, after the date on which that 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 those factors, nor can it assess the impact of each of those factors on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The issues and associated risks and uncertainties discussed in "Risk Factors" herein and in the reports that are incorporated herein by reference are not the only ones FPL may face. Additional issues may arise or become material as the energy industry evolves. The risks and uncertainties associated with those additional issues could impair FPL's business in the future.

DESCRIPTION OF PREFERRED STOCK

General. The following statements describing FPL's preferred stock are not intended to be a complete description. For additional information, please see FPL's Restated Articles of Incorporation, as amended ("Charter"), and its bylaws, as currently in effect. You should read this summary together with the articles of amendment to the Charter which will describe the terms of any preferred stock to be offered hereby for a complete understanding of all the provisions. Each of these documents has previously been filed, or will be filed, with the SEC and each is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. Reference is also made to the laws of the State of Florida.

The Charter currently authorizes three classes of preferred stock. No shares of preferred stock are presently outstanding. Unless the Charter is amended prior to the offering of the preferred stock offered hereunder to change the class or classes of preferred stock authorized to be issued, the preferred stock offered hereunder will be one or more series of FPL's Preferred Stock, $100 par value per share ("Serial Preferred Stock") and/or one or more series of FPL's Preferred Stock, without par value ("No Par Preferred Stock"). Under the Charter, 10,414,100 shares of Serial Preferred Stock and 5,000,000 shares of No Par Preferred Stock are available for issuance. The Charter also authorizes the issuance of 5,000,000 shares of Subordinated Preferred Stock, without par value ("Subordinated Preferred Stock"). References in this "Description of Preferred Stock" section of this prospectus to preferred stock do not include the Subordinated Preferred Stock.

In the event that the Charter is amended to change its authorized preferred stock, a prospectus supplement will describe the authorized preferred stock.

Some terms of a series of preferred stock may differ from those of another series. A prospectus supplement will describe the terms of any preferred stock being offered. These terms will also be described in articles of amendment to the Charter, which will establish the terms of the preferred stock being offered. These terms will include any of the following that apply to that series:

(1) the class of preferred stock, the number of shares in the series and the title of that series of preferred stock,

(2) the annual rate or rates of dividends payable and the date from which such dividends shall commence to accrue,

(3) the terms and conditions, including the redemption price and the date or dates, on which the shares of the series of preferred stock may be redeemed or converted into another class of security, the manner of effecting such redemption and any restrictions on such redemptions,

(4) any sinking fund or other provisions that would obligate FPL to redeem or repurchase shares of the series of preferred stock, and

(5) with respect to the No Par Preferred Stock only, variations with respect to whole or fractional voting rights and involuntary liquidation values.

In the event the trusts established by FPL issue preferred trust securities and FPL exercises a right to delay interest payments on junior subordinated debentures issued in connection with preferred trust securities, FPL will not be able to pay dividends on its common or preferred stock during the periods when such payments are delayed with certain limited exceptions.

Any shares of preferred stock offered hereunder by FPL will, when issued, be fully paid and non-assessable.

Voting Rights. FPL Group, as the owner of all of FPL's common stock, has sole voting power with respect to FPL, except as provided in the Charter or as otherwise required by law. The Charter does not limit the right of any affiliate of FPL to vote any shares of preferred stock owned by it. The

voting rights provided in the Charter relating to the Serial Preferred Stock and the No Par Preferred Stock will be described in the applicable prospectus supplement relating to any particular preferred stock being offered.

Liquidation Rights. In the event of any voluntary liquidation, dissolution or winding up of FPL, unless otherwise described in a particular prospectus supplement, the Serial Preferred Stock and No Par Preferred Stock will rank pari passu with all classes of preferred stock then outstanding and shall have a preference over each series of the Subordinated Preferred Stock (none of which has been issued or is currently outstanding) and the common stock until an amount equal to the then current redemption price shall have been paid. In the event of any involuntary liquidation, dissolution or winding up of FPL,

(1) the Serial Preferred Stock will rank pari passu with all classes of preferred stock then outstanding and shall also have a preference over each series of the Subordinated Preferred Stock and the common stock until $100 per share shall have been paid, and

(2) the No Par Preferred Stock will rank pari passu with all classes of FPL's preferred stock then outstanding and shall also have a preference over each series of Subordinated Preferred Stock and the common stock until the full involuntary liquidation value thereof, as established upon issuance of the applicable series of No Par Preferred Stock, shall have been paid,

plus, in each case, all accumulated and unpaid dividends thereon, if any. Any changes to the liquidation rights of the Serial Preferred Stock and the No Par Preferred Stock will be described in the particular prospectus supplement relating to any preferred stock being offered.

DESCRIPTION OF WARRANTS

FPL may issue warrants to purchase preferred stock. A prospectus supplement will describe the terms of any such warrants being offered and any related warrant agreement between FPL and a warrant agent.

DESCRIPTION OF BONDS

General. FPL will issue first mortgage bonds, in one or more series, under its Mortgage and Deed of Trust dated as of January 1, 1944, with Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee, which has been amended and supplemented in the past, may be supplemented prior to the issuance of these first mortgage bonds, and which will be supplemented again by one or more supplemental indentures relating to these first mortgage bonds. The Mortgage and Deed of Trust, as amended and supplemented, is referred to in this prospectus as the "Mortgage." The first mortgage bonds offered pursuant to this prospectus and any applicable prospectus supplement are referred to as the "Bonds."

FPL may issue an unlimited amount of First Mortgage Bonds under the Mortgage so long as it meets the issuance tests set forth in the Mortgage, which are generally described below under "—Issuance of Additional Bonds." The Bonds and all other first mortgage bonds issued under the Mortgage are collectively referred to in this prospectus as the "First Mortgage Bonds."

This section briefly summarizes some of the terms of the Bonds and some of the provisions of the Mortgage and uses some terms that are not defined in this prospectus but that are defined in the Mortgage. This summary is not complete. You should read this summary together with the Mortgage and the supplemental indenture creating the Bonds for a complete understanding of all the provisions. The Mortgage and the form of supplemental indenture have previously been filed with the SEC, and are exhibits to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Mortgage is qualified as an indenture under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

All Bonds of one series need not be issued at the same time, and a series may be re-opened for issuances of additional Bonds of such particular series. This means that FPL may from time to time, without notice to, or the consent of the existing holders of the previously-issued Bonds of a particular series, create and issue additional Bonds of such series. Such additional Bonds will have the same terms as the Bonds of such series in all respects (except for the payment of interest accruing prior to the issue date of the additional Bonds or except for the first payments of interest following the issue date of the additional Bonds) so that the additional Bonds may be consolidated and form a single series with the previously-issued Bonds of such series.

Each series of Bonds may have different terms. FPL will include some or all of the following information about a specific series of Bonds in the particular prospectus supplement relating to that specific series of Bonds:

(1) the designation and series of those Bonds,

(2) the aggregate principal amount of those Bonds,

(3) the offering price of those Bonds,

(4) the date(s) on which those Bonds will mature,

(5) the interest rate(s) for those Bonds, or how the interest rate(s) will be determined,

(6) the dates on which FPL will pay the interest on those Bonds,

(7) the denominations in which FPL may issue those Bonds, if other than denominations of $1,000 or multiples of $1,000,

(8) the place where the principal of and interest on those Bonds will be payable, if other than at Deutsche Bank Trust Company Americas in New York City,

(9) the currency or currencies in which payment of the principal of and interest on those Bonds may be made, if other than U.S. dollars,

(10) the terms pursuant to which FPL may redeem any of those Bonds,

(11) whether all or a portion of those Bonds will be in global form, and

(12) any other terms or provisions relating to those Bonds that are not inconsistent with the provisions of the Mortgage.

FPL will issue the Bonds in fully registered form without coupons, unless otherwise stated in a prospectus supplement. A holder of Bonds may exchange those Bonds, without charge, for an equal aggregate principal amount of Bonds of the same series, having the same issue date and with identical terms and provisions, unless otherwise stated in a prospectus supplement. A holder of Bonds may transfer those Bonds without cost to the holder, other than for applicable stamp taxes or other governmental charges, unless otherwise stated in a prospectus supplement.

Special Provisions for Retirement of Bonds. If, during any 12 month period, any governmental body orders FPL to dispose of mortgaged property, or buys mortgaged property from FPL, and FPL receives $10 million or more from the sale or disposition, then, in most cases, FPL must use that money to redeem First Mortgage Bonds. If this occurs, FPL may redeem First Mortgage Bonds of any series that are redeemable for such reason at the redemption prices applicable to those First Mortgage Bonds. If any Bonds are so redeemable, the redemption prices applicable to those Bonds will be set forth in a prospectus supplement.

Security. The Mortgage secures the Bonds as well as all other First Mortgage Bonds already issued under the Mortgage and still outstanding. FPL may issue more First Mortgage Bonds in the

future and those First Mortgage Bonds will also be secured by the Mortgage. The Mortgage constitutes a first mortgage lien on all of the properties and franchises that FPL owns, except as discussed below.

The lien of the Mortgage is or may be subject to the following:

(1) leases of minor portions of FPL's property to others for uses that do not interfere with FPL's business,

(2) leases of certain property that is not used in FPL's electric business,

(3) Excepted Encumbrances, which include certain tax and real estate liens, and specified rights, easements, restrictions and other obligations, and

(4) vendors' liens, purchase money mortgages and liens on property that already exist at the time FPL acquires that property.

The Mortgage does not create a lien on the following "excepted property":

(1) cash and securities,

(2) certain equipment, materials or supplies and fuel (including nuclear fuel unless it is expressly subjected to the lien of the Mortgage),

(3) automobiles and other vehicles,

(4) receivables, contracts, leases and operating agreements,

(5) materials or products, including electric energy, that FPL generates, produces or purchases for sale or use by FPL, and

(6) timber, minerals, mineral rights and royalties.

The Mortgage will generally also create a lien on property that FPL acquires after the date of this prospectus, other than "excepted property." However, if FPL consolidates or merges with, or sells substantially all of its assets to, another corporation, the lien created by the Mortgage will generally not cover the property of the successor company, other than the property that it acquires from FPL and improvements, replacements and additions to that property.

The Mortgage provides that the Trustee has a lien on the mortgaged property for the payment of its reasonable compensation and expenses and for indemnity against certain liabilities. This lien takes priority over the lien securing the Bonds.

Issuance of Additional Bonds. FPL may issue an unlimited amount of First Mortgage Bonds under the Mortgage so long as it meets the issuance tests set forth in the Mortgage, which are generally described below. FPL may issue Bonds from time to time in an amount equal to:

(1) 60% of unfunded Property Additions after adjustments to offset retirements,

(2) the amount of retired First Mortgage Bonds or Qualified Lien Bonds (as such term is defined in the Mortgage), and

(3) the amount of cash that FPL deposits with the Trustee.

"Property Additions" generally include the following:

(a) plants, lines, pipes, mains, cables, machinery, boilers, transmission lines, pipe lines, distribution systems, service systems and supply systems,

(b) nuclear fuel that has been expressly subjected to the lien of the Mortgage,

(c) railroad cars, barges and other transportation equipment (other than trucks) for the transportation of fuel, and

(d) other property, real or personal, and improvements, extensions, additions, renewals or replacements located within the United States of America or its coastal waters.

FPL may use any property of the type described in (a) through (d) immediately above as Property Additions whether or not that property is in operation and prior to obtaining permits or licenses relating to that property. Securities, fuel (including nuclear fuel unless expressly subjected to the lien of the Mortgage), automobiles or other vehicles, or property used principally for the production or gathering of natural gas will not qualify as Property Additions. The Mortgage contains restrictions on the issuance of First Mortgage Bonds based on Property Additions that are subject to other liens and upon the increase of the amount of those liens.

In most cases, FPL may not issue Bonds unless it meets the "net earnings" test set forth in the Mortgage, which requires, generally, that FPL's adjusted net earnings (before income taxes) for 12 consecutive months out of the 15 months preceding the issuance must have been either:

(1) at least twice the annual interest requirements on all First Mortgage Bonds at the time outstanding, including the Bonds that FPL proposes to issue at the pertinent time, and all indebtedness of FPL that ranks prior or equal to the First Mortgage Bonds, or

(2) at least 10% of the principal amount of all First Mortgage Bonds at the time outstanding, including the Bonds that FPL proposes to issue at the pertinent time, and all indebtedness of FPL that ranks prior or equal to the First Mortgage Bonds.

The Mortgage requires FPL to replace obsolete or worn out property and specifies certain deductions to FPL's adjusted net earnings for property repairs, retirement, additions and maintenance. With certain exceptions, FPL does not need to meet the "net earnings" test to issue Bonds if the issuance is based on retired First Mortgage Bonds or Qualified Lien Bonds.

As of June 30, 2009, FPL could have issued under the Mortgage in excess of $7.2 billion of additional First Mortgage Bonds based on unfunded Property Additions and in excess of $5.8 billion of additional First Mortgage Bonds based on retired First Mortgage Bonds.

Release and Substitution of Property. FPL may release property from the lien of the Mortgage if it does any of the following in an aggregate amount equal to the fair value of the property to be released:

(1) deposits with the Trustee, cash or, to a limited extent, purchase money mortgages,

(2) uses unfunded Property Additions acquired by FPL in the last five years, or

(3) waives its right to issue First Mortgage Bonds

in each case without satisfying any net earnings requirement.

If FPL deposits cash so that it may release property from the lien of the Mortgage or so that it may issue additional First Mortgage Bonds, it may withdraw that cash if it uses unfunded Property Additions or waives its right to issue First Mortgage Bonds without satisfying any net earnings requirement in an amount equal to the cash that FPL seeks to withdraw.

When property released from the lien of the Mortgage is not Funded Property (as such term is defined in the Mortgage), then, if FPL acquires new Property Additions within two years:

(1) Property Additions used for the release of that property will not (subject to some exceptions) be considered Funded Property, and

(2) any waiver by FPL of its right to issue First Mortgage Bonds, which waiver is used for the release of that property, will cease to be an effective waiver and FPL will regain the right to issue those First Mortgage Bonds.

The Mortgage contains provisions relating to cash proceeds of property that is not Funded Property that are similar to the provisions relating to release of that property. The Mortgage contains special provisions relating to pledged Qualified Lien Bonds and the disposition of money received on those Qualified Lien Bonds.

FPL does not need a release from the Mortgage in order to use its nuclear fuel even if that nuclear fuel has been expressly subjected to the lien and operation of the Mortgage.

Dividend Restrictions. In some cases, the Mortgage restricts the amount of retained earnings that FPL can use to pay cash dividends on its common stock. The restricted amount may change depending on factors set out in the Mortgage. Other than this restriction on the payment of common stock dividends, the Mortgage does not restrict FPL's use of retained earnings. As of June 30, 2009, no retained earnings were restricted by these provisions of the Mortgage.

Modification of the Mortgage. Generally the rights of all of the holders of First Mortgage Bonds may be modified with the consent of the holders of 66⅔% of the principal amount of all of the outstanding First Mortgage Bonds. However, if less than all series of First Mortgage Bonds are affected by a modification, that modification also requires the consent of the holders of 66⅔% of the principal amount of all of the outstanding First Mortgage Bonds of each series affected.

FPL has reserved the right to amend the Mortgage without the consent of the holders of any series of First Mortgage Bonds created after April 30, 1992 (including the Bonds) to permit modification of the Mortgage generally with the consent of the holders of only a majority of the First Mortgage Bonds affected by the modification. Since all of the First Mortgage Bonds issued on or prior to April 30, 1992 have matured or have been redeemed and are no longer outstanding under the Mortgage, FPL may exercise this right to amend the Mortgage at any time.

Notwithstanding the immediately preceding paragraph, in most cases, the following modifications will not be effective against any holder of First Mortgage Bonds affected by the modification unless that holder consents:

(1) modification of the terms of payment of principal and interest payable to that holder,

(2) modification creating an equal or prior lien on the mortgaged property or depriving that holder of the benefit of the lien of the Mortgage, and

(3) modification reducing the percentage vote required for modification (except as described above).

Default and Notice Thereof. The following are defaults under the Mortgage:

(1) failure to pay the principal of any First Mortgage Bond when due,

(2) failure to pay interest on any First Mortgage Bond for 60 days after that interest is due,

(3) failure to pay principal of or interest on any Qualified Lien Bond beyond any applicable grace period for the payment of that principal or interest,

(4) failure to pay any installments of funds for retirement of First Mortgage Bonds for 60 days after that installment is due,

(5) certain events in bankruptcy, insolvency or reorganization pertaining to FPL, and

(6) the expiration of 90 days following notice by the Trustee or the holders of 15% of the First Mortgage Bonds relating to any failure by FPL to perform its other covenants under the Mortgage.

Except in the case of failure to pay principal, interest or any installment for retirement of First Mortgage Bonds, the Trustee may withhold notice of default if it believes that withholding the notice is in the interests of the holders of First Mortgage Bonds.

Holders of 25% of the First Mortgage Bonds may declare the principal and the interest due on default. A majority of the holders of First Mortgage Bonds may annul that declaration if the default has been cured. No holder of First Mortgage Bonds may enforce the lien of the Mortgage unless the following things have occurred:

(1) the holder has given the Trustee written notice of a default,

(2) the holders of 25% of the First Mortgage Bonds have requested the Trustee to act and offered it reasonable opportunity to act and indemnity satisfactory to the Trustee for the costs, expenses and liabilities that the Trustee may incur by acting, and

(3) the Trustee has failed to act.

Notwithstanding the foregoing, a holder of First Mortgage Bonds has the right to sue FPL if FPL fails to pay, when due, interest or principal on those First Mortgage Bonds, unless that holder gives up that right.

The Trustee is not required to risk its funds or incur personal liability if there is reasonable ground for believing that the repayment is not reasonably assured. The holders of a majority of the First Mortgage Bonds may direct the time, method, and place of conducting any proceedings for any remedy available to the Trustee, or exercising any of the Trustee's powers.

Satisfaction and Discharge of Mortgage. The Mortgage may be satisfied and discharged if and when FPL provides for the payment of all of the First Mortgage Bonds and all other sums due under the Mortgage.

Evidence to be Furnished to the Trustee. FPL furnishes written statements of FPL's officers, or persons selected or paid by FPL, annually (and when certain events occur) to the Trustee to show that FPL is in compliance with Mortgage provisions and that there are no defaults under the Mortgage. In some cases, these written statements must be provided by an independent accountant, appraiser, engineer or counsel.

DESCRIPTION OF SENIOR DEBT SECURITIES AND SUBORDINATED DEBT SECURITIES

FPL may issue its debt securities (other than (i) the Bonds and (ii) the FPL Junior Subordinated Debentures (as defined below under "Description of Junior Subordinated Debentures")), in one or more series, under one or more Indentures, between FPL and The Bank of New York Mellon, as trustee. The terms of any offered debt securities will be described in a supplement to this prospectus.

DESCRIPTION OF PREFERRED TRUST SECURITIES

General. The Trust may issue preferred trust securities and common trust securities under the Trust Agreement.

The agreements pursuant to which the preferred trust securities of the Trust will be issued are substantially the same; each of these agreements is referred to in this prospectus as the "Trust Agreement." The preferred trust securities and common trust securities issued by the Trust are referred to in this prospectus as "Preferred Trust Securities" and "Common Trust Securities," respectively, and collectively as "Trust Securities." These Trust Securities will represent undivided beneficial interests in the assets of the Trust. Unless otherwise specified in a prospectus supplement, the Junior Subordinated Debentures (as defined below under "Description of Junior Subordinated Debentures") will be held by

the Trust. This section briefly summarizes some of the provisions of the Trust Agreement. This summary does not contain a complete description of the Trust Agreement. You should read this summary together with the Trust Agreement for a complete understanding of all the provisions. The form of the Trust Agreement has previously been filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, each Trust Agreement will be qualified as an indenture under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

In this section, any discussion of the Trust, Preferred Trust Securities and Common Trust Securities relate only to the applicable Trust. Holders of Preferred Trust Securities of the Trust will be entitled to any of the benefits and protections contained in the Trust Agreement applicable to the particular Trust which issued the relevant Trust Securities and not with respect to any other Trust.

The Preferred Trust Securities and Common Trust Securities issued by the Trust will be substantially the same except that, if there is an event of default under the Trust Agreement, as described below, that results from an event of default under the Subordinated Indenture (as such term is defined below under "Description of Junior Subordinated Debentures—General"), the right of FPL, as holder of the Common Trust Securities, to payment of distributions and upon liquidation or redemption will be subordinated to the rights of the holders of the Preferred Trust Securities. (Trust Agreement, Section 4.03). All of the Common Trust Securities will be owned by FPL. (Trust Agreement, Section 5.10).

The following obligations and rights, in combination, have the effect of providing a full and unconditional guarantee of payments due on the Preferred Trust Securities issued by the Trust:

(1) FPL's obligations under the Junior Subordinated Debentures;

(2) the rights of holders of Preferred Trust Securities to enforce those obligations;

(3) FPL's agreement to pay the expenses of the Trust; and

(4) FPL's guarantee (the "Preferred Trust Securities Guarantee") of payments due on the Preferred Trust Securities to the extent of the Trust's legally available assets.

No single one of the rights and obligations listed above standing alone or operating in conjunction with fewer than all of the other applicable rights and obligations constitutes a full and unconditional guarantee by FPL of the Preferred Trust Securities. It is only the combined operation of these rights and obligations that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL of the Preferred Trust Securities.

The Trust will use the proceeds from its sale of the Trust Securities to purchase Junior Subordinated Debentures from FPL. (Trust Agreement, Section 2.05). The Junior Subordinated Debentures will be issued under a subordinated indenture between FPL and The Bank of New York Mellon, as trustee. The Junior Subordinated Debentures will be held in trust for the benefit of holders of the applicable Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 2.09).

A prospectus supplement relating to the Preferred Trust Securities will include specific terms of those securities and of the Junior Subordinated Debentures issued in connection therewith. For a description of some specific terms that will affect both the Preferred Trust Securities and the Junior Subordinated Debentures, and holders' rights under each, see "Description of Junior Subordinated Debentures" below.

Distributions. The only income of the Trust available for distribution to the holders of Preferred Trust Securities will be payments on the applicable Junior Subordinated Debentures. (Trust Agreement,

Section 8.01). If FPL does not make interest payments on the Junior Subordinated Debentures, the Trust will not have funds available to pay distributions on Preferred Trust Securities. The payment of distributions, if and to the extent the Trust has sufficient funds available for the payment of such distributions, is guaranteed on a limited basis by FPL as described under "Description of Preferred Trust Securities Guarantee."

If so specified in the related prospectus supplement, FPL will have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods, in which case, distributions on the Preferred Trust Securities would be deferred during any such period. Unless otherwise provided in the related prospectus supplement, distributions would, however, continue to accumulate. (Trust Agreement, Section 4.01). Unless otherwise provided in the related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, FPL may not:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures; or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures,

other than

(a) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the payment of interest is deferred requiring it to purchase, redeem or acquire its capital stock;

(b) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(c) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(d) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock) and distributions in connection with the settlement of stock purchase contracts;

(e) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(f) payments under any preferred trust securities guarantee or guarantee of subordinated debentures executed and delivered by FPL concurrently with the issuance by a Trust of any preferred trust securities, so long as the amount of payments made with respect to

any preferred trust securities or subordinated debentures (as the case may be) is paid on all preferred trust securities or subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or subordinated debentures (as the case may be) is then entitled if paid in full.

Unless otherwise provided in the related prospectus supplement, (i) before an optional deferral period ends, FPL may further defer the payment of interest and (ii) after any optional deferral period and the payment of all amounts then due, FPL may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures.

Redemption. Whenever Junior Subordinated Debentures are repaid, whether at maturity or earlier redemption, the Property Trustee will apply the proceeds to redeem a like amount of Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 4.02(a)).

Preferred Trust Securities will be redeemed at the redemption price plus accrued and unpaid distributions with the proceeds from the contemporaneous redemption or repayment of Junior Subordinated Debentures. Redemptions of the Preferred Trust Securities will be made on a redemption date only if the Trust has funds available for the payment of the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(c)).

Holders of Preferred Trust Securities will be given not less than 30 nor more than 60 days' notice of any redemption. (Trust Agreement, Section 4.02(b)). On or before the redemption date, the Trust will irrevocably deposit with the paying agent for Preferred Trust Securities sufficient funds and will give the paying agent irrevocable instructions and authority to pay the redemption price plus accrued and unpaid distributions to the holders upon surrender of their Preferred Trust Securities. Distributions payable on or before a redemption date will be payable to the holders on the record date for the distribution payment. If notice is given and funds are deposited as required, then on the redemption date all rights of holders of the Preferred Trust Securities called for redemption will cease, except the right of the holders to receive the redemption price plus accrued and unpaid distributions, and the Preferred Trust Securities will cease to be outstanding. No interest will accrue on amounts payable on the redemption date. In the event that any date fixed for redemption of Preferred Trust Securities is not a business day, then payment will be made on the next business day, except that, if such business day falls in the next calendar year, then payment will be made on the immediately preceding business day. No interest will be payable because of any such delay. If payment of Preferred Trust Securities called for redemption is improperly withheld or refused and not paid either by the Trust or by FPL pursuant to the Preferred Trust Securities Guarantee, distributions on such Preferred Trust Securities will continue to accrue to the date of payment. In that event, the actual payment date will be considered the date fixed for redemption for purposes of calculating the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(d)).

Subject to applicable law, including United States federal securities laws, FPL or its affiliates may at any time and from time to time purchase outstanding Preferred Trust Securities by tender, in the open market or by private agreement.

If Preferred Trust Securities are partially redeemed on a redemption date, a corresponding percentage of the Common Trust Securities will be redeemed. The particular Preferred Trust Securities to be redeemed will be selected not more than 60 days prior to the redemption date by the Property Trustee by such method as the Property Trustee shall deem fair, taking into account the denominations in which they were issued. The Property Trustee will promptly notify the Preferred Trust Security registrar in writing of the Preferred Trust Securities selected for redemption and, where applicable, the partial amount to be redeemed. (Trust Agreement, Section 4.02(f)).

Subordination of Common Trust Securities. Payment of distributions on, and the redemption price, plus accrued and unpaid distributions, of, the Preferred Trust Securities and Common Trust Securities shall be made pro rata based on the liquidation preference amount of such securities. However, if on any distribution payment date or redemption date an event of default under the Trust Agreement resulting from an event of default under the related Subordinated Indenture has occurred and is continuing, no payment on any Common Trust Security shall be made until all payments due on the Preferred Trust Securities have been made. In that case, funds available to the Property Trustee shall first be applied to the payment in full of all distributions on, or the redemption price plus accrued and unpaid distributions of, Preferred Trust Securities then due and payable. (Trust Agreement, Section 4.03(a)).

If an event of default under the Trust Agreement results from an event of default under the related Subordinated Indenture, the holder of Common Trust Securities cannot take action with respect to the Trust Agreement default until the effect of all defaults with respect to the Preferred Trust Securities has been cured, waived or otherwise eliminated. Until the event of default under the Trust Agreement with respect to Preferred Trust Securities has been cured, waived or otherwise eliminated, the Property Trustee shall, to the fullest extent permitted by law, act solely on behalf of the holders of Preferred Trust Securities and not the holder of the Common Trust Securities, and only the holders of Preferred Trust Securities will have the right to direct the Property Trustee to act on their behalf. (Trust Agreement, Section 4.03(b)).

Liquidation Distribution upon Dissolution. The Trust will be dissolved and liquidated by the Property Trustee on the first to occur of:

(1) the expiration of the term of the Trust;

(2) the bankruptcy, dissolution or liquidation of FPL;

(3) the redemption of all of the Preferred Trust Securities of the Trust;

(4) the entry of an order for dissolution of the Trust by a court of competent jurisdiction; or

(5) at any time, at the election of FPL. (Trust Agreement, Sections 9.01 and 9.02).

If a dissolution of the Trust occurs, the Trust will be liquidated by the Property Trustee as expeditiously as the Property Trustee determines to be appropriate. If a dissolution of the Trust occurs other than by redemption of all the Preferred Trust Securities, the Property Trustee will provide for the satisfaction of liabilities of creditors, if any, and distribute to each holder of the Preferred Trust Securities and Common Trust Securities a proportionate amount of Junior Subordinated Debentures. If a distribution of Junior Subordinated Debentures is determined by the Property Trustee not to be practical, holders of Preferred Trust Securities will be entitled to receive, out of the assets of the Trust after adequate provision for the satisfaction of liabilities of creditors, if any, an amount equal to the aggregate liquidation preference of the Preferred Trust Securities plus accrued and unpaid distributions thereon to the date of payment. If this liquidation distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate liquidation distribution, then the amounts payable by the Trust on the Preferred Trust Securities shall be paid on a pro rata basis. FPL, as holder of the Common Trust Securities, will be entitled to receive distributions upon any dissolution pro rata with the holders of the Preferred Trust Securities, except that if an event of default (or event that, with the lapse of time or giving of notice, would become such an event of default) has occurred and is continuing under the related Subordinated Indenture, the Preferred Trust Securities will have a preference over the Common Trust Securities. (Trust Agreement, Section 9.04).

Events of Default; Notice. Any one of the following events will be an event of default under the Trust Agreement whether it shall be voluntary or involuntary or be effected by operation of law or

pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(1) the occurrence of an event of default as described in the related Subordinated Indenture;

(2) default by the Trust in the payment of any distribution when it becomes due and payable, and continuation of that default for a period of 30 days;

(3) default by the Trust in the payment of any redemption price, plus accrued and unpaid distributions, of any Preferred Trust Security or Common Trust Security when it becomes due and payable;

(4) default in the performance, or breach, in any material respect, of any covenant or warranty of the trustees in the Trust Agreement which is not dealt with above, and continuation of that default or breach for a period of 90 days after written notice to the Trust, the defaulting trustee under the Trust Agreement and FPL by the holders of Preferred Trust Securities having at least 33% of the total liquidation preference amount of the outstanding Preferred Trust Securities. However, the holders of Preferred Trust Securities will be deemed to have agreed to an extension of the 90 day period if corrective action is initiated by any of the trustees within such period and is diligently pursued in good faith; or

(5) the occurrence of certain events of bankruptcy or insolvency with respect to the Trust. (Trust Agreement, Section 1.01).

Within 90 days after the occurrence of any default known to the Property Trustee, the Property Trustee shall transmit to the holders of Preferred Trust Securities, FPL and the Administrative Trustees notice of any such default, unless that default shall have been cured or waived. (Trust Agreement, Section 8.02).

A holder of Preferred Trust Securities may directly institute a proceeding to enforce payment when due to the holder of the Preferred Trust Securities of the principal of or interest on Junior Subordinated Debentures having a principal amount equal to the aggregate liquidation preference amount of the holder's Preferred Trust Securities. The holders of Preferred Trust Securities have no other rights to exercise directly any other remedies available to the holder of the Junior Subordinated Debentures unless the trustees under the Trust Agreement fail to do so. (Trust Agreement, Section 6.01(a)).

Removal of Trustees. Unless an event of default under the related Subordinated Indenture has occurred and is continuing, the holder of the Common Trust Securities may remove any trustee under the Trust Agreement at any time. If an event of default under the Subordinated Indenture has occurred and is continuing, the holders of a majority of the total liquidation preference amount of the outstanding Preferred Trust Securities may remove the Property Trustee or the Delaware Trustee, or both of them. The holder of the Common Trust Securities may remove any Administrative Trustee at any time. Any resignation or removal of a trustee under the Trust Agreement will take effect only on the acceptance of appointment by the successor trustee. (Trust Agreement, Section 8.10).

Holders of Preferred Trust Securities will have no right to appoint or remove the Administrative Trustees of the Trust, who may be appointed, removed or replaced solely by FPL as the holder of the Common Trust Securities. (Trust Agreement, Section 8.10).

Voting Rights. Except as provided below and under "Description of Preferred Trust Securities Guarantee—Modification and Assignment," and as otherwise required by law or the Trust Agreement, the holders of Preferred Trust Securities will have no voting rights.

While Junior Subordinated Debentures are held by the Property Trustee, the Property Trustee shall not:

(1) direct the time, method and place to conduct any proceeding for any remedy available to the Subordinated Indenture Trustee (as such term is defined below under "Description of Junior Subordinated Debentures—General"), or execute any trust or power conferred on the Subordinated Indenture Trustee with respect to the Junior Subordinated Debentures;

(2) waive any past default under the related Subordinated Indenture;

(3) exercise any right to rescind or annul a declaration that the principal of all the Junior Subordinated Debentures will be due and payable; or

(4) consent to any amendment, modification or termination of the related Subordinated Indenture or the Junior Subordinated Debentures, where that consent will be required,

without, in each case, obtaining the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of all outstanding Preferred Trust Securities of the Trust. Where a consent of each holder of Junior Subordinated Debentures affected is required, no consent shall be given by the Property Trustee without the prior consent of each holder of the Preferred Trust Securities affected. The Property Trustee shall not revoke any action previously authorized or approved by a vote of the holders of Preferred Trust Securities, except pursuant to the subsequent vote of the holders of Preferred Trust Securities. (Trust Agreement, Section 6.01(b)). If the Property Trustee fails to enforce its rights, as holder, under the Junior Subordinated Debentures or the Trust Agreement, a holder of the Preferred Trust Securities may institute a legal proceeding directly against FPL to enforce the Property Trustee's rights under the Junior Subordinated Debentures or the Trust Agreement without first instituting any legal proceeding against the Property Trustee or anyone else. (Trust Agreement, Section 6.01(a)). The Property Trustee shall notify all holders of Preferred Trust Securities of any notice of default received from the Subordinated Indenture Trustee. The Property Trustee shall not take any action approved by the consent of the holders of Preferred Trust Securities without an opinion of counsel experienced in those matters to the effect that the Trust will be classified as a grantor trust and not as an association taxable as a corporation for United States federal income tax purposes on account of that action. (Trust Agreement, Section 6.01(b)).

Holders of Preferred Trust Securities may give any required approval at a meeting convened for such purpose or by written consent without prior notice. (Trust Agreement, Section 6.06). The Administrative Trustees will give notice of any meeting at which holders of Preferred Trust Securities are entitled to vote. (Trust Agreement, Section 6.02).

No vote or consent of the holders of Preferred Trust Securities will be required for the Trust to redeem and cancel Preferred Trust Securities in accordance with the Trust Agreement.

Notwithstanding that holders of Preferred Trust Securities are entitled to vote or consent under any of the circumstances described above, any Preferred Trust Securities that are owned by FPL, any Administrative Trustee or any affiliate of any of them, shall be treated as if they were not outstanding for purposes of such vote or consent. (Trust Agreement, Section 1.01).

Amendments. The Trust Agreement may be amended from time to time by a majority of its Administrative Trustees and FPL, without the consent of any holders of Preferred Trust Securities or the other trustees under the Trust Agreement in order to:

(1) cure any ambiguity; correct or supplement any provision that may be inconsistent with any other provision of the Trust Agreement or amendment to the Trust Agreement; or make any other provisions with respect to matters or questions arising under the Trust Agreement;

(2) change the name of the Trust; or

(3) modify, eliminate or add to any provisions of the Trust Agreement to the extent necessary to ensure that the Trust will not be classified for United States federal income tax purposes other than as a grantor trust (and not an association taxable as a corporation) at any time that any Preferred Trust Securities and Common Trust Securities are outstanding or to ensure the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940.

No amendment described above may materially adversely affect the interests of any holder of Preferred Trust Securities or Common Trust Securities without the applicable consents required pursuant to the following two paragraphs. Any of the amendments of the Trust Agreement described in paragraph (1) above shall become effective when notice of the amendment is given to the holders of Preferred Trust Securities and Common Trust Securities in accordance with the provisions of the Trust Agreement. (Trust Agreement, Section 10.03(a)).

Except as provided below, any provision of the Trust Agreement may be amended by the Administrative Trustees and FPL with:

(1) the consent of holders of Preferred Trust Securities and Common Trust Securities representing not less than a majority in aggregate liquidation preference amount of the Preferred Trust Securities and Common Trust Securities then outstanding; and

(2) receipt by the trustees of an opinion of counsel to the effect that such amendment or the exercise of any power granted to the trustees in accordance with the amendment will not affect the Trust's status as a grantor trust for federal income tax purposes (and not an association taxable as a corporation) or affect the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940. (Trust Agreement, Section 10.03(b)).

Each affected holder of Preferred Trust Securities must consent to any amendment to the Trust Agreement that:

(1) adversely changes the amount or timing of any distribution with respect to Preferred Trust Securities or otherwise adversely affects the amount of any distribution required to be made in respect of Preferred Trust Securities as of a specified date;

(2) restricts the right of a holder of Preferred Trust Securities to institute suit for the enforcement of any such payment on or after that date; or

(3) modify the provisions described in clauses (1) and (2) above. (Trust Agreement, Section 10.03(c)).

Form, Exchange and Transfer. Preferred Trust Securities may be exchanged for other Preferred Trust Securities in any authorized denomination and of like tenor and aggregate liquidation preference. (Trust Agreement, Section 5.04).

Subject to the terms of the Trust Agreement, Preferred Trust Securities may be presented for exchange as provided above or for registration of transfer, duly endorsed or accompanied by a duly executed instrument of transfer, at the office of the Preferred Trust Security registrar. The Administrative Trustees may designate FPL or any affiliate of FPL as the Preferred Trust Security registrar. The Property Trustee will initially act as the Preferred Trust Security registrar and transfer agent. (Trust Agreement, Section 5.08). No service charge will be made for any registration of transfer or exchange of Preferred Trust Securities, but the Preferred Trust Security registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange. A transfer or exchange will be made when the Preferred Trust Security registrar and Administrative Trustees are satisfied with the documents of title and identity of the person making the request. (Trust Agreement, Section 5.04). The Administrative Trustees may at any time

designate another transfer agent and registrar or rescind the designation of any transfer agent and registrar or approve a change in the office through which any transfer agent and registrar acts, except that FPL will, or will cause the Preferred Trust Security registrar to, maintain an office or agency in The City of New York where Preferred Trust Securities may be transferred or exchanged. (Trust Agreement, Sections 2.07(a) and 5.08).

The Trust will not be required to:

(1) issue, register the transfer of, or exchange any Preferred Trust Securities during the period beginning at the opening of business 15 calendar days before the mailing of a notice of redemption of any Preferred Trust Securities called for redemption and ending at the close of business on the day the notice is mailed; or

(2) register the transfer of or exchange any Preferred Trust Securities so selected for redemption, in whole or in part, except the unredeemed portion of any Preferred Trust Securities being redeemed in part. (Trust Agreement, Section 5.04).

Payment on Preferred Trust Securities and Paying Agent. Unless otherwise stated in a prospectus supplement, payments in respect of the Preferred Trust Securities will be made on the applicable distribution dates by check mailed to the address of the holder entitled thereto as such address appears on the Preferred Trust Security register. (Trust Agreement, Section 4.04). The paying agent shall initially be the Property Trustee and any co-paying agent chosen by the Property Trustee that is acceptable to the Administrative Trustees and FPL. The paying agent may resign upon 30 days' written notice to the Administrative Trustees, the Property Trustee and FPL. In the event that the Property Trustee shall no longer be the paying agent, the Administrative Trustees shall appoint a successor, which shall be a bank, trust company or affiliate of FPL reasonably acceptable to the Property Trustee and FPL, to act as paying agent. (Trust Agreement, Section 5.09).

Duties of the Trustees. The Delaware Trustee will act as the resident trustee in the State of Delaware and will have no other significant duties. The Property Trustee will hold the Junior Subordinated Debentures on behalf of the Trust and will maintain a payment account with respect to the Preferred Trust Securities and Common Trust Securities, and will also act as trustee under the Trust Agreement for the purposes of the Trust Indenture Act of 1939. (Trust Agreement, Sections 2.06 and 2.07(b)).

The Administrative Trustees of the Trust are authorized and directed to conduct the affairs of the Trust and to operate the Trust so that

(1) the Trust will not be deemed to be an "investment company" required to be registered under the Investment Company Act of 1940,

(2) the Trust will not be taxed as a corporation, and

(3) the Junior Subordinated Debentures will be treated as indebtedness of FPL for United States federal income tax purposes.

In this regard, FPL and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust or the Trust Agreement, that FPL and the Administrative Trustees determine in their discretion to be necessary or desirable for those purposes, as long as the action does not materially adversely affect the interests of the holders of the Preferred Trust Securities. (Trust Agreement, Section 2.07(d)).

Miscellaneous. Holders of the Preferred Trust Securities have no preemptive or similar rights. (Trust Agreement, Section 5.13).

Notices. Notices to holders of Preferred Trust Securities will be sent by mail to the addresses of those holders as they appear in the security register for those Preferred Trust Securities. (Trust Agreement, Section 6.02).

Title. The Property Trustee, the Delaware Trustee, the Administrative Trustees, and the Preferred Trust Security registrar and transfer agent, and any agent of the Property Trustee, the Delaware Trustee, the Administrative Trustees, or the Preferred Trust Security registrar and transfer agent, may treat the person in whose name a Preferred Trust Security is registered as the absolute owner of that Preferred Trust Security for the purpose of receiving distributions and all other purposes, regardless of any notice to the contrary. (Trust Agreement, Section 5.06).

Governing Law. The Trust Agreement, the Preferred Trust Securities and the Common Trust Securities will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Trust Agreement, Section 10.05).

DESCRIPTION OF PREFERRED TRUST SECURITIES GUARANTEE

General. This section briefly summarizes some of the provisions of the Preferred Trust Securities Guarantee Agreement that FPL will execute and deliver for the benefit of the holders of the Preferred Trust Securities issued by the Trust. The terms of these agreements are substantially the same, and they are referred to in this prospectus as the "Preferred Trust Securities Guarantee Agreement." This summary does not contain a complete description of the Preferred Trust Securities Guarantee Agreement. You should read this summary together with the Preferred Trust Securities Guarantee Agreement for a complete understanding of all the provisions. The form of the Preferred Trust Securities Guarantee Agreement has previously been filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Preferred Trust Securities Guarantee Agreement will be qualified as an indenture under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

The Bank of New York Mellon will act as Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement and will hold the Preferred Trust Securities Guarantee for the benefit of the holders of the Preferred Trust Securities.

General Terms of the Preferred Trust Securities Guarantee. FPL will absolutely, irrevocably and unconditionally agree to make the guarantee payments listed below in full to the holders of the Preferred Trust Securities if they are not made by the Trust, as and when due, regardless of any defense, right of set-off or counterclaim that the Trust may have or assert. (Preferred Trust Securities Guarantee Agreement, Section 5.01). The following payments will be subject to the Preferred Trust Securities Guarantee (without duplication):

(1) any accrued and unpaid distributions required to be paid on Preferred Trust Securities, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time;

(2) the redemption price, plus all accrued and unpaid distributions to the redemption date, for any Preferred Trust Securities called for redemption by the Trust, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

(3) upon a voluntary or involuntary dissolution, winding-up or termination of the Trust (except in connection with the distribution of Junior Subordinated Debentures to the holders in exchange for Preferred Trust Securities as provided in the Trust Agreement or upon a redemption of all of the Preferred Trust Securities upon maturity or redemption of the Junior Subordinated Debentures as provided in the Trust Agreement), the lesser of:

   (a) the aggregate of the liquidation preference amount and all accrued and unpaid distributions on Preferred Trust Securities to the date of payment, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

   (b) the amount of assets of the Trust remaining available for distribution to holders of Preferred Trust Securities in liquidation of the Trust after satisfaction of liabilities to creditors of the Trust as required by applicable law.

(Preferred Trust Securities Guarantee Agreement, Section 1.01). FPL's obligation to make a guarantee payment may be satisfied by either making a direct payment of the required amounts by FPL to the holders of Preferred Trust Securities or causing the Trust to pay such amounts to those holders. (Preferred Trust Securities Guarantee Agreement, Section 5.01).

The Preferred Trust Securities Guarantee will be a guarantee, subject to certain subordination provisions, as to payment with respect to the Preferred Trust Securities, but will not apply to any

payment of distributions if and to the extent that the Trust does not have funds legally available to make those payments. (Preferred Trust Securities Guarantee Agreement, Sections 1.01 and 5.05). If FPL does not make interest payments on the Junior Subordinated Debentures held by a Trust, the applicable Trust will not have funds available to pay distributions on the Preferred Trust Securities.

The following obligations and rights, in combination, have the effect of providing a full and unconditional guarantee of payments due on the Preferred Trust Securities issued by the Trust:

(1) FPL's obligations under the Junior Subordinated Debentures;

(2) the rights of holders of Preferred Trust Securities to enforce those obligations;

(3) FPL's agreement to pay the expenses of the Trust; and

(4) the Preferred Trust Securities Guarantee.

No single one of the rights and obligations listed above standing alone or operating in conjunction with fewer than all of the other applicable rights and obligations constitutes a full and unconditional guarantee by FPL of the Preferred Trust Securities. It is only the combined operation of these rights and obligations that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL of the Preferred Trust Securities.

Except as otherwise stated in the related prospectus supplement, the covenants in the Preferred Trust Securities Guarantee Agreement would not give holders of the Preferred Trust Securities protection in the event of a highly-leveraged transaction involving FPL.

Security and Ranking. The Preferred Trust Securities Guarantee will be an unsecured obligation of FPL and will rank:

(1) subordinate and junior in right of payment to all other liabilities of FPL (except those made pari passu or subordinate by their terms);

(2) equal in right of payment with the most senior preferred or preference stock that may be issued by FPL and with any guarantee that may be entered into by FPL in respect of any preferred or preference stock of any affiliate of FPL; and

(3) senior to FPL common stock. (Preferred Trust Securities Guarantee Agreement, Section 6.01).

The Preferred Trust Securities Guarantee Agreement does not limit the amount of other indebtedness, including guarantees, that FPL may issue or incur or the amount of preferred or preference stock it may issue.

The Trust Agreement provides that by accepting Preferred Trust Securities, a holder agrees to the subordination provisions and other terms of the Preferred Trust Securities Guarantee. (Trust Agreement, Section 5.02).

The Preferred Trust Securities Guarantee will be a guarantee of payment and not of collection, that is, the guaranteed party may institute a legal proceeding directly against FPL to enforce its rights under the Preferred Trust Securities Guarantee without first instituting a legal proceeding against anyone else. (Preferred Trust Securities Guarantee Agreement, Sections 5.04 and 5.05).

Events of Default. An event of default under the Preferred Trust Securities Guarantee Agreement will occur upon failure of FPL to perform any of its payment obligations under the Preferred Trust Securities Guarantee Agreement, which failure has not been cured within 90 days of receipt of notice thereof. (Preferred Trust Securities Guarantee Agreement, Section 1.01). Upon an

event of default, the holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities have the right to:

(1) direct the time, method and place of conducting any proceeding for any remedy available to the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement, or

(2) direct the exercise of any trust or power conferred upon the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 5.04).

Any holder of the Preferred Trust Securities may enforce the Preferred Trust Securities Guarantee, or institute a legal proceeding directly against FPL to enforce the Preferred Trust Securities Guarantee Trustee's rights under the Preferred Trust Securities Guarantee Agreement without first instituting a legal proceeding against the Trust, the Preferred Trust Securities Guarantee Trustee or anyone else. (Preferred Trust Securities Guarantee Agreement, Section 5.04). The holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities may waive any past event of default and its consequences. (Preferred Trust Securities Guarantee Agreement, Section 2.06).

FPL will be required to deliver to the Preferred Trust Securities Guarantee Trustee an annual statement as to its compliance with all conditions under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 2.04).

Modification and Assignment. No consent of holders of Preferred Trust Securities is required for changes to the Preferred Trust Securities Guarantee Agreement that do not materially adversely affect their rights. Except as provided below, changes to the Preferred Trust Securities Guarantee Agreement that materially adversely affect the rights of Preferred Trust Securities require the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of the outstanding Preferred Trust Securities. Each affected holder of Preferred Trust Securities must consent to any amendment to the Preferred Trust Securities Guarantee Agreement that impairs the right of such holder to receive guarantee payments under the Preferred Trust Securities Guarantee Agreement or to institute suit for enforcement of any such payment. (Preferred Trust Securities Guarantee Agreement, Section 8.01).

All guarantees and agreements contained in the Preferred Trust Securities Guarantee Agreement will bind the successors, assigns, receivers, trustees and representatives of FPL and will inure to the benefit of the holders of the Preferred Trust Securities then outstanding. (Preferred Trust Securities Guarantee Agreement, Section 8.02).

Termination of the Preferred Trust Securities Guarantee. The Preferred Trust Securities Guarantee Agreement will terminate and be of no further force and effect upon:

(1) full payment of the redemption price, plus accrued and unpaid distributions to the redemption date, for all the Preferred Trust Securities;

(2) the distribution of Junior Subordinated Debentures to holders of the Preferred Trust Securities in exchange for all of the Preferred Trust Securities; or

(3) full payment of the amounts payable upon liquidation of the Trust.

However, the Preferred Trust Securities Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time, as result of the subordination provisions or any mistake or any judicial proceeding or otherwise, any holder of Preferred Trust Securities must return any sums paid under the Preferred Trust Securities or the Preferred Trust Securities Guarantee. (Preferred Trust Securities Guarantee Agreement, Section 7.01).

Governing Law. The Preferred Trust Securities Guarantee Agreement provides that it is to be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Preferred Trust Securities Guarantee Agreement, Section 8.06).

DESCRIPTION OF JUNIOR SUBORDINATED DEBENTURES

General. The junior subordinated debentures issued by FPL are referred to in this prospectus as the "Junior Subordinated Debentures." The Junior Subordinated Debentures, which the Property Trustee will hold on behalf of the Trust as trust assets, will be issued by FPL in one or more series under one or more indentures between FPL and The Bank of New York Mellon, as trustee. The indenture or indentures pursuant to which Junior Subordinated Debentures may be issued, as the same may be amended and supplemented from time to time, are referred to in this prospectus as the "Subordinated Indenture." The Bank of New York Mellon, as trustee under the Subordinated Indenture, is referred to in this prospectus as the "Subordinated Indenture Trustee." The Subordinated Indenture provides for the issuance from time to time of subordinated debt in an unlimited amount. The Junior Subordinated Debentures and all other subordinated debt issued previously or hereafter under the Subordinated Indenture are collectively referred to in this prospectus as the "Subordinated Indenture Securities."

This section briefly summarizes some of the terms of the Junior Subordinated Debentures and some of the provisions of the Subordinated Indenture. This summary does not contain a complete description of the Junior Subordinated Debentures or the Subordinated Indenture. You should read this summary together with the Subordinated Indenture and the officer's certificates or other documents creating the Junior Subordinated Debentures for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The form of Subordinated Indenture, the form of officer's certificate that may be used to create a series of Junior Subordinated Debentures and a form of the Junior Subordinated Debentures have previously been filed with the SEC, and are exhibits to the registration statement. In addition, the Subordinated Indenture will be qualified under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

The Junior Subordinated Debentures issued by FPL to the Trust will constitute a separate series under the Subordinated Indenture and the principal amount of each series will be limited to the sum of the aggregate liquidation preference amount of the related Preferred Trust Securities and the consideration paid by FPL for the related Common Trust Securities.

The Junior Subordinated Debentures will be unsecured, subordinated obligations of FPL which rank junior to all of FPL's Senior Indebtedness. The term "Senior Indebtedness" will be defined in the related prospectus supplement. All Junior Subordinated Debentures issued under the Subordinated Indenture will rank equally and ratably with all other Junior Subordinated Debentures issued under the Subordinated Indenture, except to the extent that FPL elects to provide security with respect to any series of Junior Subordinated Debentures without providing that security to all outstanding Junior Subordinated Debentures in accordance with the Subordinated Indenture.

Each series of Junior Subordinated Debentures may have different terms. FPL will include some or all of the following information about a specific series of Junior Subordinated Debentures in the particular prospectus supplement relating to that specific series of Junior Subordinated Debentures:

(1) the title of those Junior Subordinated Debentures,

(2) any limit upon the aggregate principal amount of those Junior Subordinated Debentures,

(3) the date(s) on which the principal will be paid,

(4) the rate(s) of interest on those Junior Subordinated Debentures, or how the rate(s) of interest will be determined, the date(s) from which interest will accrue, the dates on which interest will be paid and the record date for any interest payable on any interest payment date,

(5) the person to whom interest will be paid on any interest payment date, if other than the person in whose name those Junior Subordinated Debentures are registered at the close of business on the record date for that interest payment,

(6) the place(s) at which or methods by which payments will be made on those Junior Subordinated Debentures and the place(s) at which or methods by which the registered owners of those Junior Subordinated Debentures may transfer or exchange those Junior Subordinated Debentures and serve notices and demands to or upon FPL,

(7) the security registrar and any paying agent or agents for those Junior Subordinated Debentures,

(8) any date(s) on which, the price(s) at which and the terms and conditions upon which FPL may, at its option, redeem those Junior Subordinated Debentures, in whole or in part, and any restrictions on those redemptions,

(9) any sinking fund or other provisions, including any options held by the registered owners of those Junior Subordinated Debentures, that would obligate FPL to repurchase or redeem those Junior Subordinated Debentures,

(10) the denominations in which those Junior Subordinated Debentures may be issued, if other than denominations of $25 and any integral multiple of $25,

(11) the currency or currencies in which the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid (if other than in U.S. dollars),

(12) if FPL or a registered owner may elect to pay, or receive, principal of or premium, if any, or interest on those Junior Subordinated Debentures in a currency other than that in which those Junior Subordinated Debentures are stated to be payable, the terms and conditions upon which that election may be made,

(13) if the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid in securities or other property, the type and amount of those securities or other property and the terms and conditions upon which FPL or a registered owner may elect to pay or receive those payments,

(14) if the amount payable in respect of principal of or premium, if any, or interest on those Junior Subordinated Debentures may be determined by reference to an index or other fact or event ascertainable outside of the Subordinated Indenture, the manner in which those amounts will be determined,

(15) the portion of the principal amount of the Junior Subordinated Debentures that FPL will pay upon declaration of acceleration of the maturity of those Junior Subordinated Debentures, if other than the entire principal amount of those Junior Subordinated Debentures,

(16) events of default, if any, with respect to those Junior Subordinated Debentures and covenants, if any, of FPL for the benefit of the registered owners of those Junior Subordinated Debentures, other than those specified in the Subordinated Indenture,

(17) the terms, if any, pursuant to which those Junior Subordinated Debentures may be exchanged for shares of capital stock or other securities of any other entity,

(18) a definition of "Eligible Obligations" under the Subordinated Indenture with respect to the Junior Subordinated Debentures denominated in a currency other than U.S. dollars,

(19) any other provisions for the reinstatement of FPL's indebtedness in respect of those Junior Subordinated Debentures after their satisfaction and discharge,

(20) if those Junior Subordinated Debentures will be issued in global form, necessary information relating to the issuance of those Junior Subordinated Debentures in global form,

(21) if those Junior Subordinated Debentures will be issued as bearer securities, necessary information relating to the issuance of those Junior Subordinated Debentures as bearer securities,

(22) any limits on the rights of the registered owners of those Junior Subordinated Debentures to transfer or exchange those Junior Subordinated Debentures or to register their transfer, and any related service charges,

(23) any exceptions to the provisions governing payments due on legal holidays or any variations in the definition of business day with respect to those Junior Subordinated Debentures,

(24) any collateral security, assurance, or guarantee for those Junior Subordinated Debentures,

(25) the designation of the trust to which the Junior Subordinated Debentures are to be issued,

(26) the terms relating to any additional interest that may be payable as a result of any tax, assessment or governmental charges, and

(27) any other terms of those Junior Subordinated Debentures that are not inconsistent with the provisions of the Subordinated Indenture. (Subordinated Indenture, Section 301).

Except as otherwise stated in the related prospectus supplement, the covenants in the Subordinated Indenture would not give registered owners of Junior Subordinated Debentures protection in the event of a highly-leveraged transaction involving FPL.

Subordination. The Junior Subordinated Debentures will be subordinate and junior in right of payment to all Senior Indebtedness of FPL. (Subordinated Indenture, Article Fourteen). No payment of the principal (including redemption and sinking fund payments) of, or interest, or premium, if any, on the Junior Subordinated Debentures may be made by FPL until all holders of Senior Indebtedness of FPL have been paid in full (or provision has been made for such payment), if any of the following occurs:

(1) certain events of bankruptcy, insolvency or reorganization of FPL;

(2) any Senior Indebtedness of FPL is not paid when due (after the expiration of any applicable grace period) and that default continues without waiver; or

(3) any other default has occurred and continues without waiver (after the expiration of any applicable grace period) pursuant to which the holders of Senior Indebtedness of FPL are permitted to accelerate the maturity of such Senior Indebtedness. (Subordinated Indenture, Section 1402).

Upon any distribution of assets of FPL to creditors in connection with any insolvency, bankruptcy or similar proceeding, all principal of, and premium, if any, and interest due or to become due on all Senior Indebtedness of FPL must be paid in full before the holders of the Junior Subordinated Debentures are entitled to receive or retain any payment from such distribution. (Subordinated Indenture, Section 1402).

Payment and Paying Agents. Except as stated in the related prospectus supplement, on each interest payment date FPL will pay interest on each Junior Subordinated Debenture to the person in whose name that Junior Subordinated Debenture is registered as of the close of business on the record date relating to that interest payment date. However, on the date that the Junior Subordinated Debentures mature, FPL will pay the interest to the person to whom it pays the principal. Also, if FPL

has defaulted in the payment of interest on any Junior Subordinated Debenture, it may pay that defaulted interest to the registered owner of that Junior Subordinated Debenture:

(1) as of the close of business on a date that the Subordinated Indenture Trustee selects, which may not be more than 15 days or less than 10 days before the date that FPL proposes to pay the defaulted interest, or

(2) in any other lawful manner that does not violate the requirements of any securities exchange on which that Junior Subordinated Debenture is listed and that the Subordinated Indenture Trustee believes is acceptable. (Subordinated Indenture, Section 307).

Unless otherwise stated in the related prospectus supplement, the principal, premium, if any, and interest on the Junior Subordinated Debentures at maturity will be payable when such Junior Subordinated Debentures are presented at the main corporate trust office of The Bank of New York Mellon, as paying agent, in The City of New York. FPL may change the place of payment on the Junior Subordinated Debentures, appoint one or more additional paying agents, including itself, and remove any paying agent. (Subordinated Indenture, Section 602).

Transfer and Exchange. Unless otherwise stated in the related prospectus supplement, Junior Subordinated Debentures may be transferred or exchanged at the main corporate trust office of The Bank of New York Mellon, as security registrar, in The City of New York. FPL may change the place for transfer and exchange of the Junior Subordinated Debentures and may designate one or more additional places for that transfer and exchange.

Except as otherwise stated in the related prospectus supplement, there will be no service charge for any transfer or exchange of the Junior Subordinated Debentures. However, FPL may require payment of any tax or other governmental charge in connection with any transfer or exchange of the Junior Subordinated Debentures.

FPL will not be required to transfer or exchange any Junior Subordinated Debenture selected for redemption. Also, FPL will not be required to transfer or exchange any Junior Subordinated Debenture during a period of 15 days before selection of Junior Subordinated Debentures to be redeemed. (Subordinated Indenture, Section 305).

Unless otherwise stated in the related prospectus supplement, if Junior Subordinated Debentures are distributed to holders of Preferred Trust Securities in a dissolution of the Trust, the Junior Subordinated Debentures will be issued in fully registered certificated form in the denominations and integral multiples thereof in which the Preferred Trust Securities have been issued, and they may be transferred or exchanged as described above. (Trust Agreement, Section 9.04).

Defeasance. FPL may, at any time, elect to have all of its obligations discharged with respect to all or a portion of any Subordinated Indenture Securities (including the Junior Subordinated Debentures). To do so, FPL must irrevocably deposit with the Subordinated Indenture Trustee or any paying agent, in trust:

(1) money in an amount that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(2) in the case of a deposit made prior to the maturity of that series of Subordinated Indenture Securities,

   (a) direct obligations of, or obligations unconditionally guaranteed by, the United States and entitled to the benefit of its full faith and credit that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, and

(b) certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations that do not contain provisions permitting their redemption or other prepayment at the option of their issuer,

the principal of and the interest on which, when due, without any regard to reinvestment of that principal or interest, will provide money that, together with any money deposited with or held by the Subordinated Indenture Trustee, will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(3) a combination of (1) and (2) that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity. (Subordinated Indenture, Section 701).

Option to Defer Interest Payments. If so specified in the related prospectus supplement, FPL will have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods. As a consequence, distributions on the Preferred Trust Securities would be deferred during any optional deferral period. Interest would, however, continue to accrue on the Junior Subordinated Debentures. Unless otherwise provided in the related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, FPL may not:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures; or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures,

other than

(a) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the payment of interest is deferred requiring it to purchase, redeem or acquire its capital stock;

(b) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(c) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(d) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for

shares of its capital stock) and distributions in connection with the settlement of stock purchase contracts;

(e) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(f) payments under any preferred trust securities guarantee or guarantee of subordinated debentures executed and delivered by FPL concurrently with the issuance by a Trust of any preferred trust securities, so long as the amount of payments made with respect to any preferred trust securities or subordinated debentures (as the case may be) is paid on all preferred trust securities or subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or subordinated debentures (as the case may be) is then entitled if paid in full. (Subordinated Indenture, Section 608).

Unless otherwise provided in the related prospectus supplement, (i) before an optional deferral period ends, FPL may further defer the payment of interest and (ii) after any optional deferral period and the payment of all amounts then due, FPL may select a new optional deferral period. Unless otherwise provided in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures. FPL will give the Trust and the Subordinated Indenture Trustee notice of its election of an optional deferral period prior to the earlier of (i) one business day before the record date for the distribution on the Preferred Trust Securities which would occur if FPL did not make the election to defer or (ii) the date the Administrative Trustees are required to give notice to any securities exchange or any other applicable self-regulatory organization of the record date for such a distribution. The Property Trustee shall send notice of that election to the holders of Preferred Trust Securities.

Additional Interest. So long as any Preferred Trust Securities remain outstanding, if the Trust is required to pay any taxes, duties, assessments or governmental charges imposed by the United States or any other taxing authority on income derived from the interest payments on the Junior Subordinated Debentures, then FPL will pay as interest on the Junior Subordinated Debentures any additional interest that may be necessary in order that the net amounts received and retained by the Trust after the payment of those taxes, duties, assessments or governmental charges will be the same as the Trust would have had if such taxes, duties, assessments or other governmental charges had not been imposed. (Subordinated Indenture, Section 313).

Redemption. For so long as the Trust is the holder of all of the related Junior Subordinated Debentures, the proceeds of any redemption of Junior Subordinated Debentures will used by the Trust to redeem Preferred Trust Securities and Common Trust Securities in accordance with their terms. (Trust Agreement, Section 4.02(a)). The redemption terms of the Junior Subordinated Debentures, if any, will be set forth in a prospectus supplement. Unless set forth differently in a prospectus supplement, and except with respect to Junior Subordinated Debentures redeemable at the option of the holder, Junior Subordinated Debentures will be redeemable upon notice between 30 and 60 days prior to the redemption date. If less than all of the Junior Subordinated Debentures of any series or any tranche thereof are to be redeemed, the Subordinated Indenture Trustee will select the Junior Subordinated Debentures to be redeemed. In the absence of any provision for selection, the Subordinated Indenture Trustee will choose a method of random selection as it deems fair and appropriate. (Subordinated Indenture, Sections 403 and 404).

Junior Subordinated Debentures selected for redemption will cease to bear interest on the redemption date. The paying agent will pay the redemption price and any accrued interest once the Junior Subordinated Debentures are surrendered for redemption. (Subordinated Indenture,

Section 405). If only part of a Junior Subordinated Debenture is redeemed, the Subordinated Indenture Trustee will deliver a new Junior Subordinated Debenture of the same series for the remaining portion without charge. (Subordinated Indenture, Section 406).

Any redemption at the option of FPL may be conditional upon the receipt by the paying agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the paying agent has not received such money by the date fixed for redemption, FPL will not be required to redeem such Junior Subordinated Debentures. (Subordinated Indenture, Section 404).

Subject to applicable law, including United States federal securities laws, FPL or its affiliates may at any time and from time to time purchase outstanding Junior Subordinated Debentures by tender, in the open market or by private agreement.

Consolidation, Merger, and Sale of Assets. Under the Subordinated Indenture, FPL may not consolidate with or merge into any other entity or convey, transfer or lease its properties and assets substantially as an entirety to any entity, unless:

(1) the entity formed by that consolidation, or the entity into which FPL is merged, or the entity that acquires or leases FPL's property and assets, is an entity organized and existing under the laws of the United States, any state or the District of Columbia and that entity expressly assumes FPL's obligations on all Subordinated Indenture Securities and under the Subordinated Indenture,

(2) immediately after giving effect to the transaction, no event of default under the Subordinated Indenture and no event that, after notice or lapse of time or both, would become an event of default under the Subordinated Indenture exists, and

(3) FPL delivers an officer's certificate and an opinion of counsel to the Subordinated Indenture Trustee, as provided in the Subordinated Indenture. (Subordinated Indenture, Section 1101).

The Subordinated Indenture does not prevent or restrict:

(a) any consolidation or merger after the consummation of which FPL would be the surviving or resulting entity;

(b) any consolidation of FPL with any entity all of the outstanding voting securities of which are owned, directly or indirectly, by FPL, or any merger of any such entity into any other of such entities, or any conveyance or other transfer, or lease, of properties or assets by any thereof to any other thereof;

(c) any conveyance or other transfer, or lease, of any part of the properties or assets of FPL which does not constitute the entirety, or substantially the entirety, thereof; or

(d) the approval by FPL of, or the consent by FPL to any consolidation or merger to which any direct or indirect subsidiary or affiliate of FPL may be a party, or any conveyance, transfer or lease by any such subsidiary or affiliate of any or all of its properties or assets. (Subordinated Indenture, Section 1103).

Events of Default. Each of the following is an event of default under the Subordinated Indenture with respect to the Subordinated Indenture Securities of any series:

(1) failure to pay interest on the Subordinated Indenture Securities of that series within 30 days after it is due (provided, however, that a failure to pay interest during a valid optional deferral period will not constitute an event of default),

(2) failure to pay principal or premium, if any, on the Subordinated Indenture Securities of that series when it is due,

(3) failure to comply with any other covenant in the Subordinated Indenture, other than a covenant that does not relate to that series of Subordinated Indenture Securities, that continues for 90 days after (i) FPL receive written notice of such failure to comply from the Subordinated Indenture Trustee, or (ii) FPL and the Subordinated Indenture Trustee receive written notice of such failure to comply from the registered owners of at least 33% in principal amount of the Subordinated Indenture Securities of that series,

(4) certain events of bankruptcy, insolvency or reorganization of FPL, or

(5) any other event of default specified with respect to the Subordinated Indenture Securities of that series. (Subordinated Indenture, Section 801).

In the case of the third event of default listed above, the Subordinated Indenture Trustee may extend the grace period. In addition, if holders of a particular series have given a notice of default, then holders of at least the same percentage of Junior Subordinated Debentures of that series, together with the Subordinated Indenture Trustee, may also extend the grace period. The grace period will be automatically extended if FPL has initiated and is diligently pursuing corrective action in good faith. (Subordinated Indenture, Section 801). An event of default with respect to the Subordinated Indenture Securities of a particular series will not necessarily constitute an event of default with respect to Subordinated Indenture Securities of any other series issued under the Subordinated Indenture.

Remedies. If an event of default applicable to the Subordinated Indenture Securities of one or more series, but not applicable to all outstanding Subordinated Indenture Securities, exists, then either (i) the Subordinated Indenture Trustee or (ii) the registered owners of at least 33% in aggregate principal amount of the Subordinated Indenture Securities of each of the affected series may declare the principal of and accrued but unpaid interest on all the Subordinated Indenture Securities of that series to be due and payable immediately. (Subordinated Indenture, Section 802).

If the event of default is applicable to all outstanding Subordinated Indenture Securities, then either (i) the Subordinated Indenture Trustee or (ii) the registered owners of at least 33% in aggregate principal amount of all outstanding Subordinated Indenture Securities of all series, voting as one class, and not the registered owners of any one series, may make a declaration of acceleration. (Subordinated Indenture, Section 802). However, the event of default giving rise to the declaration relating to any series of Subordinated Indenture Securities will be automatically waived, and that declaration and its consequences will be automatically rescinded and annulled, if, at any time after that declaration and before a judgment or decree for payment of the money due has been obtained:

(1) FPL deposits with the Subordinated Indenture Trustee a sum sufficient to pay:

  (a) all overdue interest on all Subordinated Indenture Securities of the relevant series,

  (b) the principal of and any premium on any Subordinated Indenture Securities of the relevant series that have become due for reasons other than that declaration, and interest that is then due,

  (c) interest on overdue interest for the relevant series, and

  (d) all amounts then due to the Subordinated Indenture Trustee under the Subordinated Indenture, and

(2) any other event of default with respect to the Subordinated Indenture Securities of the relevant series has been cured or waived as provided in the Subordinated Indenture. (Subordinated Indenture, Section 802).

Other than its obligations and duties in case of an event of default under the Subordinated Indenture, the Subordinated Indenture Trustee is not obligated to exercise any of its rights or powers under the Subordinated Indenture at the request or direction of any of the registered owners of the Subordinated Indenture Securities, unless those registered owners offer reasonable indemnity to the

Subordinated Indenture Trustee. (Subordinated Indenture, Section 903). If they provide this reasonable indemnity, the registered owners of a majority in principal amount of any series of Subordinated Indenture Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Subordinated Indenture Trustee, or exercising any trust or power conferred on the Subordinated Indenture Trustee, with respect to the Subordinated Indenture Securities of that series. However, if an event of default under the Subordinated Indenture relates to more than one series of Subordinated Indenture Securities, only the registered owners of a majority in aggregate principal amount of all affected series of Subordinated Indenture Securities, considered as one class, will have the right to make that direction. Also, the direction must not violate any law or the Subordinated Indenture, and may not expose the Subordinated Indenture Trustee to personal liability in circumstances where its indemnity would not, in the Subordinated Indenture Trustee's sole discretion, be adequate. (Subordinated Indenture, Section 812).

A registered owner of a Subordinated Indenture Security has the right to institute a suit for the enforcement of payment of the principal of or premium, if any, or interest on that Subordinated Indenture Security on or after the applicable due date specified in that Subordinated Indenture Security. (Subordinated Indenture, Section 808). No registered owner of Subordinated Indenture Securities of any series will have any other right to institute any proceeding under the Subordinated Indenture, or exercise any other remedy under the Subordinated Indenture, unless:

(1) that registered owner has previously given to the Subordinated Indenture Trustee written notice of a continuing event of default with respect to the Subordinated Indenture Securities of that series,

(2) the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, have made written request to the Subordinated Indenture Trustee, and have offered reasonable indemnity to the Subordinated Indenture Trustee to institute that proceeding in its own name as trustee, and

(3) the Subordinated Indenture Trustee has failed to institute any proceeding, and has not received from the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, a direction inconsistent with that request, within 60 days after that notice, request and offer. (Subordinated Indenture, Section 807).

FPL is required to deliver to the Subordinated Indenture Trustee an annual statement as to its compliance with all conditions and covenants applicable to it under the Subordinated Indenture. (Subordinated Indenture, Section 606).

Enforcement of Certain Rights by Holders of Preferred Trust Securities. If there is an event of default with respect to Junior Subordinated Debentures held by the Trust, a holder of Preferred Trust Securities may enforce the Subordinated Indenture directly against FPL to the same extent, and upon the same conditions, as if the holder of Preferred Trust Securities held a principal amount of Junior Subordinated Debentures equal to the aggregate liquidation amount of its Preferred Trust Securities. (Subordinated Indenture, Section 610).

Subject to their right to bring suit to enforce their right to payment, the holders of Preferred Trust Securities would not be able to institute any proceeding with respect to the Subordinated Indenture unless the Subordinated Indenture Trustee has failed to do so for 60 days after a request of the holders of at least a majority of the aggregate liquidation amount of outstanding Preferred Trust Securities. Upon such failure, the holders of a majority of the aggregate liquidation amount of the outstanding Preferred Trust Securities would have the right to directly institute proceedings for enforcement of all

other rights of the Subordinated Indenture Trustee against FPL to the fullest extent permitted by law. (Subordinated Indenture, Sections 807, 808 and 812).

Modification and Waiver. Without the consent of any registered owner of Subordinated Indenture Securities, FPL and the Subordinated Indenture Trustee may amend or supplement the Subordinated Indenture for any of the following purposes:

(1) to provide for the assumption by any permitted successor to FPL of FPL's obligations with respect to the Subordinated Indenture and the Subordinated Indenture Securities in the case of a merger or consolidation or a conveyance, transfer or lease of its properties and assets substantially as an entirety,

(2) to add covenants of FPL or to surrender any right or power conferred upon FPL by the Subordinated Indenture,

(3) to add any additional events of default,

(4) to change, eliminate or add any provision of the Subordinated Indenture, provided that if that change, elimination or addition will materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche, that change, elimination or addition will become effective with respect to that particular series or tranche only

  (a) when the required consent of the registered owners of Subordinated Indenture Securities of that particular series or tranche has been obtained, or

  (b) when no Subordinated Indenture Securities of that particular series or tranche remain outstanding under the Subordinated Indenture,

(5) to provide collateral security for all but not a part of the Subordinated Indenture Securities,

(6) to create the form or terms of Subordinated Indenture Securities of any other series or tranche,

(7) to provide for the authentication and delivery of bearer securities and the related coupons and for other matters relating to those bearer securities,

(8) to accept the appointment of a successor Subordinated Indenture Trustee or co-trustee with respect to the Subordinated Indenture Securities of one or more series and to change any of the provisions of the Subordinated Indenture as necessary to provide for the administration of the trusts under the Subordinated Indenture by more than one trustee,

(9) to add procedures to permit the use of a non-certificated system of registration for all, or any series or tranche of, the Subordinated Indenture Securities,

(10) to change any place where

  (a) the principal of and premium, if any, and interest on all, or any series or tranche of, Subordinated Indenture Securities are payable,

  (b) all, or any series or tranche of, Subordinated Indenture Securities may be transferred or exchanged, and

  (c) notices and demands to or upon FPL in respect of Subordinated Indenture Securities and the Subordinated Indenture may be served, or

(11) to cure any ambiguity or inconsistency or to add or change any other provisions with respect to matters and questions arising under the Subordinated Indenture, provided those changes or additions may not materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche. (Subordinated Indenture, Section 1201).

The registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding may waive compliance by FPL with certain restrictive provisions of the Subordinated Indenture. (Subordinated Indenture, Section 607). The registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of any series may waive any past default under the Subordinated Indenture with respect to that series, except a default in the payment of principal, premium, if any, or interest and a default with respect to certain restrictive covenants or provisions of the Subordinated Indenture that cannot be modified or amended without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series affected. (Subordinated Indenture, Section 813). If the Trust holds Subordinated Indenture Securities of any series, the Trust may not waive compliance, or any default in compliance, by FPL with any covenant or term contained in, or any past default under, the Subordinated Indenture or the Subordinated Indenture Securities of such series, without the approval of at least a majority (or such greater percentage required by the Trust Agreement) in aggregate liquidation preference amount of the outstanding Preferred Trust Securities. (Subordinated Indenture, Sections 607 and 813).

In addition to any amendments described above, if the Trust Indenture Act of 1939 is amended after the date of the Subordinated Indenture in a way that requires changes to the Subordinated Indenture or in a way that permits changes to, or the elimination of, provisions that were previously required by the Trust Indenture Act of 1939, the Subordinated Indenture will be deemed to be amended to conform to that amendment of the Trust Indenture Act of 1939 or to make those changes, additions or eliminations. FPL and the Subordinated Indenture Trustee may, without the consent of any registered owners, enter into supplemental indentures to make that amendment. (Subordinated Indenture, Section 1201).

Except for any amendments described above, the consent of the registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding, considered as one class, is required for all other modifications to the Subordinated Indenture. However, if less than all of the series of Subordinated Indenture Securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the registered owners of a majority in aggregate principal amount of outstanding Subordinated Indenture Securities of all directly affected series, considered as one class, is required. But, if FPL issues any series of Subordinated Indenture Securities in more than one tranche and if the proposed supplemental indenture directly affects the rights of the registered owners of Subordinated Indenture Securities of less than all of those tranches, then the consent only of the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all directly affected tranches, considered as one class, will be required. However, none of those amendments or modifications may:

(1) change the dates on which the principal of or interest (except as described above under "—Option to Defer Interest Payments") on a Subordinated Indenture Security is due without the consent of the registered owner of that Subordinated Indenture Security,

(2) reduce any Subordinated Indenture Security's principal amount or rate of interest (or the amount of any installment of that interest) or change the method of calculating that rate without the consent of the registered owner of that Subordinated Indenture Security,

(3) reduce any premium payable upon the redemption of a Subordinated Indenture Security without the consent of the registered owner of that Subordinated Indenture Security,

(4) change the currency (or other property) in which a Subordinated Indenture Security is payable without the consent of the registered owner of that Subordinated Indenture Security,

(5) impair the right to sue to enforce payments on any Subordinated Indenture Security on or after the date that it states that the payment is due (or, in the case of redemption, on or after the redemption date) without the consent of the registered owner of that Subordinated Indenture Security,

(6) reduce the percentage in principal amount of the outstanding Subordinated Indenture Securities of any series or tranche whose owners must consent to an amendment, supplement or waiver without the consent of the registered owner of each outstanding Subordinated Indenture Security of that particular series or tranche,

(7) reduce the requirements for quorum or voting of any series or tranche without the consent of the registered owner of each outstanding Subordinated Indenture Security of that particular series or tranche, or

(8) modify certain of the provisions of the Subordinated Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the Subordinated Indenture Securities of any series or tranche, without the consent of the registered owner of each outstanding Subordinated Indenture Security affected by the modification.

A supplemental indenture that changes or eliminates any provision of the Subordinated Indenture that has expressly been included only for the benefit of one or more particular series or tranches of Subordinated Indenture Securities, or that modifies the rights of the registered owners of Subordinated Indenture Securities of that particular series or tranche with respect to that provision, will not affect the rights under the Subordinated Indenture of the registered owners of the Subordinated Indenture Securities of any other series or tranche. So long as any Preferred Trust Securities are outstanding, the Subordinated Indenture Trustee may not consent to any supplemental indenture without the prior consent of (i) the holders of a majority in aggregate liquidation preference of all outstanding Preferred Trust Securities affected or (ii), in the case of changes described in clauses (1) through (8) immediately above, 100% in aggregate liquidation preference of all such outstanding Preferred Trust Securities affected. (Subordinated Indenture, Section 1202).

The Subordinated Indenture provides that, in order to determine whether the registered owners of the required principal amount of the outstanding Subordinated Indenture Securities have given any request, demand, authorization, direction, notice, consent or waiver under the Subordinated Indenture, or whether a quorum is present at the meeting of the registered owners of Subordinated Indenture Securities, Subordinated Indenture Securities owned by FPL or any other obligor upon the Subordinated Indenture Securities or any affiliate of FPL or of that other obligor (unless FPL, that affiliate or that obligor owns all Subordinated Indenture Securities outstanding under the Subordinated Indenture, determined without regard to this provision) will be disregarded and deemed not to be outstanding. (Subordinated Indenture, Section 101).

If FPL solicits any action under the Subordinated Indenture from registered owners of Subordinated Indenture Securities, FPL may, at its option, by signing a written request to the Subordinated Indenture Trustee, fix in advance a record date for determining the registered owners of Subordinated Indenture Securities entitled to take that action. However, FPL will not be obligated to do this. If FPL fixes such a record date, that action may be taken before or after that record date, but only the registered owners of record at the close of business on that record date will be deemed to be registered owners of Subordinated Indenture Securities for the purposes of determining whether registered owners of the required proportion of the outstanding Subordinated Indenture Securities have authorized that action. For these purposes, the outstanding Subordinated Indenture Securities will be computed as of the record date. Any action of a registered owner of any Subordinated Indenture Security under the Subordinated Indenture will bind every future registered owner of that Subordinated Indenture Security, or any Subordinated Indenture Security replacing that Subordinated Indenture Security, with respect to anything that the Subordinated Indenture Trustee or FPL do, fail to do, or allow to be done in reliance on that action, whether or not that action is noted upon that Subordinated Indenture Security. (Subordinated Indenture, Section 104).

Resignation and Removal of Subordinated Indenture Trustee. The Subordinated Indenture Trustee may resign at any time with respect to any series of Subordinated Indenture Securities by giving written notice of its resignation to FPL. Also, the registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of one or more series of Subordinated Indenture Securities may remove the Subordinated Indenture Trustee at any time with respect to the Subordinated Indenture Securities of that series, by delivering an instrument evidencing this action to the Subordinated Indenture Trustee and FPL. However, so long as any Preferred Trust Securities remain outstanding, the Trust cannot deliver an instrument evidencing this action without the consent of the holders of a majority in aggregate liquidation preference of Preferred Trust Securities outstanding. (Subordinated Indenture, Section 910). The resignation or removal of the Subordinated Indenture Trustee and the appointment of a successor trustee will not become effective until a successor trustee accepts its appointment.

Except with respect to a Subordinated Indenture Trustee appointed by the registered owners of Subordinated Indenture Securities, the Subordinated Indenture Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Subordinated Indenture if:

(1) no event of default under the Subordinated Indenture or event that, after notice or lapse of time, or both, would become an event of default under the Subordinated Indenture exists, and

(2) FPL has delivered to the Subordinated Indenture Trustee resolutions of its Board of Directors appointing a successor trustee and that successor trustee has accepted that appointment in accordance with the terms of the Subordinated Indenture. (Subordinated Indenture, Section 910).

Notices. Notices to registered owners of Subordinated Indenture Securities will be sent by mail to the addresses of those registered owners as they appear in the security register for those Subordinated Indenture Securities. (Subordinated Indenture, Section 106).

Title. The person in whose name a Subordinated Indenture Security is registered may be treated as the absolute owner of that Subordinated Indenture Security, whether or not that Subordinated Indenture Security is overdue, for the purpose of making payments and for all other purposes, regardless of any notice to the contrary. (Subordinated Indenture, Section 308).

Governing Law. The Subordinated Indenture and the Subordinated Indenture Securities will be governed by, and construed in accordance with, the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Subordinated Indenture, Section 112).

INFORMATION CONCERNING THE TRUSTEES

In the regular course of business, FPL may obtain short-term funds from several banks, including Deutsche Bank Trust Company Americas.

FPL and its affiliates, including FPL Group and FPL Group Capital Inc, also maintain various banking and trust relationships with The Bank of New York Mellon. The Bank of New York Mellon would act as (i) Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement described under "Description of Preferred Trust Securities Guarantee" above, (ii) Property Trustee under the Trust Agreement and (iii) Subordinated Indenture Trustee, security registrar and paying agent under the Subordinated Indenture. BNY Mellon Trust of Delaware acts as the Delaware Trustee under the Trust Agreement.

PLAN OF DISTRIBUTION

FPL and the Trust may sell the securities offered pursuant to this prospectus ("Offered Securities"):

(1) through underwriters or dealers,

(2) through agents, or

(3) directly to one or more purchasers.

This prospectus may be used in connection with any offering of securities through any of these methods or other methods described in the applicable prospectus supplement.

Through Underwriters or Dealers. If FPL and/or the Trust uses underwriters in the sale of the Offered Securities, the underwriters will acquire the Offered Securities for their own account. The underwriters may resell the Offered Securities in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The underwriters may sell the Offered Securities directly or through underwriting syndicates represented by managing underwriters. Unless otherwise stated in the prospectus supplement relating to the Offered Securities, the obligations of the underwriters to purchase those Offered Securities will be subject to certain conditions, and the underwriters will be obligated to purchase all of those Offered Securities if they purchase any of them. If FPL and/or the Trust uses a dealer in the sale, FPL and/or the Trust will sell the Offered Securities to the dealer as principal. The dealer may then resell those Offered Securities at varying prices determined at the time of resale.

Any initial public offering price and any discounts or concessions allowed or reallowed or paid to dealers may be changed from time to time.

Through Agents. FPL and/or the Trust may designate one or more agents to sell the Offered Securities. Unless otherwise stated in a prospectus supplement, the agents will agree to use their best efforts to solicit purchases for the period of their appointment.

Directly. FPL and/or the Trust may sell the Offered Securities directly to one or more purchasers. In this case, no underwriters, dealers or agents would be involved.

General Information. A prospectus supplement will state the name of any underwriter, dealer or agent and the amount of any compensation, underwriting discounts or concessions paid, allowed or reallowed to them. A prospectus supplement will also state the proceeds to FPL and/or the Trust from the sale of the Offered Securities, any initial public offering price and other terms of the offering of those Offered Securities.

FPL and/or the Trust may authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase the Offered Securities from FPL and/or the Trust at the public offering price and on the terms described in the related prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future.

The Offered Securities may also be offered and sold, if so indicated in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms, which are referred to herein as the "remarketing firms," acting as principals for their own accounts or as agent for FPL or the Trust, as applicable. Any remarketing firm will be identified and the terms of its agreement, if any, with FPL and/or the Trust, and its compensation will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters, as that term is defined in the Securities Act of 1933, in connection with the securities remarketed thereby.

In compliance with guidelines of the Financial Industry Regulatory Authority, Inc. ("FINRA"), the maximum consideration or discount to be received by any FINRA member or independent broker may not exceed 8% of the aggregate amount of the securities offered pursuant to this prospectus and any applicable prospectus supplement.

FPL and/or the Trust may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by FPL and/or the Trust or borrowed from any of them or others to settle those sales or to close out any related open borrowings of securities, and may use securities received from FPL and/or the Trust in settlement of those derivatives to close out any related open borrowings of securities. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement.

FPL and/or the Trust may have agreements to indemnify underwriters, dealers and agents against, or to contribute to payments which the underwriters, dealers and agents may be required to make in respect of, certain civil liabilities, including liabilities under the Securities Act of 1933.

EXPERTS

The consolidated financial statements incorporated in this prospectus by reference from FPL's Annual Report on Form 10-K for the year ended December 31, 2008, and the effectiveness of FPL's internal control over financial reporting, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

Morgan, Lewis & Bockius LLP, New York, New York and Squire, Sanders & Dempsey L.L.P., West Palm Beach, Florida, co-counsel to FPL, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II, will pass upon the legality of the Offered Securities for FPL, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II. Hunton & Williams LLP, New York, New York, will pass upon the legality of the Offered Securities for any underwriter, dealer or agent. Certain matters of Delaware law relating to the validity of the Preferred Trust Securities, the enforceability of the Trust Agreement and the creation of the Trust will be passed upon by Morris James LLP, special Delaware counsel to FPL, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II. Morgan, Lewis & Bockius LLP and Hunton & Williams LLP may rely as to all matters of Florida law upon the opinion of Squire, Sanders & Dempsey L.L.P., and on the opinion of Morris James LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities. Squire, Sanders & Dempsey L.L.P. may rely as to all matters of New York law upon the opinion of Morgan, Lewis & Bockius LLP, and on the opinion of Morris James LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement or in any written communication from FPL or the Trust specifying the final terms of a particular offering of securities. Neither FPL nor the Trust has authorized anyone else to provide you with additional or different information. Neither FPL nor the Trust is making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents or that the information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

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Florida Power & Light Company

First Mortgage Bonds,

$600,000,000 4.125% Series due February 1, 2042

PROSPECTUS SUPPLEMENT

December 8, 2011

Barclays Capital

Citigroup

Goldman, Sachs & Co.

Mizuho Securities

Scotia Capital

Wells Fargo Securities

KeyBanc Capital Markets

Morgan Keegan

RBC Capital Markets

UniCredit Capital Markets

US Bancorp

Exhibit 3(d)

Quarterly Report on Form 10-Q for the quarterly period ended March 31, 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 **March 31, 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**	59-0247775
	700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	

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 ☐ Florida Power & Light Company Yes ☑ No ☐

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).

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

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 ☑	Accelerated Filer ☐	Non-Accelerated Filer ☐	Smaller Reporting Company ☐
Florida Power & Light Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-Accelerated Filer ☑	Smaller Reporting Company ☐

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

The number of shares outstanding of NextEra Energy, Inc. common stock, as of the latest practicable date: Common Stock, $0.01 par value, outstanding as of March 31, 2011: 421,960,217 shares.

As of March 31, 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, 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.

- Poor market performance and other economic factors could affect NextEra Energy's and FPL's nuclear decommissioning funds' asset value or defined benefit pension plan's funded status, 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 this combined Form 10-Q, and investors should refer to those sections of the 2010 Form 10-K 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 March 31,	
	2011	2010
OPERATING REVENUES	$ 3,134	$ 3,622
OPERATING EXPENSES		
Fuel, purchased power and interchange	1,404	1,349
Other operations and maintenance	693	659
Depreciation and amortization	331	414
Taxes other than income taxes and other	278	261
Total operating expenses	2,706	2,683
OPERATING INCOME	428	939
OTHER INCOME (DEDUCTIONS)		
Interest expense	(254)	(238)
Equity in earnings of equity method investees	10	7
Allowance for equity funds used during construction	12	7
Interest income	21	18
Gains on disposal of assets - net	17	39
Other - net	2	(2)
Total other deductions - net	(192)	(169)
INCOME BEFORE INCOME TAXES	236	770
INCOME TAXES	(32)	214
NET INCOME	$ 268	$ 556
Earnings per share of common stock:		
Basic	$ 0.64	$ 1.36
Assuming dilution	$ 0.64	$ 1.36
Dividends per share of common stock	$ 0.55	$ 0.50
Weighted-average number of common shares outstanding:		
Basic	415.8	407.5
Assuming dilution	418.4	410.1

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)

	March 31, 2011	December 31, 2010
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 49,208	$ 48,841
Nuclear fuel	1,586	1,539
Construction work in progress	4,511	3,841
Less accumulated depreciation and amortization	(15,368)	(15,146)
Total property, plant and equipment - net ($2,375 and $2,398 related to VIEs, respectively)	39,937	39,075
CURRENT ASSETS		
Cash and cash equivalents	425	302
Customer receivables, net of allowances of $10 and $20, respectively	1,285	1,509
Other receivables	717	1,073
Materials, supplies and fossil fuel inventory	875	857
Regulatory assets:		
Deferred clause and franchise expenses	266	368
Derivatives	158	236
Other	82	82
Derivatives	418	506
Other	293	325
Total current assets	4,519	5,258
OTHER ASSETS		
Special use funds	3,887	3,742
Other investments	931	971
Prepaid benefit costs	1,278	1,259
Regulatory assets:		
Securitized storm-recovery costs ($349 and $356 related to a VIE, respectively)	567	581
Other	407	329
Other	1,731	1,779
Total other assets	8,801	8,661
TOTAL ASSETS	$ 53,257	$ 52,994
CAPITALIZATION		
Common stock	$ 4	$ 4
Additional paid-in capital	5,481	5,418
Retained earnings	8,912	8,873
Accumulated other comprehensive income	202	166
Total common shareholders' equity	14,599	14,461
Long-term debt ($1,287 and $1,338 related to VIEs, respectively)	18,288	18,013
Total capitalization	32,887	32,474
CURRENT LIABILITIES		
Commercial paper	1,378	889
Current maturities of long-term debt	1,588	1,920
Accounts payable	1,075	1,124
Customer deposits	637	634
Accrued interest and taxes	487	462
Regulatory liabilities:		
Deferred clause and franchise revenues	40	47
Other	2	4
Derivatives	467	536
Accrued construction-related expenditures	255	371
Other	810	917
Total current liabilities	6,739	6,904
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,582	1,639
Accumulated deferred income taxes	5,157	5,109
Regulatory liabilities:		
Accrued asset removal costs	2,198	2,244
Asset retirement obligation regulatory expense difference	1,657	1,592
Other	451	423
Derivatives	226	243
Deferral related to differential membership interests - VIEs	940	949
Other	1,420	1,417
Total other liabilities and deferred credits	13,631	13,616
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 53,257	$ 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)

	Three Months Ended March 31,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 268	$ 556
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	331	414
Nuclear fuel amortization	71	72
Unrealized (gains) losses on marked to market energy contracts	231	(324)
Deferred income taxes	9	270
Cost recovery clauses and franchise fees	61	(392)
Changes in prepaid option premiums and derivative settlements	11	164
Equity in earnings of equity method investees	(10)	(7)
Distributions of earnings from equity method investees	23	-
Allowance for equity funds used during construction	(12)	(7)
Gains on disposal of assets - net	(17)	(39)
Changes in operating assets and liabilities:		
Customer receivables	229	257
Other receivables	21	(6)
Materials, supplies and fossil fuel inventory	(18)	26
Other current assets	-	(12)
Other assets	(36)	(30)
Accounts payable	(105)	(22)
Customer deposits	3	15
Margin cash collateral	(25)	16
Income taxes	(43)	(75)
Interest and other taxes	61	16
Other current liabilities	(71)	(40)
Other liabilities	6	9
Other - net	(5)	35
Net cash provided by operating activities	983	896
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(658)	(794)
Independent power and other investments of NextEra Energy Resources	(633)	(567)
Cash grants under the American Recovery and Reinvestment Act of 2009	377	99
Nuclear fuel purchases	(47)	(37)
Other capital expenditures	(106)	(15)
Proceeds from sale or maturity of securities in special use funds	1,347	2,563
Purchases of securities in special use funds	(1,367)	(2,600)
Proceeds from sale or maturity of other securities	154	244
Purchases of other securities	(177)	(253)
Other - net	33	(1)
Net cash used in investing activities	(1,077)	(1,361)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	201	800
Retirements of long-term debt	(252)	(102)
Net change in short-term debt	488	916
Issuances of common stock - net	18	12
Dividends on common stock	(229)	(204)
Other - net	(9)	20
Net cash provided by financing activities	217	1,442
Net increase in cash and cash equivalents	123	977
Cash and cash equivalents at beginning of period	302	238
Cash and cash equivalents at end of period	$ 425	$ 1,215
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued property additions	$ 499	$ 571

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 March 31,	
	2011	2010
OPERATING REVENUES	$ 2,246	$ 2,328
OPERATING EXPENSES		
Fuel, purchased power and interchange	1,071	1,107
Other operations and maintenance	374	373
Depreciation and amortization	142	229
Taxes other than income taxes and other	253	226
Total operating expenses	1,840	1,935
OPERATING INCOME	406	393
OTHER INCOME (DEDUCTIONS)		
Interest expense	(91)	(87)
Allowance for equity funds used during construction	11	7
Other - net	-	(1)
Total other deductions - net	(80)	(81)
INCOME BEFORE INCOME TAXES	326	312
INCOME TAXES	121	121
NET INCOME	$ 205	$ 191

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)

	March 31, 2011	December 31, 2010
ELECTRIC UTILITY PLANT		
Plant in service	$ 29,729	$ 29,519
Nuclear fuel	794	729
Construction work in progress	2,460	2,175
Less accumulated depreciation and amortization	(10,931)	(10,871)
Electric utility plant - net	22,052	21,552
CURRENT ASSETS		
Cash and cash equivalents	21	20
Customer receivables, net of allowances of $10 and $17, respectively	574	710
Other receivables	311	395
Materials, supplies and fossil fuel inventory	527	505
Regulatory assets:		
Deferred clause and franchise expenses	266	368
Derivatives	158	236
Other	76	76
Other	129	145
Total current assets	2,062	2,455
OTHER ASSETS		
Special use funds	2,722	2,637
Prepaid benefit costs	1,048	1,035
Regulatory assets:		
Securitized storm-recovery costs ($349 and $356 related to a VIE, respectively)	567	581
Other	372	293
Other	161	145
Total other assets	4,870	4,691
TOTAL ASSETS	$ 28,984	$ 28,698
CAPITALIZATION		
Common stock	$ 1,373	$ 1,373
Additional paid-in capital	5,054	5,054
Retained earnings	3,150	3,364
Total common shareholder's equity	9,577	9,791
Long-term debt ($460 and $486 related to a VIE, respectively)	6,657	6,682
Total capitalization	16,234	16,473
CURRENT LIABILITIES		
Commercial paper	431	101
Current maturities of long-term debt	48	45
Accounts payable	569	554
Customer deposits	631	628
Accrued interest and taxes	317	311
Regulatory liabilities - deferred clause and franchise revenues	40	47
Derivatives	167	245
Accrued construction-related expenditures	168	183
Other	347	394
Total current liabilities	2,718	2,508
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,097	1,083
Accumulated deferred income taxes	4,083	3,835
Regulatory liabilities:		
Accrued asset removal costs	2,198	2,244
Asset retirement obligation regulatory expense difference	1,657	1,592
Other	413	377
Other	584	586
Total other liabilities and deferred credits	10,032	9,717
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 28,984	$ 28,698

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)

	Three Months Ended March 31,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 205	$ 191
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	142	229
Nuclear fuel amortization	34	36
Deferred income taxes	220	123
Cost recovery clauses and franchise fees	61	(392)
Allowance for equity funds used during construction	(11)	(7)
Changes in operating assets and liabilities:		
Customer receivables	136	192
Other receivables	33	18
Materials, supplies and fossil fuel inventory	(22)	12
Other current assets	(6)	(14)
Other assets	(15)	(27)
Accounts payable	(47)	2
Customer deposits	2	14
Income taxes	(132)	(68)
Interest and other taxes	73	53
Other current liabilities	(27)	(25)
Other liabilities	(1)	21
Other - net	(13)	31
Net cash provided by operating activities	632	389
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(658)	(794)
Cash grants under the American Recovery and Reinvestment Act of 2009	154	44
Nuclear fuel purchases	(36)	(7)
Proceeds from sale or maturity of securities in special use funds	964	2,199
Purchases of securities in special use funds	(978)	(2,230)
Other - net	-	1
Net cash used in investing activities	(554)	(787)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	-	499
Retirements of long-term debt	(24)	(22)
Net change in short-term debt	330	426
Dividends	(400)	-
Other - net	17	2
Net cash provided by (used in) financing activities	(77)	905
Net increase in cash and cash equivalents	1	507
Cash and cash equivalents at beginning of period	20	83
Cash and cash equivalents at end of period	$ 21	$ 590
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued property additions	$ 331	$ 285

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.

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	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2011	2010	2011	2010
	(millions)			
Service cost	$ 16	$ 15	$ 2	$ 1
Interest cost	25	26	5	6
Expected return on plan assets	(60)	(60)	(1)	(1)
Amortization of transition obligation	-	-	1	1
Amortization of prior service benefit	(1)	(1)	-	-
Net periodic benefit (income) cost at NextEra Energy	$ (20)	$ (20)	$ 7	$ 7
Net periodic benefit (income) cost at FPL	$ (13)	$ (14)	$ 5	$ 6

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 March 31, 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 September 2028; 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	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	(millions)			
Current derivative assets[a]	$ 418	$ 506	$ 9[b]	$ 8[b]
Noncurrent other assets[c]	470	589	12	1
Current derivative liabilities[d]	(467)	(536)	(167)	(245)
Noncurrent derivative liabilities[e]	(226)	(243)	-	-
Total mark-to-market derivative instrument assets (liabilities)	$ 195	$ 316	$ (146)	$ (236)

(a) At March 31, 2011 and December 31, 2010, NextEra Energy's balances reflect the netting of approximately $29 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 March 31, 2011 and December 31, 2010, NextEra Energy's balances reflect the netting of approximately $8 million and $43 million (none at FPL), respectively, in margin cash collateral received from counterparties.
(d) At March 31, 2011 and December 31, 2010, NextEra Energy's balances reflect the netting of approximately $13 million and $23 million (none at FPL), respectively, in margin cash collateral provided to counterparties.
(e) At March 31, 2011 and December 31, 2010, NextEra Energy's balances reflect the netting of approximately $87 million and $72 million (none at FPL), respectively, in margin cash collateral provided to counterparties.

At March 31, 2011 and December 31, 2010, NextEra Energy had approximately $13 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 March 31, 2011 and December 31, 2010, NextEra Energy had approximately $56 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 March 31, 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.

	March 31, 2011		December 31, 2010	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(millions)			
Interest rate swaps:				
Current derivative assets	$ 13	$ -	$ 16	$ -
Current derivative liabilities	-	72	-	64
Noncurrent other assets	108	-	91	-
Noncurrent derivative liabilities	-	51	-	59
Foreign currency swaps:				
Current derivative assets	19	-	24	-
Current derivative liabilities	-	3	-	4
Noncurrent other assets	2	-	11	-
Total	$ 142	$ 126	$ 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 March 31, 2011				Three Months Ended March 31, 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	$ -	$ 1	$ (16)	$ (15)	$ 20	$ (34)	$ (4)	$ (18)
Gains (losses) reclassified from AOCI to net income	$ 5[a]	$ (19)[b]	$ (11)[c]	$ (25)	$ 36[a]	$ (17)[b]	$ (2)[c]	$ 17
Gains (losses) recognized in income[d]	$ -	$ -	$ -	$ -	$ 1[a]	$ -	$ -	$ 1

(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.
(d) Represents the ineffective portion of the hedging instrument.

For the three months ended March 31, 2011, NextEra Energy recorded a loss of approximately $6 million on three fair value hedges which is reflected in interest expense in the condensed consolidated statements of income and resulted in a corresponding reduction in the related debt. For the three months ended March 31, 2010, NextEra Energy recorded a loss of less than $1 million on a fair value hedge which is reflected in interest expense in the condensed consolidated statements of income and resulted in a corresponding reduction in the related debt.

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.

	March 31, 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	$ 741	$ 334	$ 15[a]	$ 6[a]	$ 754	$ 278	$ 9[a]	$ 1[a]
Current derivative liabilities	1,630	2,035	21	188	1,848	2,339	12	257
Noncurrent other assets	520	152	12	-	687	157	1	-
Noncurrent derivative liabilities	857	1,119	-	-	828	1,084	-	-
Foreign currency swap:								
Current derivative assets	8	-	-	-	13	-	-	-
Total	$ 3,756	$ 3,640	$ 48	$ 194	$ 4,130	$ 3,858	$ 22	$ 258

(a) Included in current other assets 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 March 31,	
	2011	2010
	(millions)	
Commodity contracts:		
Operating revenues	$ (152)[a]	$ 269[a]
Fuel, purchased power and interchange	(25)	68
Foreign currency swap:		
Other - net	(5)	(2)
Total	$ (182)	$ 335

(a) In addition, for the three months ended March 31, 2011 and 2010, FPL recorded less than $1 million and approximately $454 million of losses, respectively, related to commodity contracts as regulatory assets 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 March 31, 2011, NextEra Energy and FPL had derivative commodity contracts for the following net notional volumes:

Commodity Type	NextEra Energy	FPL
	(millions)	
Power	(72) mwh[a]	-
Natural gas	1,053 mmbtu[b]	793 mmbtu[b]
Oil	-	2 barrels

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

At March 31, 2011, NextEra Energy had 23 interest rate swaps with a notional amount totaling approximately $4.2 billion and three foreign currency swaps with a notional amount totaling approximately $408 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 March 31, 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 $1.5 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 $300 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 $2.0 billion ($0.6 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 $600 million ($100 million at FPL).

Collateral may be posted in the form of cash or credit support. At March 31, 2011, NextEra Energy had posted approximately $130 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.

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:

	March 31, 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	$ -	$ 231	$ -	$ -	$ 231
Special use funds:					
NextEra Energy:					
Equity securities	$ 784	$ 1,280[b]	$ -	$ -	$ 2,064
U.S. Government and municipal bonds	$ 508	$ 145	$ -	$ -	$ 653
Corporate debt securities	$ -	$ 485	$ -	$ -	$ 485
Mortgage-backed securities	$ -	$ 459	$ -	$ -	$ 459
Other debt securities	$ -	$ 126	$ -	$ -	$ 126
FPL:					
Equity securities	$ 134	$ 1,126[b]	$ -	$ -	$ 1,260
U.S. Government and municipal bonds	$ 444	$ 131	$ -	$ -	$ 575
Corporate debt securities	$ -	$ 335	$ -	$ -	$ 335
Mortgage-backed securities	$ -	$ 393	$ -	$ -	$ 393
Other debt securities	$ -	$ 49	$ -	$ -	$ 49
Other investments:					
NextEra Energy:					
Equity securities	$ 3	$ 1	$ -	$ -	$ 4
U.S. Government and municipal bonds	$ 15	$ 2	$ -	$ -	$ 17
Corporate debt securities	$ -	$ 39	$ -	$ -	$ 39
Mortgage-backed securities	$ -	$ 29	$ -	$ -	$ 29
Other	$ 5	$ 8	$ -	$ -	$ 13
Derivatives:					
NextEra Energy:					
Commodity contracts	$ 1,560	$ 1,443	$ 745	$ (3,010)	$ 738[c]
Interest rate swaps	$ -	$ 121	$ -	$ -	$ 121[c]
Foreign currency swaps	$ -	$ 29	$ -	$ -	$ 29[c]
FPL - commodity contracts	$ -	$ 41	$ 7	$ (27)	$ 21[c]
Liabilities:					
Derivatives:					
NextEra Energy:					
Commodity contracts	$ 1,591	$ 1,408	$ 641	$ (3,073)	$ 567[c]
Interest rate swaps	$ -	$ 123	$ -	$ -	$ 123[c]
Foreign currency swaps	$ -	$ 3	$ -	$ -	$ 3[c]
FPL - commodity contracts	$ -	$ 192	$ 2	$ (27)	$ 167[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 $1,153 million ($1,042 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.

	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 March 31, 2011	
	NextEra Energy	FPL
	(millions)	
Fair value of net derivatives based on significant unobservable inputs at December 31 of prior year	$ 296	$ 7
Realized and unrealized gains (losses):		
Included in earnings[a]	(82)	-
Purchases	88	-
Sales	-	-
Settlements	(45)	(2)
Issuances	(152)	-
Transfers in[b]	1	-
Transfers out[b]	(2)	-
Fair value of net derivatives based on significant unobservable inputs at March 31	$ 104	$ 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]	$ (80)	$ -

(a) For the three months ended March 31, 2011, $(92) million of realized and unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income. For the three months ended March 31, 2011, $10 million 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 months ended March 31, 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 months ended March 31, 2011, $(86) million of unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income. For the three months ended March 31, 2011, $6 million of unrealized gains (losses) are reflected in fuel, purchased power and interchange in the condensed consolidated statements of income.

	Three Months Ended March 31, 2010	
	NextEra Energy	FPL
	(millions)	
Fair value of net derivatives based on significant unobservable inputs at December 31 of prior year	$ 364	$ 11
Realized and unrealized gains (losses):		
Included in earnings[a]	460	-
Included in regulatory assets and liabilities	(1)	(1)
Purchases, sales, settlements and issuances	(268)	-
Transfers in[b]	1	-
Transfers out[b]	(7)	-
Fair value of net derivatives based on significant unobservable inputs at March 31	$ 549	$ 10
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]	$ 431	$ -

(a) For the three months ended March 31, 2010, $452 million of realized and unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income. For the three months ended March 31, 2010, $8 million 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 months ended March 31, 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 months ended March 31, 2010, $421 million of unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income. For the three months ended March 31, 2010, $10 million of unrealized gains (losses) are reflected in fuel, purchased power and interchange in the condensed consolidated statements of income.

4. Financial Instruments

The carrying amounts of cash equivalents and commercial paper approximate their fair values. At March 31, 2011 and December 31, 2010, other investments of NextEra Energy, not included in the table below, included financial instruments of approximately $98 million and $97 million ($4 million and $4 million at FPL), respectively, including $50 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.

	March 31, 2011		December 31, 2010	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
NextEra Energy:				
Special use funds	$ 3,887[a]	$ 3,887[b]	$ 3,742[a]	$ 3,742[b]
Other investments:				
Notes receivable	$ 504	$ 561[c]	$ 525	$ 583[c]
Debt securities	$ 93[c]	$ 93[b]	$ 114[d]	$ 114[b]
Equity securities	$ 72	$ 148[e]	$ 57	$ 125[e]
Long-term debt, including current maturities	$ 19,872	$ 20,559[f]	$ 19,929	$ 20,756[f]
Interest rate swaps - net unrealized losses	$ (2)	$ (2)[g]	$ (16)	$ (16)[g]
Foreign currency swaps - net unrealized gains	$ 26	$ 26[g]	$ 44	$ 44[g]
FPL:				
Special use funds	$ 2,722[a]	$ 2,722[b]	$ 2,637[a]	$ 2,637[b]
Long-term debt, including current maturities	$ 6,705	$ 7,061[f]	$ 6,727	$ 7,236[f]

(a) At March 31, 2011, includes $84 million of investments accounted for under the equity method and $16 million of loans not measured at fair value on a recurring basis ($100 million and $10 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 $1,677 million and $1,448 million, respectively, at March 31, 2011 and $1,616 million and $1,489 million, respectively, at December 31, 2010 ($1,312 million and $895 million, respectively, at March 31, 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 March 31, 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 $126 million and NextEra Energy's and FPL's nuclear decommissioning fund assets of $3,761 million and $2,596 million, respectively, at March 31, 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 in NextEra Energy's condensed consolidated statements of income. Debt securities included in the nuclear decommissioning funds have a weighted-average maturity at March 31, 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 March 31, 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:

	NextEra Energy		FPL	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2011	2010	2011	2010
	(millions)			
Realized gains	$ 30	$ 44	$ 12	$ 24
Realized losses	$ 21	$ 10	$ 19	$ 8
Proceeds from sale or maturity of securities	$ 1,347	$ 2,563	$ 964	$ 2,199

Unrealized losses on available for sale debt securities at March 31, 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	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	(millions)			
Equity securities	$ 702	$ 612	$ 451	$ 384
U.S. Government and municipal bonds	$ 13	$ 15	$ 13	$ 15
Corporate debt securities	$ 21	$ 23	$ 18	$ 19
Mortgage-backed securities	$ 19	$ 20	$ 16	$ 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, two of which hedge 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 March 31, 2011 and 2010 was approximately (14)% and 28%, respectively. The reduction from the federal statutory rate mainly reflects the benefit of wind production tax credits (PTCs) of approximately $79 million and $75 million, respectively, related to NextEra Energy Resources' wind projects. NextEra Energy's effective income tax rate for the three months ended March 31, 2011 was also affected by an approximately $26 million reduction in income tax expense, net of federal income taxes, primarily related to a valuation allowance reversal for certain state investment tax credits (ITCs) reflecting state tax planning initiatives. PTCs can significantly affect NextEra Energy's effective income tax rate depending on the amount of pretax income and wind generation.

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.

NextEra Energy's effective income tax rate for the three months ended March 31, 2011 and 2010 also reflects $7 million and $14 million, respectively, of deferred tax benefits associated with grants (convertible ITCs) under the American Recovery and Reinvestment Act of 2009, as amended (Recovery Act) for certain wind projects expected to be placed in service.

During the first quarter of 2011, NextEra Energy finalized a settlement with respect to the 1988 through 2005 tax years and closed out the examination of years 2006 through 2008 with the Internal Revenue Service. The settlement primarily related to NextEra Energy's and FPL's timing of certain deductions for repairs, casualty losses and indirect service costs. As a result of the settlement and closing out the examination of years 2006 through 2008, NextEra Energy's gross liability for unrecognized tax benefits was reduced by $248 million ($214 million for FPL) resulting in a gross liability for unrecognized tax benefits of $16 million ($1 million for FPL) at March 31, 2011. The impact of the settlement did not have a material effect on NextEra Energy's or FPL's net income.

6. Comprehensive Income

NextEra Energy's comprehensive income is as follows:

	Three Months Ended March 31,	
	2011	2010
	(millions)	
Net income of NextEra Energy	$ 268	$ 556
Net unrealized gains (losses) on cash flow hedges:		
Effective portion of net unrealized losses (net of $5 and $6 tax benefit, respectively)	(10)	(12)
Reclassification from AOCI to net income (net of $8 tax expense and $7 tax benefit, respectively)	17	(9)
Net unrealized gains (losses) on available for sale securities:		
Net unrealized gains on securities still held (net of $14 and $16 tax expense, respectively)	22	19
Reclassification from AOCI to net income (net of $5 and $7 tax benefit, respectively)	(9)	(9)
Defined benefit pension and other benefits plans (net of $4 tax expense)	6	-
Net unrealized gains (losses) on foreign currency translation (net of $5 tax expense and $1 tax benefit, respectively)	10	(1)
Comprehensive income of NextEra Energy	$ 304	$ 544

Approximately $24 million of losses included in NextEra Energy's AOCI at March 31, 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 March 31, 2011, NextEra Energy has eight 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 $414 million and $444 million at March 31, 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 $512 million and $542 million at March 31, 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 March 31, 2011 and 2010, FPL purchased 256,675 mwh and 362,390 mwh, respectively, from the facility at a total cost of approximately $43 million and $45 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 six 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 $822 million and $459 million, respectively, at March 31, 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 three NextEra Energy Resources' VIEs consolidate several entities which own and operate wind electric generating facilities with the capability of producing a total of 1,077 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 both third-party debt and 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 $1.7 billion and $1.5 billion, respectively, at March 31, 2011 and $1.7 billion and $1.6 billion, respectively, at December 31, 2010, and consisted primarily of property, plant and equipment, deferral related to differential membership interests and long-term debt.

Other - As of March 31, 2011 and December 31, 2010, several NextEra Energy subsidiaries have investments totaling approximately $609 million ($482 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 at March 31, 2011. 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 March 31,	
	2011	2010
	(millions, except per share amounts)	
Numerator - net income	$ 268	$ 556
Denominator:		
Weighted-average number of common shares outstanding - basic	415.8	407.5
Performance share awards, options and restricted stock[(a)]	2.6	2.6
Weighted-average number of common shares outstanding - assuming dilution	418.4	410.1
Earnings per share of common stock:		
Basic	$ 0.64	$ 1.36
Assuming dilution	$ 0.64	$ 1.36

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

Common shares issuable pursuant to 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 14.3 million and 8.3 million for the three months ended March 31, 2011 and 2010, respectively.

9. Debt

As of April 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 2011	NextEra Energy Resources subsidiary	Canadian revolving credit facilities	Variable[(a)]	$ 122	2013
February 2011	NextEra Energy Resources subsidiary	Senior secured limited recourse notes	6.25%	$ 82	2031
April 2011	NextEra Energy Resources subsidiaries	Eurodollar denominated senior secured limited recourse loan	Variable[(a)(b)]	$ 155	2030
April 2011	NextEra Energy Resources subsidiaries	Eurodollar denominated senior secured limited recourse loan	Variable[(a)]	$ 12	2015

(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.

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 include the cost for construction of a transmission line in Texas and the fiber-optic telecommunications business' (FPL FiberNet) costs to meet customer-specific requirements and maintain its fiber-optic network.

At March 31, 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]	$ 1,105	$ 1,910	$ 565	$ 140	$ 5	$ 3,725
Existing	500	560	590	650	430	2,730
Transmission and distribution	580	870	820	760	840	3,870
Nuclear fuel	235	170	255	205	220	1,085
General and other	145	140	95	125	105	610
Total	$ 2,565	$ 3,650	$ 2,325	$ 1,880	$ 1,600	$ 12,020
NextEra Energy Resources:						
Wind[d]	$ 515	$ 355	$ 15	$ 5	$ 5	$ 895
Solar[e]	800	950	465	40	-	2,255
Nuclear[f]	475	280	245	250	265	1,515
Natural gas	80	35	65	40	120	340
Other[g]	60	75	50	60	45	290
Total	$ 1,930	$ 1,695	$ 840	$ 395	$ 435	$ 5,295
Corporate and Other[h]	$ 325	$ 465	$ 60	$ 35	$ 30	$ 915

(a) Includes allowance for funds used during construction (AFUDC) of approximately $35 million, $77 million, $80 million, $31 million and $4 million in 2011 to 2015, respectively.
(b) Includes land, generating structures, transmission interconnection and integration and licensing.
(c) Includes 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 $96 million, $94 million and $27 million in 2011 to 2013, respectively. Excludes capital expenditures for the construction costs for the two additional nuclear units at FPL's Turkey Point site beyond what is required to receive an NRC license for each unit.
(d) 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 3,500 mw to 5,000 mw in 2010 through 2014, including 754 mw added in 2010 and a total of approximately 1,400 mw to 2,000 mw in 2011 and 2012, at a total cost of approximately $7 billion to $10 billion.
(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, including 5 mw added in 2010, at a total cost of approximately $3 billion to $4 billion.
(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 $7 million, $41 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 March 31, 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 seven years. The maximum potential amount of future payments that could be required under these guarantees at March 31, 2011 was approximately $34 million. At March 31, 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 March 31, 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 June 2011 through 2031, approximately $1.4 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 April 2012 through 2033.

The transmission business within Corporate and Other has entered into contracts primarily for construction and development activities relating to a transmission line in Texas, 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 March 31, 2011 were estimated as follows:

	2011	2012	2013	2014	2015	Thereafter
			(millions)			
FPL:						
Capacity payments:[a]						
Qualifying facilities	$ 205	$ 290	$ 275	$ 275	$ 280	$ 2,630
JEA and Southern subsidiaries	$ 170	$ 225	$ 220	$ 200	$ 175	$ 195
Other electricity suppliers	$ 5	$ 5	$ -	$ -	$ -	$ -
Minimum payments, at projected prices:						
Natural gas, including transportation and storage[b]	$ 1,805	$ 1,210	$ 575	$ 550	$ 535	$ 7,345
Oil[b]	$ 180	$ -	$ -	$ -	$ -	$ -
Coal[b]	$ 70	$ 70	$ 60	$ 5	$ -	$ -
NextEra Energy Resources[c]	$ 1,460	$ 370	$ 215	$ 185	$ 165	$ 830
Corporate and Other	$ 125	$ 130	$ 15	$ -	$ -	$ -

(a) Capacity payments under these contracts, substantially all of which are recoverable through the capacity clause, totaled approximately $124 million and $149 million for the three months ended March 31, 2011 and 2010, respectively. Energy payments under these contracts, which are recoverable through the fuel clause, totaled approximately $77 million and $99 million for the three months ended March 31, 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 and results of operations.

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 of up to $25,000 per day for each violation from an unspecified date after June 1, 1975 through January 30, 1997. The EPA has made revisions to its civil penalty rule such that the maximum penalty is $27,500 per day for each violation from January 31, 1997 through March 15, 2004, $32,500 per day for each violation from March 16, 2004 through January 12, 2009 and $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 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 March 31,							
	2011				2010			
	FPL	NextEra Energy Resources[a]	Corporate & Other	NextEra Energy Consolidated	FPL	NextEra Energy Resources[a]	Corporate & Other	NextEra Energy Consolidated
	(millions)							
Operating revenues	$ 2,246	$ 833	$ 55	$ 3,134	$ 2,328	$ 1,247	$ 47	$ 3,622
Operating expenses	$ 1,840	$ 824	$ 42	$ 2,706	$ 1,935	$ 711	$ 37	$ 2,683
Net income (loss)[b]	$ 205	$ 65	$ (2)	$ 268	$ 191	$ 367	$ (2)	$ 556

	March 31, 2011				December 31, 2010			
	FPL	NextEra Energy Resources	Corporate & Other	NextEra Energy Consolidated	FPL	NextEra Energy Resources	Corporate & Other	NextEra Energy Consolidated
	(millions)							
Total assets	$ 28,984	$ 22,158	$ 2,115	$ 53,257	$ 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) See Note 5 for a discussion of NextEra Energy Resources' tax benefits related to PTCs.

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 $18 million, increase net income by $11 million, and increase basic and diluted earnings per share by approximately $0.03 for the three months ended March 31, 2011. 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 March 31,							
	2011				2010			
	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated
	(millions)							
Operating revenues	$ -	$ 890	$ 2,244	$ 3,134	$ -	$ 1,297	$ 2,325	$ 3,622
Operating expenses	(3)	(865)	(1,838)	(2,706)	(1)	(751)	(1,931)	(2,683)
Interest expense	(3)	(163)	(88)	(254)	(4)	(151)	(83)	(238)
Other income (deductions) - net	270	53	(261)	62	564	68	(563)	69
Income (loss) before income taxes	264	(85)	57	236	559	463	(252)	770
Income tax expense (benefit)	(4)	(149)	121	(32)	3	91	120	214
Net income (loss)	$ 268	$ 64	$ (64)	$ 268	$ 556	$ 372	$ (372)	$ 556

(a) Represents FPL and consolidating adjustments.

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

Condensed Consolidating Balance Sheets

	March 31, 2011				December 31, 2010			
	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated
	(millions)							
PROPERTY, PLANT AND EQUIPMENT								
Electric utility plant in service and other property	$ 29	$ 22,293	$ 32,983	$ 55,305	$ 19	$ 21,779	$ 32,423	$ 54,221
Less accumulated depreciation and amortization	-	(4,437)	(10,931)	(15,368)	-	(4,275)	(10,871)	(15,146)
Total property, plant and equipment - net	29	17,856	22,052	39,937	19	17,504	21,552	39,075
CURRENT ASSETS								
Cash and cash equivalents	-	404	21	425	-	282	20	302
Receivables	500	1,093	409	2,002	654	1,380	548	2,582
Other	8	924	1,160	2,092	9	1,024	1,341	2,374
Total current assets	508	2,421	1,590	4,519	663	2,686	1,909	5,258
OTHER ASSETS								
Investment in subsidiaries	14,343	-	(14,343)	-	14,150	-	(14,150)	-
Other	495	3,740	4,566	8,801	365	3,845	4,451	8,661
Total other assets	14,838	3,740	(9,777)	8,801	14,515	3,845	(9,699)	8,661
TOTAL ASSETS	$ 15,375	$ 24,017	$ 13,865	$ 53,257	$ 15,197	$ 24,035	$ 13,762	$ 52,994
CAPITALIZATION								
Common shareholders' equity	$ 14,599	$ 4,767	$ (4,767)	$ 14,599	$ 14,461	$ 4,359	$ (4,359)	$ 14,461
Long-term debt	-	11,631	6,657	18,288	-	11,331	6,682	18,013
Total capitalization	14,599	16,398	1,890	32,887	14,461	15,690	2,323	32,474
CURRENT LIABILITIES								
Debt due within one year	-	2,486	480	2,966	-	2,664	145	2,809
Accounts payable	-	506	569	1,075	-	571	553	1,124
Other	430	1,076	1,192	2,698	352	1,361	1,258	2,971
Total current liabilities	430	4,068	2,241	6,739	352	4,596	1,956	6,904
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	-	485	1,097	1,582	-	556	1,083	1,639
Accumulated deferred income taxes	50	1,233	3,874	5,157	53	1,336	3,720	5,109
Regulatory liabilities	38	-	4,268	4,306	46	-	4,213	4,259
Other	258	1,833	495	2,586	285	1,857	467	2,609
Total other liabilities and deferred credits	346	3,551	9,734	13,631	384	3,749	9,483	13,616
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 15,375	$ 24,017	$ 13,865	$ 53,257	$ 15,197	$ 24,035	$ 13,762	$ 52,994

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Three Months Ended March 31,							
	2011				2010			
	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated
	(millions)							
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 518	$ 234	$ 231	$ 983	$ 201	$ 495	$ 200	$ 896
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures, independent power and other investments and nuclear fuel purchases	(16)	(734)	(694)	(1,444)	-	(613)	(800)	(1,413)
Cash grants under the Recovery Act	-	223	154	377	-	55	44	99
Other - net	(280)	8	262	(10)	-	(12)	(35)	(47)
Net cash used in investing activities	(296)	(503)	(278)	(1,077)	-	(570)	(791)	(1,361)
CASH FLOWS FROM FINANCING ACTIVITIES								
Issuances of long-term debt	-	201	-	201	-	301	499	800
Retirements of long-term debt	-	(228)	(24)	(252)	-	(79)	(23)	(102)
Net change in short-term debt	-	158	330	488	-	490	426	916
Issuances of common stock - net	18	-	-	18	12	-	-	12
Dividends on common stock	(229)	-	-	(229)	(204)	-	-	(204)
Other - net	(11)	260	(258)	(9)	(9)	(168)	197	20
Net cash provided by (used in) financing activities	(222)	391	48	217	(201)	544	1,099	1,442
Net increase in cash and cash equivalents	-	122	1	123	-	469	508	977
Cash and cash equivalents at beginning of period	-	282	20	302	-	156	82	238
Cash and cash equivalents at end of period	$ -	$ 404	$ 21	$ 425	$ -	$ 625	$ 590	$ 1,215

(a) Represents FPL and consolidating adjustments.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with the Notes contained herein and Management's Discussion and Analysis of Financial Condition and Results of Operations (Management's Discussion) appearing in the 2010 Form 10-K for NextEra Energy and FPL. The results of operations for an interim period generally will not give a true indication of results for the year. In the following discussion, all comparisons are with the corresponding items in the prior year period.

Results of Operations

NextEra Energy and NextEra Energy Resources segregate into two categories unrealized mark-to-market gains and losses on energy derivative transactions which are used to manage commodity price risk. The first category, referred to as trading activities, represents the net unrealized effect of actively traded positions entered into to take advantage of market price movements and to optimize the value of generation assets and related contracts. The second category, referred to as non-qualifying hedges, represents the net unrealized effect of derivative and certain other transactions entered into as economic hedges but which do not qualify for hedge accounting, or for which hedge accounting was not elected. At FPL, substantially all changes in the fair value of energy derivative transactions are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel clause or the capacity clause. See Note 2.

NextEra Energy's management uses earnings excluding certain items (adjusted earnings) internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as an input in determining whether performance goals are met for performance-based compensation under NextEra Energy's employee incentive compensation plans. NextEra Energy also uses adjusted earnings when communicating its financial results and earnings outlook to investors. Adjusted earnings exclude the unrealized mark-to-market effect of non-qualifying hedges and other than temporary impairment (OTTI) losses on securities held in NextEra Energy Resources' nuclear decommissioning funds, net of the reversal of previously recognized OTTI losses on securities sold and losses on securities where price recovery was deemed unlikely (collectively, OTTI reversals). NextEra Energy's management believes adjusted earnings provide a more meaningful representation of the company's fundamental earnings power. Although the excluded amounts are properly included in the determination of net income in accordance with generally accepted accounting principles, management believes that the amount and/or nature of such items make period to period comparisons of operations difficult and potentially confusing. Adjusted earnings do not represent a substitute for net income, as prepared in accordance with generally accepted accounting principles.

Summary - Presented below is a summary of net income (loss) by reportable segment (see Note 11). Corporate and Other represents business activities other than FPL and NextEra Energy Resources, other segments that are not separately reportable and eliminating entries.

	Three Months Ended March 31,	
	2011	2010
	(millions)	
FPL	$ 205	$ 191
NextEra Energy Resources	65	367
Corporate and Other	(2)	(2)
NextEra Energy Consolidated	$ 268	$ 556

The increase in FPL's results for the three months ended March 31, 2011 is primarily due to earnings related to additional nuclear capacity, solar and environmental expenditures recovered through cost recovery clauses and a higher equity component of AFUDC (AFUDC - equity) primarily related to West County Energy Center (WCEC) Unit No. 3. In addition, under the terms of the stipulation and settlement regarding FPL's base rates (2010 rate agreement), FPL's earnings increased due to the use of the surplus depreciation credit to earn up to its allowed 11% regulatory return on equity (ROE) on its retail rate base.

NextEra Energy Resources' results for the three months ended March 31, 2011 and 2010 were primarily affected by net unrealized after-tax gains and losses from non-qualifying hedges, and also were impacted by after-tax OTTI losses on securities held in its nuclear decommissioning funds and after-tax OTTI reversals. See the table below for details of such gains, losses and reversals, all of which are included in NextEra Energy's and NextEra Energy Resources' net income.

	Three Months Ended March 31,	
	2011	2010
	(millions)	
Net unrealized mark-to-market after-tax (losses) gains from non-qualifying hedge activity	$ (125)	$ 167
OTTI after-tax losses on securities held in nuclear decommissioning funds	$ -	$ (1)
OTTI after-tax reversals	$ 1	$ 5

The change in unrealized mark-to-market activity from non-qualifying hedges is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains or losses as the underlying transactions are realized. As a general rule, a gain (loss) in the non-qualifying hedge category is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under generally accepted accounting principles.

NextEra Energy Resources' results for the three months ended March 31, 2011 also reflect lower results from the customer supply and proprietary power and gas trading businesses, the absence of a gain from the sale of a waste-to-energy project which was recognized in 2010 and higher expenses to support the growth of the business. These results were partially offset by higher earnings from the existing asset portfolio and earnings from new investments. See footnote (a) to the table under NextEra Energy Resources below for a description of projects included in new investments and the existing asset portfolio.

NextEra Energy's effective income tax rate for the three months ended March 31, 2011 and 2010 was approximately (14)% and 28%, respectively. These rates reflect PTCs for wind projects at NextEra Energy Resources and deferred tax benefits associated with convertible ITCs under the Recovery Act. PTCs and deferred tax benefits associated with convertible ITCs can significantly affect NextEra Energy's effective income tax rate depending on the amount of pretax income. PTCs can be significantly affected by wind generation. PTCs for the three months ended March 31, 2011 and 2010 were approximately $79 million and $75 million, respectively, reflecting higher wind production eligible for PTCs. Deferred tax benefits associated with convertible ITCs for the three months ended March 31, 2011 and 2010 were approximately $7 million and $14 million, respectively. NextEra Energy's effective income tax rate for the three months ended March 31, 2011 was also affected by an approximately $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 tax planning initiatives (state ITC benefit). See Note 5.

As a result of the impact of the March 2011 earthquake and tsunami on nuclear facilities in Japan, the NRC has established a task force to conduct a comprehensive review of processes and regulations relating to nuclear facilities in the United States to determine whether the NRC should make additional improvements to its regulatory system and to make recommendations to the NRC for its policy direction. This task force initiated a review of the activities being proactively undertaken by the licensees, including FPL and NextEra Energy Resources, to verify the continued operability of measures to mitigate conditions that result from severe accidents, including the loss of significant operational and safety systems, and readiness to deal with beyond-design-basis accidents. The lessons learned from the continuing events in Japan and the results of the NRC reviews may, among other things, result in changes in or new licensing and safety-related requirements for U.S. nuclear facilities. Such changes in or new requirements could, among other things, impact the capacity additions (uprates) at FPL's existing nuclear units at St. Lucie and Turkey Point and NextEra Energy Resources' nuclear units at Point Beach Nuclear Power Plant (Point Beach), and future licensing and operations of U.S. nuclear facilities, including FPL's and NextEra Energy Resources' existing nuclear facilities and the NRC approval of two additional nuclear units at FPL's Turkey Point site, and could, among other things, result in increased cost and capital expenditure requirements associated with the operation and maintenance of FPL's and NextEra Energy Resources' nuclear units. While the NRC conducts its review, FPL and NextEra Energy Resources continue to work with industry organizations to understand the events in Japan and apply lessons learned which may result in FPL and NextEra Energy Resources proactively making certain modifications to their nuclear facilities to, among other things, improve operational and safety systems prior to any potential required action by the NRC. Any such modifications could, among other things, require regulatory approvals and result in increased cost and capital expenditure requirements associated with the operation and maintenance of FPL's and NextEra Energy Resources' nuclear units. Third parties have requested that the NRC suspend the approval of nuclear uprates, nuclear license extensions, including approval of a license extension for NextEra Energy Resources' Seabrook nuclear unit, and new licenses, including approval of licenses for two additional nuclear units at FPL's Turkey Point site. Another third party request was filed with the NRC seeking immediate suspension of the NRC operating licenses for all boiling water reactors that use a certain primary containment system, including NextEra Energy Resources' Duane Arnold nuclear unit, pending completion of the NRC review. NextEra Energy Resources and FPL oppose such requests; however, it is uncertain at this time how and when the NRC will respond to these requests.

FPL - FPL's net income for the three months ended March 31, 2011 and 2010 was $205 million and $191 million, respectively, an increase of $14 million. See Summary above for a discussion of the major drivers of this increase.

FPL's operating revenues consisted of the following:

	Three Months Ended March 31,	
	2011	2010
	(millions)	
Retail base	$ 869	$ 933
Fuel cost recovery	953	619
Net repayment of previously deferred retail fuel revenues	-	356
Other cost recovery clauses and pass-through costs, net of any deferrals	378	373
Other, primarily pole attachment rentals, transmission and wholesale sales and customer-related fees	46	47
Total	$ 2,246	$ 2,328

For the three months ended March 31, 2011, a 0.7% increase in the average number of customer accounts increased retail base revenues by approximately $6 million, while a 6.9% decrease in usage per retail customer, reflecting cold weather experienced in the first quarter of 2010 and other factors, decreased retail base revenues by approximately $78 million. A base rate increase pursuant to an FPSC order which became effective March 1, 2010, increased retail base revenues for the three months ended March 31, 2011 by approximately $8 million.

Revenues from fuel and other cost recovery clauses and pass-through costs, such as franchise fees, revenue taxes and storm-related surcharges, are largely a pass-through of costs. Such revenues also include a return on investment allowed to be recovered through the cost recovery clauses on certain assets, primarily related to nuclear capacity, solar and environmental projects. For the three months ended March 31, 2011 and 2010, cost recovery clauses contributed $24 million and $18 million, respectively, to FPL's net income. The increase in cost recovery clause results is primarily due to the return on investment related to additional nuclear capacity, solar and environmental expenditures. In 2011, it is expected that cost recovery clauses will contribute higher earnings for FPL as a result of additional nuclear capacity and environmental expenditures. Underrecovery or overrecovery of such cost recovery clause and pass-through costs can significantly affect NextEra Energy's and FPL's operating cash flows. Fluctuations in fuel cost recovery revenues are primarily driven by changes in fuel and energy charges which are included in fuel, purchased power and interchange expense in the condensed consolidated statements of income, as well as by changes in energy sales. Fluctuations in revenues from other cost recovery clauses and pass-through costs are primarily driven by changes in storm-related surcharges, capacity charges, franchise fee costs, the impact of changes in operations and maintenance and depreciation expenses on the underlying cost recovery clause, investment in solar and environmental projects, investment in nuclear capacity until such capacity goes into service, pre-construction costs associated with the early-stage development of two additional nuclear units at the Turkey Point site and changes in energy sales. Capacity charges and franchise fee costs are included in fuel, purchased power and interchange and taxes other than income taxes and other, respectively, in the condensed consolidated statements of income.

FPL uses a risk management fuel procurement program which was approved by the FPSC. The FPSC reviews the program activities and results for prudence on an annual basis as part of its annual review of fuel costs. The program is intended to manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements. The current regulatory asset for the change in fair value of derivative instruments used in the fuel procurement program amounted to approximately $158 million and $236 million at March 31, 2011 and December 31, 2010, respectively. Pursuant to an FPSC order, FPL was required to refund in the form of a one-time credit to retail customers' bills the 2009 year-end estimated fuel overrecovery; during the first quarter of 2010, approximately $404 million was refunded to retail customers. At December 31, 2009, approximately $356 million of retail fuel revenues were overrecovered, the reversal of which is reflected as net repayment of previously deferred retail fuel revenues in the table above. The difference between the refund and the December 31, 2009 overrecovery is being collected from retail customers during 2011. The increase in fuel revenues in 2011 reflects the absence of the $404 million refund, partly offset by approximately $65 million related to lower energy sales and $5 million related to a lower average fuel factor. The decrease from December 31, 2010 to March 31, 2011 in deferred clause and franchise expenses and the decrease in deferred clause and franchise revenues (current and noncurrent, collectively) on NextEra Energy's and FPL's condensed consolidated balance sheets totaled approximately $61 million and positively affected NextEra Energy's and FPL's cash flows from operating activities for the three months ended March 31, 2011.

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

	Three Months Ended March 31,	
	2011	2010
	(millions)	
Fuel and energy charges during the period	$ 861	$ 1,007
Net collection of previously deferred retail fuel costs	86	-
Net deferral of retail fuel costs	-	(25)
Other, primarily capacity charges, net of any capacity deferral	124	125
Total	$ 1,071	$ 1,107

The decrease in fuel and energy charges for the three months ended March 31, 2011 reflects lower fuel and energy prices of approximately $90 million and approximately $56 million attributable to lower energy sales.

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

	Three Months Ended March 31,	
	2011	2010
	(millions)	
Surplus depreciation credit	$ (99)	$ (35)
Other depreciation and amortization recovered under base rates	227	223
Depreciation and amortization recovered under cost recovery clauses and securitized storm-recovery cost amortization	14	41
Total	$ 142	$ 229

Under the terms of the 2010 rate agreement, FPL can vary the amount of surplus depreciation credit taken in any calendar year up to a cap in 2010 of $267 million, a cap in subsequent years of $267 million plus the amount of any unused portion from prior years, and a cap of $776 million (surplus depreciation credit cap) over the 2010 to 2012 period. In any year of the 2010 rate agreement FPL must use at least enough surplus depreciation credit to maintain a 9% earned regulatory ROE but may not use any amount of surplus depreciation credit that would result in an earned regulatory ROE in excess of 11%. The surplus depreciation credit for the three months ended March 31, 2010 was recorded prior to the final order approving the 2010 rate agreement. As of March 31, 2011, approximately $673 million of the surplus depreciation credit cap remains; $431 million of the surplus depreciation credit cap is available for use in the remainder of 2011. The increase in other depreciation and amortization expense recovered under base rates for the three months ended March 31, 2011 is primarily due to higher plant in service balances. The decrease in depreciation and amortization recovered under cost recovery clauses and securitized storm-recovery cost amortization is primarily due to lower securitized storm-recovery cost amortization.

Taxes other than income taxes and other increased $27 million for the three months ended March 31, 2011 primarily due to higher franchise fees and revenue taxes, both of which are pass-through costs and reflect the increase in fuel revenues. In addition, taxes other than income taxes and other for the three months ended March 31, 2011 reflect higher property taxes of $7 million, primarily due to growth in plant in service balances.

The increase in interest expense for the three months ended March 31, 2011 is primarily due to higher interest rates, partly offset by a higher debt component of AFUDC (AFUDC - debt). The drivers of the increase in AFUDC - equity, discussed as follows, also explain the higher AFUDC - debt. The increase in AFUDC - equity for the three months ended March 31, 2011 is primarily due to additional AFUDC - equity on WCEC Unit No. 3 and the Cape Canaveral and Riviera Beach modernization projects, partly offset by a decline, effective April 1, 2010, in the AFUDC rate from 7.41% to 6.41%, as approved by the FPSC.

FPL is currently constructing WCEC Unit No. 3, a natural gas-fired combined-cycle unit of approximately 1,220 mw, which is expected to be placed in service by mid-2011. In addition, FPL is in the process of adding a total of approximately 400 mw to 460 mw of capacity at its existing nuclear units at St. Lucie and Turkey Point, which additional capacity is projected to be placed in service by 2013. FPL is also in the process of modernizing its Cape Canaveral and Riviera Beach power plants to high-efficiency natural gas-fired units and expects the units to be placed in service by 2013 and 2014, respectively. Each modernized plant is expected to provide approximately 1,200 mw of capacity.

NextEra Energy Resources - NextEra Energy Resources' net income for the three months ended March 31, 2011 and 2010 was $65 million and $367 million, respectively, a decrease of $302 million. The primary drivers, on an after-tax basis, of this decrease were as follows:

	Increase (Decrease) From Prior Period Three Months Ended March 31, 2011 (millions)
New investments[a]	$ 2
Existing assets[a]	42
Customer supply and proprietary power and gas trading businesses	(29)
Asset sales	(12)
Interest expense, differential membership costs and other	(10)
Change in unrealized mark-to-market non-qualifying hedge activity[b][c]	(292)
Change in OTTI losses on securities held in nuclear decommissioning funds, net of OTTI reversals[c]	(3)
Net income decrease	$ (302)

(a) Includes PTCs and state ITCs on wind projects and, for new investments, deferred tax benefits associated with convertible ITCs (see Note 5) but does not include allocation of interest expense or corporate general and administrative expenses. Results from new projects are included in new investments during the first twelve months of operation. A project's results are included in existing assets beginning with the thirteenth month of operation.
(b) See Note 2 and discussion above related to derivative instruments.
(c) See table in Summary above for additional detail.

The increase in NextEra Energy Resources' results from new investments reflects the addition of over 750 mw of wind generation during or after the three months ended March 31, 2010. Results from new investments for the three months ended March 31, 2011 and 2010 include approximately $7 million and $14 million, respectively, of deferred tax benefits associated with convertible ITCs and also, for the three months ended March 31, 2011, $3 million related to the state ITC benefit.

Results from NextEra Energy Resources' existing asset portfolio reflect favorable generation due to higher wind resource and lower curtailments across the wind portfolio totaling approximately $40 million, $30 million related to the state ITC benefit and lower depreciation and amortization expense of approximately $11 million, after-tax, due to the change in estimate of useful lives of certain equipment across the wind portfolio. 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. See Note 11. These results were partially offset by lower results at Seabrook and the hydro facilities in Maine (collectively $23 million) primarily due to lower hedge prices, and unfavorable market conditions in the Electric Reliability Council of Texas (ERCOT) of approximately $10 million.

Results from the customer supply and proprietary power and gas trading businesses decreased primarily due to lower full requirements results reflecting the loss of customers, as well as the absence of a gain on a power supply contract realized in 2010. The decrease in asset sales reflect the absence of an after-tax gain from the sale of a waste-to-energy project of approximately $12 million recorded in 2010 after the expiration of an option for the buyer to sell the project back to NextEra Energy Resources. Interest expense, differential membership costs and other reflects higher interest and other costs due to growth of the business.

In addition to the primary drivers of net income discussed above, the discussion below describes changes in certain line items reflected in NextEra Energy's condensed consolidated statements of income.

Operating revenues for the three months ended March 31, 2011 decreased $414 million primarily due to unrealized mark-to-market losses of $92 million from non-qualifying hedges compared to $152 million of gains on such hedges in 2010. In addition, operating revenues decreased due to lower revenues at NextEra Energy Power Marketing, LLC, of approximately $184 million and lower revenues in the existing asset portfolio of $36 million, due in part to unfavorable market conditions in the New England Power Pool and ERCOT regions, partially offset by higher revenues from project additions of $37 million.

Operating expenses for the three months ended March 31, 2011 increased $113 million primarily due to $111 million of unrealized mark-to-market losses from non-qualifying hedges compared to $127 million of gains on such hedges in 2010, higher costs from project additions and additional gas wells, higher payroll costs and higher depreciation expense on non-wind assets. This was partly offset by lower fuel costs of approximately $143 million and lower wind depreciation expense of $18 million due to the change in the estimate of useful lives of certain equipment across the wind portfolio. See Note 11.

NextEra Energy Resources' interest expense for the three months ended March 31, 2011 increased $9 million, primarily due to increased borrowings to support the growth of the business. Gains on disposal of assets - net in NextEra Energy's condensed consolidated statements of income for the three months ended March 31, 2011 and 2010 reflect $16 million and $18 million, respectively, of gains on sales of securities held in NextEra Energy Resources' nuclear decommissioning funds. In addition, gains on disposal of assets - net for the three months ended March 31, 2010 reflect a pretax gain of $18 million from the sale of the waste-to-energy project.

See Summary above and Note 5 for a discussion of PTCs, deferred tax benefits associated with convertible ITCs and NextEra Energy's effective income tax rates for the three months ended March 31, 2011 and 2010.

NextEra Energy Resources expects its future portfolio capacity growth to come primarily from wind and solar development and from asset acquisitions. NextEra Energy Resources plans to add approximately 3,500 mw to 5,000 mw of new wind generation in 2010 to 2014, including 754 mw added in 2010 and a total of approximately 1,400 mw to 2,000 mw in 2011 and 2012. In addition to wind expansion, NextEra Energy Resources is considering several solar development opportunities in the United States and Europe, and plans to add approximately 400 mw to 600 mw of new solar generation during the period 2010 through 2014, including 5 mw added in 2010. The wind and solar expansions are subject to, among other things, continued public policy support, support for the construction and availability of sufficient transmission facilities and capacity, continued market demand, supply chain expansion and access to capital at reasonable cost and on reasonable terms. Currently, in the United States, approximately 30 states and the District of Columbia have renewable portfolio standards requiring electricity providers in the state or district to meet a certain percentage of their retail sales with energy from renewable sources. These standards vary, but the majority include requirements to meet 10% to 25% of the electricity providers' retail sales with energy from renewable sources by 2025. NextEra Energy Resources believes that these standards will create incremental demand for renewable energy in the future.

As part of NextEra Energy Resources' strategic planning process, management reviews its portfolio of existing assets with the intention of optimizing the value of the assets and their potential long-term returns. Management periodically reviews and negotiates potential business acquisitions and divestitures, some of which may be material. NextEra Energy Resources is currently exploring the potential sale of five of its natural gas-fired generating assets with an aggregate capacity of approximately 2,700 mw located in California, Virginia, Rhode Island, Alabama and South Carolina.

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

Liquidity and Capital Resources

NextEra Energy and its subsidiaries, including FPL, require funds to support and grow their businesses. These funds are used for, among other things, working capital, capital expenditures, investments in or acquisitions of assets and businesses, payment of maturing debt obligations and, from time to time, redemption or repurchase of outstanding debt or equity securities. It is anticipated that these requirements will be satisfied through a combination of internally generated funds, short- and long-term borrowings, and the issuance, from time to time, of short- and long-term debt and equity securities, consistent with NextEra Energy's and FPL's objective of maintaining, on a long-term basis, a capital structure that will support a strong investment grade credit rating. NextEra Energy, FPL and Capital Holdings rely on access to credit and capital markets as significant sources of liquidity for capital requirements and other operations that are not satisfied by operating cash flows. The inability of NextEra Energy, FPL and Capital Holdings to maintain their current credit ratings could affect their ability to raise short- and long-term capital, their cost of capital and the execution of their respective financing strategies, and could require the posting of additional collateral under certain agreements. On May 2, 2011, Fitch Ratings changed its ratings outlook for NextEra Energy, FPL and Capital Holdings from negative to stable. For a discussion of NextEra Energy's, FPL's and Capital Holdings' credit ratings, see Management's Discussion - Liquidity and Capital Resources - Credit Ratings in the 2010 Form 10-K for NextEra Energy and FPL.

Available Liquidity - At March 31, 2011, NextEra Energy's total net available liquidity was approximately $5.8 billion, of which FPL's portion was approximately $2.8 billion. The components of each company's net available liquidity at March 31, 2011 were as follows:

	FPL	Capital Holdings	NextEra Energy Consolidated	Maturity Date FPL	Maturity Date Capital Holdings
		(millions)			
Bank revolving line of credit facilities[a]	$ 2,973	$ 4,417	$ 7,390	[b]	[b]
Less letters of credit	(6)	(856)	(862)		
	2,967	3,561	6,528		
Revolving credit facility	250	-	250	2014	
Less borrowings	-	-	-		
	250	-	250		
Subtotal	3,217	3,561	6,778		
Cash and cash equivalents	21	404	425		
Less commercial paper	(431)	(947)	(1,378)		
Net available liquidity	$ 2,807	$ 3,018	$ 5,825		

(a) Provide for the funding of loans up to $7,390 million ($2,973 million for FPL) and the issuance of letters of credit up to $6,390 million ($2,473 million for FPL). The entire amount of the credit facilities is available for general corporate purposes, including to provide back-up liquidity for FPL's and Capital Holdings' commercial paper programs and other short-term borrowings and to provide additional liquidity in the event of a loss to the companies' or their subsidiaries' operating facilities (including, in the case of FPL, a transmission and distribution property loss). FPL's bank revolving line of credit facilities are also available to support the purchase of $633 million of pollution control, solid waste disposal and industrial development revenue bonds in the event they are tendered by individual bond holders and not remarketed prior to maturity.

(b) $17 million of FPL's and $40 million of Capital Holdings' bank revolving line of credit facilities expire in 2012. The remaining portion of bank revolving line of credit facilities for FPL and Capital Holdings expires in 2013.

In April 2011, Capital Holdings and an indirect wholly-owned subsidiary of NextEra Energy Resources (collectively, the Borrowers) entered into a €170 million principal amount (approximately US $250 million) variable rate revolving loan agreement maturing in April 2014 (the Revolving Loan Agreement) to finance a portion of the costs associated with constructing two 49.9 mw thermal solar plants and related facilities in Spain (the Spain Solar Project).

In addition, in April 2011, two indirect wholly-owned subsidiaries of NextEra Energy Resources (collectively, the Project Borrowers) entered into two senior secured limited-recourse variable rate loan agreements (collectively, Project Loan Agreements), one loan agreement to finance a further portion of the costs associated with constructing the Spain Solar Project (construction loan), and the second loan agreement to finance ongoing value added tax payments associated with the construction of the Spain Solar Project (VAT loan). The construction loan agreement provides for approximately €589 million principal amount (approximately US $875 million) in borrowings with a maturity date of December 2030. Concurrent with executing the construction loan agreement, several interest rate swaps were entered into to hedge against interest rate movements with respect to a portion of the projected interest payments on the construction loan, with an interest rate cap to hedge the remaining portion of the projected interest payments. Approximately €105 million (approximately US $155 million) of the funding commitment available under the construction loan agreement was borrowed in April 2011, with the remainder anticipated to be borrowed on a monthly basis through the completion of construction of the Spain Solar Project. The VAT loan agreement provides for €40 million (approximately US $60 million) in borrowings with a maturity date of no later than April 2015. Approximately €8 million (approximately US $12 million) of the funding commitment available under the VAT loan agreement was borrowed in April 2011.

As a precondition to borrowing under the terms of the Revolving Loan Agreement and the Project Loan Agreements, among other things, NextEra Energy's ratio of funded debt to total capitalization must not exceed a stated ratio. The Revolving Loan Agreement and the Project Loan Agreements contain default and related acceleration provisions for the failure to make required payments, failure to comply with certain covenants (including, for the Revolving Loan Agreement, a requirement that NextEra Energy's ratio of funded debt to total capitalization must not exceed the specified ratio and, for the Project Loan Agreements, a requirement that the Project Borrowers must complete construction of the Spain Solar Project by a certain date), certain bankruptcy-related events, and other actions by the Borrowers, the Project Borrowers or other parties as specified in the loan agreements.

The debt payment obligations under the Revolving Loan Agreement and, until certain obligations or conditions related to the Spain Solar Project are met, under the Project Loan Agreements and any related interest rate hedges are guaranteed by NextEra Energy and Capital Holdings. The Capital Holdings guarantee contains default and acceleration provisions relating to, among other things, NextEra Energy's ratio of funded debt to total capitalization exceeding a specified ratio. The US dollar amounts for the respective loans presented above are based on the conversion rate as of the date of closing.

NextEra Energy and FPL continue to monitor the development of rules related to the Dodd-Frank Act. Final rules on OTC derivative-related provisions of the Dodd-Frank Act are statutorily required to be established through U.S. Commodity Futures Trading Commission and SEC rulemakings by July 2011, however, it appears that this deadline will not be met and that the regulations may not be final until later this year. NextEra Energy and FPL cannot predict the final rules that will be adopted to implement the OTC derivative-related provisions of the Dodd-Frank Act. Those rules could negatively affect NextEra Energy's and FPL's ability to hedge their commodity and interest rate risks, which could have a material effect on NextEra Energy's and FPL's financial results. The rules also could cause NextEra Energy Resources to decide to restructure part of its energy marketing and trading operations or to discontinue certain portions of that business. In addition, if the rules require NextEra Energy and FPL to post cash collateral with respect to swap transactions, NextEra Energy's and FPL's liquidity could be materially affected, and their ability to enter into OTC derivatives to hedge commodity and interest rate risks could be significantly limited. Reporting and compliance requirements of the rules also could significantly increase operating costs and expose NextEra Energy and FPL to penalties for non-compliance. The financial and operational impact of the final rules cannot be determined at this time, but could be material.

Letters of Credit, Surety Bonds and Guarantees - NextEra Energy and FPL obtain letters of credit and surety bonds, and issue guarantees, to facilitate commercial transactions with third parties and financings. At March 31, 2011, NextEra Energy had approximately $1.1 billion of standby letters of credit ($15 million for FPL), approximately $91 million of surety bonds ($55 million for FPL) and approximately $9.3 billion notional amount of guarantees ($43 million for FPL), of which approximately $6.7 billion ($33 million for FPL) letters of credit and guarantees have expiration dates within the next five years. An aggregate of approximately $862 million ($6 million for FPL) of the standby letters of credit at March 31, 2011 were issued under FPL's and Capital Holdings' credit facilities. See Available Liquidity above. Letters of credit, surety bonds and guarantees support, among other things, the buying and selling of wholesale energy commodities, debt and related reserves, nuclear activities, capital expenditures for wind and solar development and other contractual agreements. Each of NextEra Energy and FPL believe it is unlikely that it would incur any liabilities associated with these letters of credit, surety bonds and guarantees. Accordingly, at March 31, 2011, NextEra Energy and FPL did not have any liabilities recorded for these letters of credit, surety bonds and guarantees. In addition, NextEra Energy has guaranteed certain payment obligations of Capital Holdings, including most of its debt and all of its debentures and commercial paper issuances, as well as most of its payment guarantees, and Capital Holdings has guaranteed certain debt and other obligations of NextEra Energy Resources and its subsidiaries. See Note 10 - Commitments.

Cash Flow - The changes in cash and cash equivalents are summarized as follows:

	NextEra Energy		FPL	
	Three Months Ended March 31,			
	2011	2010	2011	2010
	(millions)			
Net cash provided by operating activities	$ 983	$ 896	$ 632	$ 389
Net cash used in investing activities	(1,077)	(1,361)	(554)	(787)
Net cash provided by (used in) financing activities	217	1,442	(77)	905
Net increase in cash and cash equivalents	$ 123	$ 977	$ 1	$ 507

NextEra Energy's cash and cash equivalents increased for the three months ended March 31, 2011 reflecting cash generated by operating activities, increase in short-term debt and cash grants received under the Recovery Act. These inflows were partially offset by capital investments by FPL and NextEra Energy Resources, net retirements of long-term debt and the payment of common stock dividends to NextEra Energy shareholders.

NextEra Energy's cash flows from operating activities for the three months ended March 31, 2011 reflect cash generated by net income and non-cash charges, as well as changes in customer receivable balances.

NextEra Energy's cash flows from investing activities for the three months ended March 31, 2011 reflect capital investments, including nuclear fuel purchases, of approximately $694 million by FPL to expand and enhance its electric system and generating facilities to continue to provide reliable service to meet the power needs of present and future customers and investments in independent power projects, including nuclear fuel, of approximately $644 million by NextEra Energy Resources. NextEra Energy's cash flows from investing activities also include approximately $377 million (comprised of $223 million and $154 million at NextEra Energy Resources and FPL, respectively) of cash grants under the Recovery Act, the purchase and sale of restricted securities held in the special use funds, including the reinvestment of fund earnings and new contributions by NextEra Energy Resources, as well as other investment activity, primarily at Capital Holdings. NextEra Energy expects to receive additional cash grants under the Recovery Act during 2011.

During the three months ended March 31, 2011, NextEra Energy generated proceeds from financing activities of approximately $707 million, including a net increase in short-term debt of $488 million (comprised of $158 million and $330 million at Capital Holdings and FPL, respectively), $18 million in proceeds from the issuance of common stock and the following long-term debt issuances and borrowings. The table also sets forth long-term debt issuances and borrowings during April 2011.

Date Issued	Company	Debt Issuances/Borrowings	Interest Rate	Principal Amount (millions)	Maturity Date
January 2011	NextEra Energy Resources subsidiary	Canadian revolving credit facilities	Variable[a]	$ 122	2013
February 2011	NextEra Energy Resources subsidiary	Senior secured limited recourse notes	6.25%	82	2031
				$ 204	
April 2011	NextEra Energy Resources subsidiaries	Eurodollar denominated senior secured limited recourse loan	Variable[a][b]	$ 155	2030
April 2011	NextEra Energy Resources subsidiaries	Eurodollar denominated senior secured limited recourse loan	Variable[a]	$ 12	2015

(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.

During the three months ended March 31, 2011, NextEra Energy paid approximately $481 million in connection with financing activities, including $128 million in principal payments on NextEra Energy Resources' debt, $100 million in principal payments on Capital Holdings' debt, $24 million in principal payments on FPL's storm-recovery bonds and $229 million for the payment of dividends on NextEra Energy's common stock.

NextEra Energy's cash and cash equivalents increased for the three months ended March 31, 2010 reflecting cash generated by operating activities, net issuance of both long- and short-term debt and the cash grants received under the Recovery Act. These inflows were partially offset by capital investments by FPL and NextEra Energy Resources and the payment of common stock dividends to NextEra Energy shareholders.

In April 2011, Penta Wind, LLC (Penta Wind), an indirect wholly-owned subsidiary of NextEra Energy Resources, issued Class B membership interests to two third-party investors. Penta Wind has ownership interests in five wind generation facilities with generating capability totaling approximately 483 mw located in Iowa, North Dakota, South Dakota, Texas and Wisconsin. Penta Wind received approximately $118 million at closing and will receive future capital contributions from the third-party investors on a quarterly basis through December 31, 2019 based on the amount of PTCs generated by Penta Wind's subsidiaries. The future capital contributions are expected to total approximately $290 million based on projected wind generation.

Accumulated Other Comprehensive Income (Loss)

NextEra Energy's total other comprehensive income (loss) activity is as follows:

	Accumulated Other Comprehensive Income (Loss) Three Months Ended March 31,					
	2011			2010		
	(millions)					
	Net Unrealized Gains (Losses) On Cash Flow Hedges	Other	Total	Net Unrealized Gains (Losses) On Cash Flow Hedges	Other	Total
Balances at December 31 of prior year	$ 24	$ 142	$ 166	$ 67	$ 102	$ 169
Net unrealized gains (losses) on cash flow hedges:						
Effective portion of net unrealized losses (net of $5 and $6 tax benefit, respectively)	(10)	-	(10)	(12)	-	(12)
Reclassification from AOCI to net income (net of $8 tax expense and $7 tax benefit, respectively)	17	-	17	(9)	-	(9)
Net unrealized gains (losses) on available for sale securities:						
Net unrealized gains on securities still held (net of $14 and $16 tax expense, respectively)	-	22	22	-	19	19
Reclassification from AOCI to net income (net of $5 and $7 tax benefit, respectively)	-	(9)	(9)	-	(9)	(9)
Defined benefit pension and other benefits plans (net of $4 tax expense)	-	6	6	-	-	-
Net unrealized gains (losses) on foreign currency translation (net of $5 tax expense and $1 tax benefit, respectively)	-	10	10	-	(1)	(1)
Balances at March 31	$ 31	$ 171	$ 202	$ 46	$ 111	$ 157

Energy Marketing and Trading and Market Risk Sensitivity

Energy Marketing and Trading - Certain of NextEra Energy's subsidiaries, including FPL and NextEra Energy Resources, use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity. In addition, NextEra Energy, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in power and gas marketing and trading activities to take advantage of expected future favorable price movements.

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 clause or the 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. See Note 2.

The changes in the fair value of NextEra Energy's consolidated subsidiaries' energy contract derivative instruments for the three months ended March 31, 2011 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	NextEra Energy Total
			(millions)		
Fair value of contracts outstanding at December 31, 2010	$ 125	$ 413	$ 49	$ (236)	$ 351
Reclassification to realized at settlement of contracts	16	(31)	(5)	90	70
Changes in fair value excluding reclassification to realized	(7)	(169)	-	-	(176)
Fair value of contracts outstanding at March 31, 2011	134	213	44	(146)	245
Net option premium payments (receipts)	(146)	9	-	-	(137)
Net margin cash collateral paid					63
Total mark-to-market energy contract net assets (liabilities) at March 31, 2011	$ (12)	$ 222	$ 44	$ (146)	$ 171

NextEra Energy's total mark-to-market energy contract net assets (liabilities) at March 31, 2011 shown above are included in the condensed consolidated balance sheets as follows:

	March 31, 2011
	(millions)
Current derivative assets	$ 378
Noncurrent other assets	360
Current derivative liabilities	(392)
Noncurrent derivative liabilities	(175)
NextEra Energy's total mark-to-market energy contract net assets	$ 171

The sources of fair value estimates and maturity of energy contract derivative instruments at March 31, 2011 were as follows:

	Maturity						
	2011	2012	2013	2014	2015	Thereafter	Total
				(millions)			
Trading:							
Quoted prices in active markets for identical assets	$ (1)	$ 7	$ (44)	$ -	$ -	$ -	$ (38)
Significant other observable inputs	(104)	(33)	35	6	3	6	(87)
Significant unobservable inputs	105	5	10	(5)	(2)	-	113
Total	-	(21)	1	1	1	6	(12)
Owned Assets - Non-Qualifying:							
Quoted prices in active markets for identical assets	(13)	(19)	(1)	-	-	-	(33)
Significant other observable inputs	114	112	14	12	12	5	269
Significant unobservable inputs	(8)	3	10	6	9	(34)	(14)
Total	93	96	23	18	21	(29)	222
Owned Assets - OCI:							
Quoted prices in active markets for identical assets	26	14	-	-	-	-	40
Significant other observable inputs	10	(6)	-	-	-	-	4
Significant unobservable inputs	-	-	-	-	-	-	-
Total	36	8	-	-	-	-	44
Owned Assets - FPL Cost Recovery Clauses:							
Quoted prices in active markets for identical assets	-	-	-	-	-	-	-
Significant other observable inputs	(166)	15	-	-	-	-	(151)
Significant unobservable inputs	5	-	-	-	-	-	5
Total	(161)	15	-	-	-	-	(146)
Total sources of fair value	$ (32)	$ 98	$ 24	$ 19	$ 22	$ (23)	$ 108

The changes in the fair value of NextEra Energy's consolidated subsidiaries' energy contract derivative instruments for the three months ended March 31, 2010 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	NextEra Energy Total
			(millions)		
Fair value of contracts outstanding at December 31, 2009	$ 39	$ 126	$ 131	$ (64)	$ 232
Reclassification to realized at settlement of contracts	25	(29)	(20)	45	21
Inception value of new contracts	(22)	-	-	-	(22)
Effective portion of changes in fair value recorded in OCI	-	-	19	-	19
Ineffective portion of changes in fair value recorded in earnings	-	1	-	-	1
Changes in fair value excluding reclassification to realized	21	317	-	(454)	(116)
Fair value of contracts outstanding at March 31, 2010	63	415	130	(473)	135
Net option premium payments (receipts)	(172)	16	-	-	(156)
Net margin cash collateral paid					93
Total mark-to-market energy contract net assets (liabilities) at March 31, 2010	$ (109)	$ 431	$ 130	$ (473)	$ 72

Market Risk Sensitivity - Financial instruments and positions affecting the financial statements of NextEra Energy and FPL described below are held primarily for purposes other than trading. Market risk is measured as the potential loss in fair value resulting from hypothetical reasonably possible changes in commodity prices, interest rates, equity prices or currency exchange rates over the next year. With respect to certain debt issuances and borrowings, Capital Holdings has entered into three cross currency swaps, two to hedge against currency movements with respect to both interest and principal payments and one to hedge against currency and interest rate movements with respect to both interest and principal payments. At March 31, 2011 and December 31, 2010, the fair value of these cross currency swaps was approximately $26 million and $44 million, respectively.

NextEra Energy and its subsidiaries are also exposed to credit risk through their energy marketing and trading operations. Credit risk is the risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligation. NextEra Energy manages counterparty credit risk for its subsidiaries with energy marketing and trading operations through established policies, including counterparty credit limits, and in some cases credit enhancements, such as cash prepayments, letters of credit, cash and other collateral and guarantees. Credit risk is also managed through the use of master netting agreements. NextEra Energy's credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis.

Management has established risk management policies to monitor and manage market and credit risks. With respect to commodities, NextEra Energy's Exposure Management Committee (EMC), which is comprised of certain members of senior management, and NextEra Energy's chief executive officer are responsible for the overall approval of market and credit risk management policies and the delegation of approval and authorization levels. The EMC and NextEra Energy's chief executive officer receive periodic updates on market positions and related exposures, credit exposures and overall risk management activities.

Commodity price risk - NextEra Energy uses a value-at-risk (VaR) model to measure market risk in its trading and mark-to-market portfolios. The VaR is the estimated nominal loss of market value based on a one-day holding period at a 95% confidence level using historical simulation methodology. At March 31, 2011 and December 31, 2010, the VaR figures are as follows:

	Trading			Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses[a]			Total		
	FPL	NextEra Energy Resources	NextEra Energy	FPL	NextEra Energy Resources	NextEra Energy	FPL	NextEra Energy Resources	NextEra Energy
					(millions)				
December 31, 2010	$ -	$ 3	$ 3	$ 51	$ 21	$ 35	$ 51	$ 23	$ 36
March 31, 2011	$ -	$ 6	$ 6	$ 61	$ 40	$ 35	$ 61	$ 38	$ 34
Average for the three months ended March 31, 2011	$ -	$ 3	$ 3	$ 50	$ 24	$ 32	$ 50	$ 24	$ 32

(a) Non-qualifying hedges are employed to reduce the market risk exposure to physical assets or contracts which are not marked to market. The VaR figures for the non-qualifying hedges and hedges in OCI and FPL cost recovery clauses category do not represent the economic exposure to commodity price movements.

Interest rate risk - NextEra Energy and FPL are exposed to risk resulting from changes in interest rates as a result of their respective issuances of debt, investments in special use funds and other investments. NextEra Energy and FPL manage their respective interest rate exposure by monitoring current interest rates, entering into interest rate swaps and adjusting their variable rate debt in relation to total capitalization.

The following are estimates of the fair value of NextEra Energy's and FPL's financial instruments:

	March 31, 2011		December 31, 2010	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		(millions)		
NextEra Energy:				
Fixed income securities:				
Special use funds	$ 1,766	$ 1,766[a]	$ 1,701	$ 1,701[a]
Other investments:				
Debt securities	$ 93	$ 93[a]	$ 114	$ 114[a]
Notes receivable	$ 504	$ 561[b]	$ 525	$ 583[b]
Long-term debt, including current maturities	$ 19,872	$ 20,559[c]	$ 19,929	$ 20,756[c]
Interest rate swaps - net unrealized losses	$ (2)	$ (2)[d]	$ (16)	$ (16)[d]
FPL:				
Fixed income securities - special use funds	$ 1,405	$ 1,405[a]	$ 1,375	$ 1,375[a]
Long-term debt, including current maturities	$ 6,705	$ 7,061[c]	$ 6,727	$ 7,236[c]

(a) Based on quoted market prices for these or similar issues.
(b) Based on market prices provided by external sources.
(c) Provided by external sources based on market prices indicative of market conditions.
(d) Modeled internally based on market values using discounted cash flow analysis and credit valuation adjustment.

The special use funds of NextEra Energy and FPL consist of restricted funds set aside to cover the cost of storm damage for FPL and for the decommissioning of NextEra Energy's and FPL's nuclear power plants. A portion of these funds is invested in fixed income debt securities carried at estimated fair value. At FPL, changes in fair value, including any other than temporary impairment losses, result in a corresponding adjustment to the related liability accounts based on current regulatory treatment. The changes in fair value of NextEra Energy's non-rate regulated operations result in a corresponding adjustment to OCI, except for impairments deemed to be other than temporary, including any credit losses, which are reported in current period earnings. Because the funds set aside by FPL for storm damage could be needed at any time, the related investments are generally more liquid and, therefore, are less sensitive to changes in interest rates. The nuclear decommissioning funds, in contrast, are generally invested in longer-term securities, as decommissioning activities are not scheduled to begin until at least 2030 (2032 at FPL).

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. At March 31, 2011, the estimated fair value of NextEra Energy's interest rate swaps was as follows:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Fair value hedges - Capital Holdings:					
$ 300	June 2008	September 2011	Variable[a]	5.625%	$ 5
$ 250	May 2010	November 2013	Variable[b]	2.55%	3
$ 400	August 2010	September 2015	Variable[c]	2.60%	(11)
Total fair value hedges					(3)
Cash flow hedges:					
NextEra Energy Resources:					
$ 38	December 2003	December 2017	4.245%	Variable[d]	(3)
$ 12	April 2004	December 2017	3.845%	Variable[d]	(1)
$ 150	December 2005	November 2019	4.905%	Variable[d]	(13)
$ 362	January 2007	January 2022	5.390%	Variable[e]	(38)
$ 72	January 2008	September 2011	3.2050%	Variable[d]	(1)
$ 321	January 2009	December 2016	2.680%	Variable[d]	(5)
$ 124	January 2009[f]	December 2023	3.725%	Variable[d]	3
$ 85	January 2009	December 2023	2.578%	Variable[g]	4
$ 19	March 2009	December 2016	2.655%	Variable[d]	-
$ 7	March 2009[f]	December 2023	3.960%	Variable[d]	-
$ 308	May 2009	May 2017	3.015%	Variable[d]	(8)
$ 106	May 2009[f]	May 2024	4.663%	Variable[d]	1
$ 128	December 2009	December 2019	3.830%	Variable[d]	(6)
$ 52	December 2009[f]	September 2021	5.500%	Variable[d]	-
$ 250	April 2010	January 2027	4.040%	Variable[e]	(12)
$ 277	October 2010	September 2028	2.822%	Variable[d]	18
$ 201	December 2010	January 2018	2.313%	Variable[e]	(1)
Capital Holdings:					
$ 250	October 2010[f]	June 2021	2.744%	Variable[d]	20
$ 250	October 2010[f]	September 2021	2.819%	Variable[d]	21
$ 250	October 2010[f]	June 2023	3.479%	Variable[d]	22
Total cash flow hedges					1
Total interest rate swaps					$ (2)

(a) Three-month London InterBank Offered Rate (LIBOR) plus 1.18896%.
(b) Three-month LIBOR plus 0.4726%
(c) Three-month LIBOR plus 0.7980%
(d) Three-month LIBOR.
(e) Six-month LIBOR.
(f) Exchange of payments does not begin until December 2016, December 2016, May 2017, December 2019, June 2011, September 2011 and June 2013, respectively.
(g) Three-month Banker's Acceptance Rate.

Based upon a hypothetical 10% decrease in interest rates, which is a reasonable near-term market change, the net fair value of NextEra Energy's net liabilities would increase by approximately $972 million ($384 million for FPL) at March 31, 2011.

Equity price risk - Included in the nuclear decommissioning reserve funds of NextEra Energy are marketable equity securities carried at estimated fair value of approximately $2,121 million and $2,041 million ($1,317 million and $1,262 million for FPL) at March 31, 2011 and December 31, 2010, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $195 million ($123 million for FPL) reduction in fair value and corresponding adjustments to the related liability accounts based on current regulatory treatment for FPL, or adjustments to OCI for NextEra Energy's non-rate regulated operations, at March 31, 2011.

Credit risk - For all derivative and contractual transactions, NextEra Energy's energy marketing and trading operations, which includes FPL's energy marketing and trading division, are exposed to losses in the event of nonperformance by counterparties to these transactions. Relevant considerations when assessing NextEra Energy's energy marketing and trading operations' credit risk exposure include:

- Operations are primarily concentrated in the energy industry.
- Trade receivables and other financial instruments are predominately with energy, utility and financial services related companies, as well as municipalities, cooperatives and other trading companies in the United States.
- Overall credit risk is managed through established credit policies and is overseen by the EMC.
- Prospective and existing customers are reviewed for creditworthiness based upon established standards, with customers not meeting minimum standards providing various credit enhancements or secured payment terms, such as letters of credit or the posting of margin cash collateral.
- The use of master netting agreements to offset cash and non-cash gains and losses arising from derivative instruments with the same counterparty. NextEra Energy's policy is to have master netting agreements in place with significant counterparties.

Based on NextEra Energy's policies and risk exposures related to credit, NextEra Energy and FPL do not anticipate a material adverse effect on their financial positions as a result of counterparty nonperformance. As of March 31, 2011, approximately 98% of NextEra Energy's and 95% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have investment grade credit ratings.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of March 31, 2011, each of NextEra Energy and FPL had performed an evaluation, under the supervision and with the participation of its management, including NextEra Energy's and FPL's chief executive officer and chief financial officer, of the effectiveness of the design and operation of each company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rule 13a-15(e) or 15d-15(e)). Based upon that evaluation, the chief executive officer and chief financial officer of each of NextEra Energy and FPL concluded that the company's disclosure controls and procedures were effective as of March 31, 2011.

(b) Changes in Internal Control over Financial Reporting

NextEra Energy and FPL are continuously seeking to improve the efficiency and effectiveness of their operations and of their internal controls. This results in refinements to processes throughout NextEra Energy and FPL. However, there has been no change in NextEra Energy's or FPL's internal control over financial reporting that occurred during NextEra Energy's and FPL's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, NextEra Energy's or FPL's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

NextEra Energy and FPL are parties to various legal and regulatory proceedings in the ordinary course of their respective businesses. For information regarding legal proceedings that could have a material effect on NextEra Energy or FPL, see Item 3. Legal Proceedings and Note 14 - Legal Proceedings to Consolidated Financial Statements in the 2010 Form 10-K for NextEra Energy and FPL and Note 10 - Legal Proceedings herein. Such descriptions are incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in NextEra Energy's and FPL's 2010 Form 10-K except as follows:

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.

- Together, FPL and NextEra Energy's other subsidiaries own, or hold undivided interests in, eight nuclear generation units in four states. The construction, operation and maintenance of the facilities involve inherent risks, including, but not limited to, the following:

    - The nuclear generation facilities are subject to environmental, health and financial risks, such as risks relating to site storage of spent nuclear fuel, the disposition of spent nuclear fuel, leakage and emissions of tritium and other radioactive elements in the event of a nuclear accident or otherwise, the threat of a terrorist attack and other potential liabilities arising out of the ownership or operation of the facilities. Although NextEra Energy and FPL maintain decommissioning funds and external insurance coverage which are intended to reduce the financial exposure to some of these risks, the cost of decommissioning the facilities could exceed the amount available in the decommissioning funds, and the liability and property damages could exceed the amount of insurance coverage. In the event of an incident at any nuclear generation facility in the United States or at certain nuclear generation facilities in Europe, NextEra Energy and FPL could be assessed significant retrospective assessments and/or retrospective insurance premiums as a result of their participation in a secondary financial protection system and a nuclear insurance mutual company.

    - The NRC has broad authority to impose licensing and safety-related requirements for the construction of nuclear generation facilities, the addition of capacity at existing nuclear generation facilities, and the operation and maintenance of nuclear generation facilities, and such requirements are subject to change. In the event of non-compliance, the NRC has the authority to impose fines or shut down a nuclear generation facility, or to take both of these actions, depending upon its assessment of the severity of the situation, until compliance is achieved. NRC orders or new regulations related to increased security measures and any future safety requirements promulgated by the NRC could require NextEra Energy and FPL to incur substantial operating and capital expenditures at their nuclear generation facilities. In addition, any serious nuclear incident occurring at a NextEra Energy or FPL plant could result in substantial remediation costs and other expenses. A major incident at a nuclear facility anywhere in the world could cause the NRC to limit or prohibit the operation or licensing of any domestic nuclear generation facility. An incident at a nuclear facility anywhere in the world also could cause the NRC to impose additional conditions or other requirements on the industry, which could increase costs and result in additional capital expenditures.

    - The operating licenses for NextEra Energy's and FPL's nuclear generation facilities extend through at least 2030. If any of NextEra Energy's or FPL's nuclear generation units cannot be operated through the end of their respective operating licenses, NextEra Energy or FPL may be required to increase depreciation rates, incur impairment charges and accelerate future decommissioning expenditures, which could adversely affect their financial results.

    - Terrorist threats and increased public scrutiny of nuclear generation facilities could result in increased nuclear licensing or compliance costs which are difficult or impossible to predict.

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 and FPL's operations are subject to operating risks incident to handling, storing, transporting and consuming natural gas, natural gas liquids and oil including, but not limited to, adverse weather conditions, explosions, pollution, release of toxic substances, fires and other hazards, any of which could result in damage to or destruction of their facilities and other property or human injury. If any of these events were to occur, NextEra Energy and FPL could suffer substantial losses. Moreover, as a result of any such event, NextEra Energy and FPL may be from time to time a defendant in related legal proceedings. As a result, NextEra Energy's and FPL's financial results and liquidity could be materially adversely affected if a significant event occurs that is not fully covered by insurance.

The factors discussed above and in Part I, Item 1A. Risk Factors in NextEra Energy's and FPL's 2010 Form 10-K, as well as other information set forth in this report, which could materially adversely affect NextEra Energy's and FPL's businesses, financial condition, future financial results and/or liquidity should be carefully considered. The risks described above and in NextEra Energy's and FPL's 2010 Form 10-K are not the only risks facing NextEra Energy and FPL. Additional risks and uncertainties also may materially adversely affect NextEra Energy's or FPL's business, financial condition, future financial results and/or liquidity.

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

(c) Information regarding purchases made by NextEra Energy of its common stock during the three months ended March 31, 2011 is as follows:

Period	Total Number of Shares Purchased[a]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Maximum Number of Shares that May Yet be Purchased Under the Program[b]
1/01/11 - 1/31/11	-	$ -	-	20,000,000
2/01/11 - 2/28/11	114,866	$ 54.51	-	20,000,000
3/01/11 - 3/31/11	577	$ 53.71	-	20,000,000
Total	115,443	$ 54.51	-	

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

(b) In February 2005, NextEra Energy's Board of Directors authorized a common stock repurchase plan of up to 20 million shares of common stock over an unspecified period, which authorization was ratified and confirmed by the Board of Directors in December 2005.

Item 5. Other Information

(a) None

(b) None

(c) Other events

(i) Reference is made to Item 1. Business - Environmental Matters - Clean Air Act Mercury/Nickel Rule in the 2010 Form 10-K for NextEra Energy and FPL.

In March 2011, the EPA issued a proposed Air Toxics Rule as required under the Clean Air Act which requires coal-fired and oil-fired generating units to reduce emissions of hazardous air pollutants. Based on the provisions of the proposed rule, seven oil-fired units and three coal-fired units at FPL and three oil-fired units at NextEra Energy Resources may be required to add additional pollution control equipment to meet Maximum Achievable Control Technology standards, the economic and operational impact of which cannot be determined at this time, but could be material. A final Air Toxics Rule is scheduled to be issued by the EPA by the end of 2011; units affected by the rule will be required to comply within three years of issuance of the final rule with a possible fourth year option for compliance if required to install pollution control equipment.

(ii) Reference is made to Item 1. Business - Environmental Matters - Clean Water Act Section 316(b) in the 2010 Form 10-K for NextEra Energy and FPL.

In March 2011, the EPA issued a proposed rule under Section 316(b) of the Clean Water Act to regulate intake structures at existing power plants with once-through cooling water systems. The rule is intended to require the Best Technology Available to reduce the impact on aquatic organisms from such water intake systems. Under the proposed rule, potentially thirteen of FPL's facilities and five of NextEra Energy Resources' facilities may be required to add additional controls or make operational changes to comply with the rule, the economic and operational impact of which cannot be determined at this time, but could be material. The EPA is expected to issue the final rule in the summer of 2012.

Item 6. Exhibits

Exhibit Number	Description	NextEra Energy	FPL
*10(a)	NextEra Energy Non-Employee Director Compensation Summary effective January 1, 2011 (filed as Exhibit 10(jj) to Form 10-K for the year ended December 31, 2010, File No. 1-8841)	x	
10(b)	Form of NextEra Energy Amended and Restated Long-Term Incentive Plan Performance Share Award Agreement effective February 18, 2011	x	x
10(c)	Form of NextEra Energy Amended and Restated Long-Term Incentive Plan Restricted Stock Award Agreement effective February 18, 2011	x	x
10(d)	Form of NextEra Energy Amended and Restated Long-Term Incentive Plan Non-Qualified Stock Option Agreement effective February 18, 2011	x	x
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		x
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of NextEra Energy	x	
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of NextEra Energy	x	
31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL		x
31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL		x
32(a)	Section 1350 Certification of NextEra Energy	x	
32(b)	Section 1350 Certification of FPL		x
101.INS	XBRL Instance Document	x	
101.SCH	XBRL Schema Document	x	
101.PRE	XBRL Presentation Linkbase Document	x	
101.CAL	XBRL Calculation Linkbase Document	x	
101.LAB	XBRL Label Linkbase Document	x	
101.DEF	XBRL Definition Linkbase Document	x	

*Incorporated herein by reference

NextEra Energy and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that NextEra Energy and FPL have not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

SIGNATURES

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

NEXTERA ENERGY, INC.
(Registrant)

Date: May 4, 2011

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

FLORIDA POWER & LIGHT COMPANY
(Registrant)

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

Exhibit 12(a)

NEXTERA ENERGY, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS[a]

	Three Months Ended March 31, 2011 (millions of dollars)
Earnings, as defined:	
Net income	$ 268
Income taxes	(32)
Fixed charges included in the determination of net income, as below	270
Amortization of capitalized interest	5
Distributed income of equity method investees	23
Less: Equity in earnings of equity method investees	10
Total earnings, as defined	$ 524
Fixed charges, as defined:	
Interest expense	$ 254
Rental interest factor	11
Allowance for borrowed funds used during construction	5
Fixed charges included in the determination of net income	270
Capitalized interest	23
Total fixed charges, as defined	$ 293
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends[a]	1.79

(a) NextEra Energy, Inc. has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 12(b)

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS[(a)]

	Three Months Ended March 31, 2011 (millions of dollars)
Earnings, as defined:	
Net income	$ 205
Income taxes	121
Fixed charges included in the determination of net income, as below	97
Total earnings, as defined	$ 423
Fixed charges, as defined:	
Interest expense	$ 91
Rental interest factor	1
Allowance for borrowed funds used during construction	5
Fixed charges included in the determination of net income	97
Capitalized interest	2
Total fixed charges, as defined	$ 99
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends[(a)]	4.27

(a) Florida Power & Light Company has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended March 31, 2011 of NextEra Energy, Inc. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2011

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
of NextEra Energy, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended March 31, 2011 of NextEra Energy, Inc. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2011

ARMANDO PIMENTEL, JR.

Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer
of NextEra Energy, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando J. Olivera, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended March 31, 2011 of Florida Power & Light Company (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2011

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended March 31, 2011 of Florida Power & Light Company (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2011

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III and Armando Pimentel, Jr., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of NextEra Energy, Inc. (NextEra Energy) for the quarterly period ended March 31, 2011 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of NextEra Energy.

Dated: May 4, 2011

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
of NextEra Energy, Inc.

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance and
Chief Financial Officer of NextEra Energy, Inc.

A signed original of this written statement required by Section 906 has been provided to NextEra Energy and will be retained by NextEra Energy and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of NextEra Energy under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32(b)

Section 1350 Certification

We, Armando J. Olivera and Armando Pimentel, Jr., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of Florida Power & Light Company (FPL) for the quarterly period ended March 31, 2011 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL.

Dated: May 4, 2011

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive Officer of
Florida Power & Light Company

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

A signed original of this written statement required by Section 906 has been provided to FPL and will be retained by FPL and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 3(e)

Quarterly Report on Form 10-Q for the quarterly period ended June 30, 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**	59-0247775
	700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	

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 ☐ Florida Power & Light Company Yes ☑ No ☐

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).

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

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 ☑	Accelerated Filer ☐	Non-Accelerated Filer ☐	Smaller Reporting Company ☐
Florida Power & Light Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-Accelerated Filer ☑	Smaller Reporting Company ☐

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

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, 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:				
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

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 June 30,		Six Months Ended 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
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

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

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.

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,				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 Contracts	Interest Rate Swaps	Foreign Currency Swaps	Total	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swap	Total
	(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.

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 June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(millions)			
Commodity contracts:				
Operating revenues	$ 154[a]	$ (9)[a]	$ 2[a]	$ 261[a]
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	FPL
	(millions)	
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.

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]
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.

	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
	(millions)			
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:		
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
			(millions)			
FPL:						
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
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 Consolidated	FPL	NextEra Energy Resources[a]	Corporate & Other	NextEra Energy Consolidated
	(millions)							
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	FPL	NextEra Energy Resources[a]	Corporate & Other	NextEra Energy Consolidated
	(millions)							
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	FPL	NextEra Energy Resources	Corporate & Other	NextEra Energy Consolidated
	(millions)							
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 Consolidated	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated
	(millions)							
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 Consolidated	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated
	(millions)							
Operating revenues	$ -	$ 2,053	$ 5,041	$ 7,094	$ -	$ 2,310	$ 4,903	$ 7,213
Operating expenses	(7)	(1,689)	(4,063)	(5,759)	(2)	(1,554)	(4,009)	(5,565)
Interest expense	(7)	(322)	(181)	(510)	(8)	(307)	(170)	(485)
Other income (deductions) - net	797	125	(784)	138	989	86	(974)	101
Income (loss) before income taxes	783	167	13	963	979	535	(250)	1,264
Income tax expense (benefit)	(65)	(125)	305	115	6	11	274	291
Net income (loss)	$ 848	$ 292	$ (292)	$ 848	$ 973	$ 524	$ (524)	$ 973

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Balance Sheets

	June 30, 2011				December 31, 2010			
	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated
	(millions)							
PROPERTY, PLANT AND EQUIPMENT								
Electric utility plant in service and other property	$ 30	$ 22,651	$ 33,460	$ 56,141	$ 19	$ 21,779	$ 32,423	$ 54,221
Less accumulated depreciation and amortization	(1)	(4,402)	(10,884)	(15,287)	-	(4,275)	(10,871)	(15,146)
Total property, plant and equipment - net	29	18,249	22,576	40,854	19	17,504	21,552	39,075
CURRENT ASSETS								
Cash and cash equivalents	-	246	41	287	-	282	20	302
Receivables	164	1,143	826	2,133	654	1,380	548	2,582
Other	8	907	1,478	2,393	9	1,024	1,341	2,374
Total current assets	172	2,296	2,345	4,813	663	2,686	1,909	5,258
OTHER ASSETS								
Investment in subsidiaries	14,795	-	(14,795)	-	14,150	-	(14,150)	-
Other	472	3,838	4,580	8,890	365	3,845	4,451	8,661
Total other assets	15,267	3,838	(10,215)	8,890	14,515	3,845	(9,699)	8,661
TOTAL ASSETS	$ 15,468	$ 24,383	$ 14,706	$ 54,557	$ 15,197	$ 24,035	$ 13,762	$ 52,994
CAPITALIZATION								
Common shareholders' equity	$ 14,906	$ 4,917	$ (4,917)	$ 14,906	$ 14,461	$ 4,359	$ (4,359)	$ 14,461
Long-term debt	-	12,328	6,907	19,235	-	11,331	6,682	18,013
Total capitalization	14,906	17,245	1,990	34,141	14,461	15,690	2,323	32,474
CURRENT LIABILITIES								
Debt due within one year	-	1,515	703	2,218	-	2,664	145	2,809
Accounts payable	7	599	674	1,280	-	571	553	1,124
Other	221	1,196	1,474	2,891	352	1,361	1,258	2,971
Total current liabilities	228	3,310	2,851	6,389	352	4,596	1,956	6,904
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	-	476	1,111	1,587	-	556	1,083	1,639
Accumulated deferred income taxes	50	1,249	3,982	5,281	53	1,336	3,720	5,109
Regulatory liabilities	38	-	4,265	4,303	46	-	4,213	4,259
Other	246	2,103	507	2,856	285	1,857	467	2,609
Total other liabilities and deferred credits	334	3,828	9,865	14,027	384	3,749	9,483	13,616
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 15,468	$ 24,383	$ 14,706	$ 54,557	$ 15,197	$ 24,035	$ 13,762	$ 52,994

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Six Months Ended June 30,							
	2011				2010			
	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated
	(millions)							
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 437	$ 627	$ 927	$ 1,991	$ 487	$ 723	$ 538	$ 1,748
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures, independent power and other investments and nuclear fuel purchases	(16)	(1,262)	(1,582)	(2,860)	-	(1,271)	(1,486)	(2,757)
Capital contribution to FPL	-	-	-	-	(135)	-	135	-
Cash grants under the Recovery Act	-	301	185	486	-	426	85	511
Other - net	16	4	(5)	15	-	(15)	(22)	(37)
Net cash used in investing activities	-	(957)	(1,402)	(2,359)	(135)	(860)	(1,288)	(2,283)
CASH FLOWS FROM FINANCING ACTIVITIES								
Issuances of long-term debt	-	1,205	248	1,453	-	1,071	514	1,585
Retirements of long-term debt	-	(967)	(24)	(991)	-	(247)	(22)	(269)
Proceeds from sale of differential membership interests	-	210	-	210	-	190	-	190
Net change in short-term debt	-	(393)	553	160	-	(125)	71	(54)
Issuances of common stock	33	-	-	33	69	-	-	69
Dividends on common stock	(459)	-	-	(459)	(410)	-	-	(410)
Other - net	(11)	239	(281)	(53)	(11)	(458)	484	15
Net cash provided by (used in) financing activities	(437)	294	496	353	(352)	431	1,047	1,126
Net increase (decrease) in cash and cash equivalents	-	(36)	21	(15)	-	294	297	591
Cash and cash equivalents at beginning of period	-	282	20	302	-	156	82	238
Cash and cash equivalents at end of period	$ -	$ 246	$ 41	$ 287	$ -	$ 450	$ 379	$ 829

(a) Represents FPL and consolidating adjustments.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with the Notes contained herein and Management's Discussion and Analysis of Financial Condition and Results of Operations (Management's Discussion) appearing in the 2010 Form 10-K for NextEra Energy and FPL. The results of operations for an interim period generally will not give a true indication of results for the year. In the following discussion, all comparisons are with the corresponding items in the prior year period.

Results of Operations

Summary - Presented below is a summary of NextEra Energy's net income (loss) by reportable segment (see Note 11). Corporate and Other represents business activities other than FPL and NextEra Energy Resources, other segments that are not separately reportable and eliminating entries.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2011	2010	Increase (Decrease)	2011	2010	Increase (Decrease)
	(millions)					
FPL	$ 301	$ 265	$ 36	$ 506	$ 456	$ 50
NextEra Energy Resources	239	154	85	304	521	(217)
Corporate and Other	40	(2)	42	38	(4)	42
NextEra Energy Consolidated	$ 580	$ 417	$ 163	$ 848	$ 973	$ (125)

FPL's earnings for the three and six months ended June 30, 2011 increased primarily due to rate base growth and FPL's ability to use the surplus depreciation credit, as permitted under the terms of the stipulation and settlement regarding FPL's base rates (2010 rate agreement), to earn up to FPL's allowed 11% regulatory return on equity (ROE) on its retail rate base. The increase in FPL's results for the three and six months ended June 30, 2011 also reflects higher earnings related to additional nuclear capacity, solar and environmental capital expenditures recovered through cost recovery clauses and, for the six months ended June 30, 2011, a higher equity component of AFUDC (AFUDC - equity) primarily related to the Cape Canaveral and Riviera Beach modernization projects.

NextEra Energy Resources' results for the three and six months ended June 30, 2011 reflect lower results at Seabrook and Point Beach Nuclear Power Plant (Point Beach) primarily due to extended refueling outages at both plants and lower-priced hedges at Seabrook, as well as impairment charges primarily taken to write down the value of certain wind and oil-fired generation assets, partly offset by a higher wind resource. Also, results for the six-month period were affected by the state ITC benefit and lower results from the customer supply business. NextEra Energy Resources' results for the three and six months ended June 30, 2011 and 2010 were also affected by net unrealized after-tax gains and losses from non-qualifying hedges, as well as after-tax other than temporary impairment (OTTI) losses and reversals on securities held in its nuclear decommissioning funds, as described below. See the table under NextEra Energy Resources below for the primary drivers of earnings.

NextEra Energy and NextEra Energy Resources segregate into two categories unrealized mark-to-market gains and losses on energy derivative transactions which are used to manage commodity price risk. The first category, referred to as trading activities, represents the net unrealized effect of actively traded positions entered into to take advantage of market price movements and to optimize the value of generation assets and related contracts. The second category, referred to as non-qualifying hedges, represents the net unrealized effect of derivative and certain other transactions entered into as economic hedges but which do not qualify for hedge accounting, or for which hedge accounting was not elected. At FPL, substantially all changes in the fair value of energy derivative transactions are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel clause or the capacity clause. See Note 2.

NextEra Energy's management uses earnings excluding certain items (adjusted earnings) internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as an input in determining whether performance goals are met for performance-based compensation under NextEra Energy's employee incentive compensation plans. NextEra Energy also uses adjusted earnings when communicating its financial results and earnings outlook to investors. Adjusted earnings exclude the unrealized mark-to-market effect of non-qualifying hedges and OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds, net of the reversal of previously recognized OTTI losses on securities sold and losses on securities where price recovery was deemed unlikely (collectively, OTTI reversals). NextEra Energy's management believes adjusted earnings provide a more meaningful representation of the company's fundamental earnings power. Although the excluded amounts are properly included in the determination of net income in accordance with generally accepted accounting principles, management believes that the amount and/or nature of such items make period to period comparisons of operations difficult and potentially confusing. Adjusted earnings do not represent a substitute for net income, as prepared in accordance with generally accepted accounting principles.

The following table provides details of the net unrealized after-tax gains and losses from non-qualifying hedges and after-tax OTTI losses, net of reversals, all of which are included in NextEra Energy's and NextEra Energy Resources' net income.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(millions)			
Net unrealized mark-to-market after-tax gains (losses) from non-qualifying hedge activity	$ 78	$ (36)	$ (47)	$ 131
OTTI after-tax losses on securities held in nuclear decommissioning funds, net of OTTI reversals	$ 2	$ (5)	$ 3	$ (1)

The change in unrealized mark-to-market activity from non-qualifying hedges is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains or losses as the underlying transactions are realized. As a general rule, a gain (loss) in the non-qualifying hedge category is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under generally accepted accounting principles.

The increase in Corporate and Other's results for the three and six months ended June 30, 2011 is primarily due to a state deferred income tax benefit of approximately $64 million, net of federal income taxes, related to recent state tax law changes, partly offset by other consolidating tax adjustments. See Note 5.

NextEra Energy's effective income tax rates for the three and six months ended June 30, 2011 were approximately 20% and 12%, respectively; NextEra Energy's effective income tax rates for the corresponding periods in 2010 were 16% and 23%. These rates reflect the effect of PTCs for wind projects at NextEra Energy Resources and deferred income tax benefits associated with convertible ITCs under the Recovery Act. PTCs and deferred income tax benefits associated with convertible ITCs can significantly affect NextEra Energy's effective income tax rate depending on the amount of NextEra Energy's pretax income. PTCs can be significantly affected by wind generation. PTCs for the three and six months ended June 30, 2011 were approximately $84 million and $163 million, respectively, and $89 million and $164 million for the comparable periods in 2010. Deferred income tax benefits associated with convertible ITCs for the three and six months ended June 30, 2011 were approximately $1 million and $8 million, respectively, and $16 million and $30 million for the comparable periods in 2010. NextEra Energy's effective income tax rates for the three and six months ended June 30, 2011 were also reduced by the approximately $64 million state deferred income tax benefit recorded at Corporate and Other and, for the six months ended June 30, 2011, the $26 million state ITC benefit. See Note 5.

As a result of the impact of the March 2011 earthquake and tsunami on nuclear facilities in Japan, the NRC established a task force to conduct a comprehensive review of processes and regulations relating to nuclear facilities in the United States to determine whether the NRC should make additional improvements to its regulatory system and to make recommendations to the NRC for its policy direction. This task force initiated a review of the activities being proactively undertaken by licensees, including FPL and NextEra Energy Resources, to verify the continued operability of measures to mitigate conditions that result from severe accidents, including the loss of significant operational and safety systems, and readiness to deal with beyond-design-basis accidents. In May 2011, the NRC issued a bulletin requiring companies licensed to operate U.S. nuclear power plants to confirm that their mitigative-strategy equipment is in place and available, and that the strategies can be carried out with current plant staffing, as well as requesting further information regarding their mitigation strategies programs. FPL and NextEra Energy Resources have responded to this bulletin. In July 2011, the NRC task force released its recommendations to the NRC which are intended to clarify and strengthen the regulatory framework for protection against natural disasters, mitigation and emergency preparedness, and to improve the effectiveness of the NRC's programs. NextEra Energy and FPL are currently reviewing the recommendations and assessing the financial and operational impact on their respective nuclear units.

The lessons learned from the events in Japan and the results of the NRC's review of the task force's recommendations may, among other things, result in changes in or new licensing and safety-related requirements for U.S. nuclear facilities. Such changes in or new requirements could, among other things, impact the capacity additions (uprates) at FPL's existing nuclear units at St. Lucie and Turkey Point and NextEra Energy Resources' nuclear units at Point Beach, and future licensing and operations of U.S. nuclear facilities, including FPL's and NextEra Energy Resources' existing nuclear facilities and the NRC approval of two additional nuclear units at FPL's Turkey Point site, and could, among other things, result in increased cost and capital expenditure requirements associated with the operation and maintenance of FPL's and NextEra Energy Resources' nuclear units. While the NRC conducts its review, FPL and NextEra Energy Resources continue to work with industry organizations to understand the events in Japan and apply lessons learned which may result in FPL and NextEra Energy Resources proactively making certain modifications to their nuclear facilities to, among other things, improve operational and safety systems prior to any potential requirements being imposed by the NRC. Any such modifications could, among other things, require regulatory approvals and result in increased cost and capital expenditure requirements associated with the operation and maintenance of FPL's and NextEra Energy Resources' nuclear units. Third parties have requested that the NRC suspend the approval of nuclear uprates, nuclear license extensions, including approval of a license extension for NextEra Energy Resources' Seabrook nuclear unit, and new licenses, including approval of licenses for two additional nuclear units at FPL's Turkey Point site. Another third party request was filed with the NRC seeking immediate suspension of the NRC operating licenses for all boiling water reactors that use a certain primary containment system, including NextEra Energy Resources' Duane Arnold nuclear unit, pending completion of the NRC review. The NRC denied the request for immediate action related to the suspension of operating licenses for boiling water reactors, and, since the nuclear events in Japan, has continued to grant approvals for nuclear uprates and license extensions. However, it is uncertain at this time how and when the NRC will respond to the other items in these requests or other requests it may receive, or take action with regard to the NRC task force's recommendations.

FPL - FPL's net income for the three months ended June 30, 2011 and 2010 was $301 million and $265 million, respectively, an increase of $36 million. FPL's net income for the six months ended June 30, 2011 and 2010 was $506 million and $456 million, respectively, an increase of $50 million. See Summary above for a discussion of the major drivers of these increases.

FPL's operating revenues consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(millions)			
Retail base	$ 1,128	$ 1,077	$ 1,997	$ 2,010
Fuel cost recovery	1,157	1,074	2,110	1,692
Net repayment of previously deferred retail fuel revenues	-	-	-	356
Other cost recovery clauses and pass-through costs, net of any deferrals	454	383	832	756
Other, primarily pole attachment rentals, transmission and wholesale sales and customer-related fees	62	46	108	94
Total	$ 2,801	$ 2,580	$ 5,047	$ 4,908

For the three months ended June 30, 2011, a 0.6% increase in the average number of customer accounts increased retail base revenues by approximately $7 million, while a 2.2% increase in usage per retail customer, reflecting warm weather in 2011 and other factors, increased retail base revenues by approximately $19 million. As permitted by the 2010 rate agreement, retail base revenues collected through the capacity clause included approximately $25 million for the three and six months ended June 30, 2011 related to projected fuel savings from the placement in service of West County Energy Center (WCEC) Unit No. 3, which occurred on May 23, 2011. For the six months ended June 30, 2011, a 0.6% increase in the average number of customer accounts increased retail base revenues by approximately $13 million, while a 2.0% decrease in usage per retail customer, reflecting cold weather experienced in the first quarter of 2010 partly offset by warm weather in the second quarter of 2011 and other factors, decreased retail base revenues by approximately $59 million. In addition, a base rate increase pursuant to an FPSC order which became effective March 1, 2010, increased retail base revenues for the six months ended June 30, 2011 by approximately $8 million.

Revenues from fuel and other cost recovery clauses and pass-through costs, such as franchise fees, revenue taxes and storm-related surcharges, are largely a pass-through of costs. Such revenues also include a return on investment allowed to be recovered through the cost recovery clauses on certain assets, primarily related to nuclear capacity, solar and environmental projects. For the three months ended June 30, 2011 and 2010, cost recovery clauses contributed $25 million and $16 million, respectively, to FPL's net income; the amounts for the six months ended June 30, 2011 and 2010, were $49 million and $34 million, respectively. The increase in cost recovery clause results is primarily due to the return on investment related to additional nuclear capacity, solar and environmental capital expenditures. For the remainder of 2011, it is expected that FPL's earnings will continue to be favorably affected by cost recovery clauses as a result of additional nuclear capacity and environmental capital expenditures. Underrecovery or overrecovery of cost recovery clause and pass-through costs can significantly affect NextEra Energy's and FPL's operating cash flows. Fluctuations in fuel cost recovery revenues are primarily driven by changes in fuel and energy charges which are included in fuel, purchased power and interchange expense in the condensed consolidated statements of income, as well as by changes in energy sales. Fluctuations in revenues from other cost recovery clauses and pass-through costs are primarily driven by changes in storm-related surcharges, capacity charges, franchise fee costs, the impact of changes in operations and maintenance and depreciation expenses on the underlying cost recovery clause, investment in solar and environmental projects, investment in nuclear capacity until such capacity goes into service, pre-construction costs associated with the early-stage development of two additional nuclear units at the Turkey Point site and changes in energy sales. Capacity charges and franchise fee costs are included in fuel, purchased power and interchange and taxes other than income taxes and other, respectively, in the condensed consolidated statements of income.

FPL uses a risk management fuel procurement program which was approved by the FPSC. The FPSC reviews the program activities and results for prudence on an annual basis as part of its annual review of fuel costs. The program is intended to manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements. The current regulatory asset for the change in fair value of derivative instruments used in FPL's fuel procurement program was approximately $141 million and $236 million at June 30, 2011 and December 31, 2010, respectively. Pursuant to an FPSC order, FPL was required to refund, in the form of a one-time credit to retail customers' bills, the 2009 year-end estimated fuel overrecovery; during the first quarter of 2010, approximately $404 million was refunded to retail customers. At December 31, 2009, approximately $356 million of retail fuel revenues were overrecovered, the reversal of which is reflected as net repayment of previously deferred retail fuel revenues in the table above. The difference between the refund and the December 31, 2009 overrecovery is being collected from retail customers during 2011. The increase in fuel revenues for the three months ended June 30, 2011 reflects approximately $78 million related to higher energy sales and $5 million related to a higher average fuel factor. The increase in fuel revenues for the six months ended June 30, 2011 reflects the absence of the $404 million refund, approximately $12 million related to higher energy sales and $2 million related to a higher average fuel factor. The increase from December 31, 2010 to June 30, 2011 in deferred clause and franchise expenses and the decrease in deferred clause and franchise revenues (current and noncurrent, collectively) on NextEra Energy's and FPL's condensed consolidated balance sheets totaled approximately $32 million and negatively affected NextEra Energy's and FPL's cash flows from operating activities for the six months ended June 30, 2011.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(millions)			
Fuel and energy charges during the period	$ 1,253	$ 1,267	$ 2,114	$ 2,274
Net deferral of retail fuel costs	(100)	(195)	(14)	(220)
Other, primarily capacity charges, net of any capacity deferral	151	133	275	258
Total	$ 1,304	$ 1,205	$ 2,375	$ 2,312

The decrease in fuel and energy charges for the three months ended June 30, 2011 reflects lower fuel and energy prices of approximately $55 million partly offset by $41 million attributable to higher energy sales. The decrease in fuel and energy charges for the six months ended June 30, 2011 reflects lower fuel and energy prices of approximately $139 million and $21 million attributable to lower energy sales.

FPL's O&M expenses increased $10 million and $11 million for the three and six months ended June 30, 2011 primarily due to higher cost recovery clause costs which did not significantly affect net income. The increase in cost recovery clause costs was partly offset by the absence of a $20 million charge for workforce reductions recorded in the second quarter of 2010.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(millions)			
Surplus depreciation credit	$ (31)	$ (44)	$ (131)	$ (79)
Other depreciation and amortization recovered under base rates	231	221	459	445
Depreciation and amortization recovered under cost recovery clauses and securitized storm-recovery cost amortization	12	16	26	56
Total	$ 212	$ 193	$ 354	$ 422

Under the terms of the 2010 rate agreement, FPL can vary the amount of surplus depreciation credit taken in any calendar year up to a cap in 2010 of $267 million, a cap in subsequent years of $267 million plus the amount of any unused portion from prior years, and a cap of $776 million (surplus depreciation credit cap) over the 2010 to 2012 period. In any year of the 2010 rate agreement FPL must use at least enough surplus depreciation credit to maintain a 9% earned regulatory ROE but may not use any amount of surplus depreciation credit that would result in an earned regulatory ROE in excess of 11%. The surplus depreciation credit for the three and six months ended June 30, 2010 was recorded prior to the final order approving the 2010 rate agreement. As of June 30, 2011, approximately $641 million of the surplus depreciation credit cap remains; $399 million of the surplus depreciation credit cap is available for use in the remainder of 2011. The increase in other depreciation and amortization expense recovered under base rates for the three and six months ended June 30, 2011 is primarily due to higher plant in service balances. The decrease in depreciation and amortization recovered under cost recovery clauses and securitized storm-recovery cost amortization for the six months ended June 30, 2011 is primarily due to lower depreciation and amortization under the FPSC's nuclear cost recovery rule.

Taxes other than income taxes and other increased $23 million and $49 million for the three and six months ended June 30, 2011, respectively, primarily due to higher franchise fees and revenue taxes, both of which are pass-through costs and reflect the increase in fuel and other cost recovery clauses and pass-through costs revenues. In addition, amounts for the three and six months ended June 30, 2011 reflect higher property taxes of $7 million and $14 million, respectively, primarily due to growth in plant in service balances.

The increase in interest expense for the three and six months ended June 30, 2011 is primarily due to higher average interest rates. The increase in AFUDC - equity for the six months ended June 30, 2011 is primarily due to additional AFUDC - equity on the Cape Canaveral and Riviera Beach modernization projects.

In late May 2011, FPL placed in service WCEC Unit No. 3, a 1,220 mw natural gas-fired combined-cycle unit. In addition, FPL is in the process of adding a total of approximately 450 mw of capacity at its existing nuclear units at St. Lucie and Turkey Point, which additional capacity is projected to be placed in service by 2013, approximately 29 mw of which was placed in service in May 2011 at St. Lucie Unit No. 2. FPL is also in the process of modernizing its Cape Canaveral and Riviera Beach power plants to high-efficiency natural gas-fired units and expects the units to be placed in service by 2013 and 2014, respectively. Each modernized plant is expected to provide approximately 1,200 mw of capacity. FPL is in the preliminary stages of pursuing the modernization of its Port Everglades facility to a high-efficiency natural gas-fired unit. If the project proceeds and the required regulatory approvals are obtained, the proposed in-service date for the Port Everglades facility would be 2016 with an expected cost of approximately $1.2 billion.

NextEra Energy Resources - NextEra Energy Resources' net income for the three months ended June 30, 2011 and 2010 was $239 million and $154 million, respectively, an increase of $85 million. NextEra Energy Resources' net income for the six months ended June 30, 2011 and 2010 was $304 million and $521 million, respectively, a decrease of $217 million. The primary drivers, on an after-tax basis, of these changes were as follows:

	Increase (Decrease) From Prior Period	
	Three Months Ended June 30, 2011	Six Months Ended June 30, 2011
	(millions)	
New investments[a]	$ 11	$ 14
Existing assets[a]	(2)	41
Customer supply and proprietary power and gas trading businesses	(3)	(33)
Asset sales	(5)	(19)
Impairment charges	(31)	(31)
Interest expense, differential membership costs and other	(6)	(15)
Change in unrealized mark-to-market non-qualifying hedge activity[b][c]	114	(178)
Change in OTTI losses on securities held in nuclear decommissioning funds, net of OTTI reversals[c]	7	4
Net income increase (decrease)	$ 85	$ (217)

(a) Includes PTCs and state ITCs on wind projects and, for new investments, deferred income tax (see Note 5) and other benefits associated with convertible ITCs but does not include allocation of interest expense or corporate general and administrative expenses. Results from new projects are included in new investments during the first twelve months of operation. A project's results are included in existing assets beginning with the thirteenth month of operation.
(b) See Note 2 and discussion above related to derivative instruments.
(c) See table in Summary above for additional detail.

The increase in NextEra Energy Resources' results from new investments reflects the addition of over 900 mw of wind generation during or after the three and six months ended June 30, 2010. Results from new investments for the three and six months ended June 30, 2011 include approximately $1 million and $8 million, respectively, of deferred income tax benefits associated with convertible ITCs; the corresponding amounts for the three and six months ended June 30, 2010 were $16 million and $30 million. In addition, an after-tax benefit associated with convertible ITCs of approximately $17 million was recorded in the second quarter of 2011 from the sale of membership interests where the investor elected to receive the convertible ITCs related to the underlying wind project; the $29 million pretax amount of such benefit was recorded in taxes other than income taxes and other in NextEra Energy's condensed consolidated statements of income for the three and six months ended June 30, 2011. Results from new investments for the six months ended June 30, 2011 also include $3 million related to the state ITC benefit. See Note 5.

Results for the three-month period from NextEra Energy Resources' existing asset portfolio reflect lower results at Seabrook and Point Beach of approximately $37 million and $4 million, respectively, due to extended refueling outages, and for Seabrook, lower-priced hedges, partly offset by higher gains on their decommissioning funds. These results were partially offset by favorable wind results of approximately $31 million due to higher wind resource across the wind portfolio and lower depreciation and amortization expense due to a change in estimate of the useful lives of certain equipment across the wind portfolio, partly offset by lower prices, primarily in Texas. Results for the six-month period from NextEra Energy Resources' existing asset portfolio reflect higher wind results of approximately $102 million partly offset by lower results from Seabrook and Point Beach of $56 million and $6 million, respectively, for the same reasons as discussed above. The wind results for the six-month period also reflect the $30 million state ITC benefit (see Note 5). In addition, results for the three- and six-month periods were favorably affected by higher prices under a new long-term contract for a gas-fired project in California of approximately $7 million and $13 million, respectively. The effect of the change in estimate of useful lives of certain equipment across the wind portfolio 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 (see Note 11). In June 2011, the expanded scope outage of Point Beach Unit No. 2 was completed and its output is expected to increase more than 80 mw; this incremental power will be sold under a long-term contract through the current operating license term of the unit.

Results from the customer supply and proprietary power and gas trading businesses for the three- and six-month periods decreased primarily due to lower full requirements results reflecting the loss of customers, as well as the absence of a gain on a power supply contract realized in 2010. The decrease in asset sales for the three- and six-month periods reflect the absence of an after-tax gain of approximately $5 million on a coal-fired project that was recorded in 2010. Additionally, for the six-month period, the decrease in asset sales reflects the absence of an after-tax gain from the sale of a waste-to-energy project of approximately $12 million recorded in 2010 after the expiration of an option for the buyer to sell the project back to NextEra Energy Resources.

Impairment charges for the three- and six-month periods reflect charges taken primarily to write down the value of certain wind and oil-fired generation assets deemed to be unrecoverable. As a result of a fair value analysis, 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 which is recorded as a separate line item in NextEra Energy's condensed consolidated statements of income; the after-tax amount of the impairment charge reduced NextEra Energy Resources' results for the three and six months ended June 30, 2011 by $31 million. See Note 3. The increase in interest expense, differential membership costs and other for the three and six months ended June 30, 2011 reflects higher interest expense and other costs to support the growth of the business.

In addition to the primary drivers of net income discussed above, the discussion below describes changes in certain line items set forth in NextEra Energy's condensed consolidated statements of income as they relate to NextEra Energy Resources.

Operating revenues for the three months ended June 30, 2011 increased $140 million primarily due to unrealized mark-to-market gains of $111 million from non-qualifying hedges compared to $113 million of losses on such hedges in 2010 and higher revenues from project additions of approximately $40 million. These items were partially offset by lower revenues in the New England Power Pool region (approximately $102 million) principally resulting from an extended refueling outage at Seabrook. Operating revenues for the six months ended June 30, 2011 decreased $274 million primarily due to lower revenues at NextEra Energy Power Marketing, LLC of approximately $177 million and lower revenues in the existing asset portfolio of $164 million, due in part to the extended refueling outage at Seabrook and unfavorable market conditions in the New England Power Pool and Electric Reliability Council of Texas regions, and unrealized mark-to-market gains of $18 million from non-qualifying hedges compared to $39 million of such gains in 2010. These items were partially offset by higher revenues from project additions of approximately $78 million.

Operating expenses for the three months ended June 30, 2011 increased $9 million reflecting the impairment charges of $51 million (see Note 3), partly offset by higher benefits associated with differential membership interests. Operating expenses for the six months ended June 30, 2011 increased $122 million reflecting $96 million of unrealized mark-to-market losses from non-qualifying hedges compared to $178 million of gains on such hedges in 2010, impairment charges of $51 million and higher O&M expenses of $31 million, partly offset by lower fuel costs of approximately $178 million and higher benefits associated with differential membership interests.

NextEra Energy Resources' interest expense for the three and six months ended June 30, 2011 increased $2 million and $12 million, respectively, primarily due to increased borrowings to support the growth of the business. Gains on disposal of assets - net in NextEra Energy's condensed consolidated statements of income for the three and six months ended June 30, 2011 reflect $25 million and $41 million, respectively, of gains on sales of securities held in NextEra Energy Resources' nuclear decommissioning funds; corresponding gains for the three and six months ended June 30, 2010 were $9 million and $28 million, respectively. In addition, gains on disposal of assets - net for the six months ended June 30, 2010 reflect a pretax gain of approximately $18 million from the sale of the waste-to-energy project.

See Summary above and Note 5 for a discussion of PTCs and deferred income tax benefits associated with convertible ITCs.

NextEra Energy Resources expects its future portfolio capacity growth to come primarily from wind and solar development and from asset acquisitions. NextEra Energy Resources plans to add a total of approximately 1,400 mw to 2,000 mw of new wind generation in 2011 and 2012, including 150 mw added to date in 2011. NextEra Energy Resources is in the process of constructing a 250 mw solar thermal facility in California and a 99.8 mw solar thermal facility in Spain. In addition to these solar projects, NextEra Energy Resources is considering several solar development opportunities in the United States, and plans to add a total of approximately 400 mw to 600 mw of new solar generation during the period 2010 through 2014, including 5 mw added in 2010 and 5 mw added to date in 2011. The wind and solar expansions are subject to, among other things, continued public policy support, support for the construction and availability of sufficient transmission facilities and capacity, continued market demand, supply chain expansion and access to capital at reasonable cost and on reasonable terms. Currently, in the United States, approximately 30 states and the District of Columbia have renewable portfolio standards requiring electricity providers in the state or district to meet a certain percentage of their retail sales with energy from renewable sources. These standards vary, but the majority include requirements to meet 10% to 25% of the electricity providers' retail sales with energy from renewable sources by 2025. NextEra Energy Resources believes that these standards will create incremental demand for renewable energy in the future.

As part of NextEra Energy Resources' strategic planning process, management reviews its portfolio of existing assets with the intention of optimizing the value of the assets and their potential long-term returns. Management periodically reviews and negotiates potential business acquisitions and divestitures, some of which may be material. NextEra Energy Resources is currently exploring the potential sale of five of its natural gas-fired generating assets with an aggregate capacity of approximately 2,700 mw located in California, Virginia, Rhode Island, Alabama and South Carolina.

Corporate and Other - Corporate and Other is primarily comprised of interest expense, the operating results of FPL FiberNet and other business activities, as well as corporate interest income and expenses. Corporate and Other allocates non-utility interest expense and shared service costs to NextEra Energy Resources. Interest expense is allocated based on a deemed capital structure of 70% debt and, for purposes of allocating non-utility interest expense, the deferred credit associated with differential membership interests sold by NextEra Energy Resources subsidiaries is included with debt. Each subsidiary's income taxes are calculated based on the "separate return method," except that tax benefits that could not be used on a separate return basis, but are used on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated income tax benefits or expenses are recorded at Corporate and Other. The major components of Corporate and Other's results, on an after-tax basis, are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(millions)			
Interest expense, net of allocations to NextEra Energy Resources	$ (16)	$ (14)	$ (32)	$ (29)
Interest income	6	14	15	22
Federal and state income tax benefits	44	3	41	-
Other	6	(5)	14	3
Net income (loss)	$ 40	$ (2)	$ 38	$ (4)

The improved results from the Corporate and Other segment for the three and six months ended June 30, 2011 primarily reflect the state deferred income tax benefit of approximately $64 million, net of federal income taxes, related to recent state tax law changes, partly offset by other consolidating income tax adjustments. Other includes all other corporate income and expenses, as well as other business activities. The increase in other for the three and six months ended June 30, 2011 is primarily due to the absence of a 2010 $12 million after-tax write-down to fair value in the residual value of assets held under leveraged leases; the pretax amount of the write-down of $18 million is reflected in Other - net in NextEra Energy's condensed consolidated statements of income.

Liquidity and Capital Resources

NextEra Energy and its subsidiaries, including FPL, require funds to support and grow their businesses. These funds are used for, among other things, working capital, capital expenditures, investments in or acquisitions of assets and businesses, payment of maturing debt obligations and, from time to time, redemption or repurchase of outstanding debt or equity securities. It is anticipated that these requirements will be satisfied through a combination of internally generated funds, short- and long-term borrowings, and the issuance, from time to time, of short- and long-term debt and equity securities, consistent with NextEra Energy's and FPL's objective of maintaining, on a long-term basis, a capital structure that will support a strong investment grade credit rating. NextEra Energy, FPL and Capital Holdings rely on access to credit and capital markets as significant sources of liquidity for capital requirements and other operations that are not satisfied by operating cash flows. The inability of NextEra Energy, FPL and Capital Holdings to maintain their current credit ratings could affect their ability to raise short- and long-term capital, their cost of capital and the execution of their respective financing strategies, and could require the posting of additional collateral under certain agreements. In May 2011, Fitch Ratings changed its ratings outlook for NextEra Energy, FPL and Capital Holdings from negative to stable. For a discussion of NextEra Energy's, FPL's and Capital Holdings' credit ratings, see Management's Discussion - Liquidity and Capital Resources - Credit Ratings in the 2010 Form 10-K for NextEra Energy and FPL.

Available Liquidity - At June 30, 2011, NextEra Energy's total net available liquidity was approximately $6.1 billion, of which FPL's portion was approximately $2.6 billion. The components of each company's net available liquidity at June 30, 2011 were as follows:

	FPL	Capital Holdings	NextEra Energy Consolidated	Maturity Date FPL	Maturity Date Capital Holdings
		(millions)			
Bank revolving line of credit facilities[a]	$ 2,973	$ 4,417	$ 7,390	[b]	[b]
Less letters of credit	(3)	(807)	(810)		
	2,970	3,610	6,580		
Revolving credit facility	250	-	250	2014	
Less borrowings	-	-	-		
	250	-	250		
Subtotal	3,220	3,610	6,830		
Cash and cash equivalents	41	246	287		
Less commercial paper	(655)	(395)	(1,050)		
Net available liquidity	$ 2,606	$ 3,461	$ 6,067		

(a) Provide for the funding of loans up to $7,390 million ($2,973 million for FPL) and the issuance of letters of credit up to $6,390 million ($2,473 million for FPL). The entire amount of the credit facilities is available for general corporate purposes, including to provide back-up liquidity for FPL's and Capital Holdings' commercial paper programs and other short-term borrowings and to provide additional liquidity in the event of a loss to the companies' or their subsidiaries' operating facilities (including, in the case of FPL, a transmission and distribution property loss). FPL's bank revolving line of credit facilities are also available to support the purchase of $633 million of pollution control, solid waste disposal and industrial development revenue bonds in the event they are tendered by individual bond holders and not remarketed prior to maturity.

(b) $17 million of FPL's and $40 million of Capital Holdings' bank revolving line of credit facilities expire in 2012. The remaining portion of the bank revolving line of credit facilities for FPL and Capital Holdings expires in 2013.

In April 2011, Capital Holdings and an indirect wholly-owned subsidiary of NextEra Energy Resources (collectively, the Borrowers) entered into a €170 million principal amount variable rate revolving loan agreement maturing in April 2014 (the Revolving Loan Agreement) to finance a portion of the costs associated with constructing two 49.9 mw thermal solar plants and related facilities in Spain (the Spain Solar Project). As of June 30, 2011, approximately €165 million (approximately US $240 million) of the funding commitment under the revolving loan agreement remains available.

In addition, in April 2011, two indirect wholly-owned subsidiaries of NextEra Energy Resources (collectively, the Project Borrowers) entered into two senior secured limited-recourse variable rate loan agreements (collectively, Project Loan Agreements), one loan agreement to finance a further portion of the costs associated with constructing the Spain Solar Project (construction loan), and the second loan agreement to finance ongoing value added tax payments associated with the construction of the Spain Solar Project (VAT loan). The construction loan agreement provides for approximately €589 million principal amount in borrowings with a maturity date of December 2030. Concurrent with executing the construction loan agreement, several interest rate swaps were entered into to hedge against interest rate movements with respect to a portion of the projected interest payments on the construction loan, with an interest rate cap to hedge the remaining portion of the projected interest payments. As of June 30, 2011, approximately €466 million (approximately US $676 million) of the funding commitment under the construction loan agreement remains available, and is anticipated to be borrowed on a monthly basis through the completion of construction of the Spain Solar Project. The VAT loan agreement provides for €40 million in borrowings with a maturity date of no later than April 2015. As of June 30, 2011, approximately €33 million (approximately US $47 million) of the funding commitment under the VAT loan agreement remains available.

As a precondition to borrowing under the terms of the Revolving Loan Agreement and the Project Loan Agreements, among other things, NextEra Energy's ratio of funded debt to total capitalization must not exceed a stated ratio. The Revolving Loan Agreement and the Project Loan Agreements contain default and related acceleration provisions for the failure to make required payments, failure to comply with certain covenants (including, for the Revolving Loan Agreement, a requirement that NextEra Energy's ratio of funded debt to total capitalization must not exceed the specified ratio and, for the Project Loan Agreements, a requirement that the Project Borrowers must complete construction of the Spain Solar Project by a certain date), certain bankruptcy-related events, and other actions by the Borrowers, the Project Borrowers or other parties as specified in the loan agreements.

The debt payment obligations under the Revolving Loan Agreement and, until certain obligations or conditions related to the Spain Solar Project are met, under the Project Loan Agreements and any related interest rate hedges are guaranteed by NextEra Energy and Capital Holdings. The Capital Holdings guarantee contains default and acceleration provisions relating to, among other things, NextEra Energy's ratio of funded debt to total capitalization exceeding a specified ratio.

NextEra Energy and FPL continue to monitor the development of rules related to the Dodd-Frank Act. Final rules on OTC derivative-related provisions of the Dodd-Frank Act were statutorily required to be established through U.S. Commodity Futures Trading Commission (CFTC) and SEC rulemakings by July 2011. However, while some provisions of the statute related to OTC derivatives are currently in effect, the CFTC has provided temporary relief from certain other portions of the statute related to OTC derivatives until the earlier of the effective date of the final rules implementing such portions of the statute or December 31, 2011. NextEra Energy and FPL cannot predict the final rules that will be adopted to implement the OTC derivative-related provisions of the Dodd-Frank Act. Those rules could negatively affect NextEra Energy's and FPL's ability to hedge their commodity and interest rate risks, which could have a material effect on NextEra Energy's and FPL's financial results. The rules also could cause NextEra Energy Resources to decide to restructure part of its energy marketing and trading operations or to discontinue certain portions of that business. In addition, if the rules require NextEra Energy and FPL to post cash collateral with respect to swap transactions, NextEra Energy's and FPL's liquidity could be materially affected, and their ability to enter into OTC derivatives to hedge commodity and interest rate risks could be significantly limited. Reporting and compliance requirements of the rules also could significantly increase operating costs and expose NextEra Energy and FPL to penalties for non-compliance. The financial and operational impact of the final rules cannot be determined at this time, but could be material.

Letters of Credit, Surety Bonds and Guarantees - NextEra Energy and FPL obtain letters of credit and surety bonds, and issue guarantees, to facilitate commercial transactions with third parties and financings. At June 30, 2011, NextEra Energy had approximately $969 million of standby letters of credit ($12 million for FPL), approximately $99 million of surety bonds ($53 million for FPL) and approximately $10.3 billion notional amount of guarantees ($26 million for FPL), of which approximately $7.4 billion ($17 million for FPL) letters of credit and guarantees have expiration dates within the next five years. An aggregate of approximately $810 million ($3 million for FPL) of the standby letters of credit at June 30, 2011 were issued under FPL's and Capital Holdings' credit facilities. See Available Liquidity above. Letters of credit, surety bonds and guarantees support, among other things, the buying and selling of wholesale energy commodities, debt and related reserves, nuclear activities, capital expenditures for wind and solar development and other contractual agreements. Each of NextEra Energy and FPL believe it is unlikely that it would incur any liabilities associated with these letters of credit, surety bonds and guarantees. Accordingly, at June 30, 2011, NextEra Energy and FPL did not have any liabilities recorded for these letters of credit, surety bonds and guarantees. In addition, NextEra Energy has guaranteed certain payment obligations of Capital Holdings, including most of its debt and all of its debentures and commercial paper issuances, as well as most of its payment guarantees, and Capital Holdings has guaranteed certain debt and other obligations of NextEra Energy Resources and its subsidiaries. See Note 10 - Commitments.

Cash Flow - The changes in cash and cash equivalents are summarized as follows:

	NextEra Energy		FPL	
	Six Months Ended June 30,			
	2011	2010	2011	2010
	(millions)			
Net cash provided by operating activities	$ 1,991	$ 1,748	$ 1,036	$ 1,016
Net cash used in investing activities	(2,359)	(2,283)	(1,398)	(1,416)
Net cash provided by financing activities	353	1,126	383	696
Net increase (decrease) in cash and cash equivalents	$ (15)	$ 591	$ 21	$ 296

NextEra Energy's cash and cash equivalents decreased for the six months ended June 30, 2011 reflecting capital investments by FPL and NextEra Energy Resources and the payment of common stock dividends to NextEra Energy shareholders. These outflows were partially offset by cash generated by operating activities, net issuances of long- and short-term debt, proceeds from the sale of differential membership interests and cash grants received under the Recovery Act.

NextEra Energy's cash flows from operating activities for the six months ended June 30, 2011 reflect cash generated by net income after the effect of non-cash charges, as well as changes in operating assets and liabilities. Changes in other receivables and income taxes reflect a cash refund of approximately $278 million received from the IRS related to the IRS settlement.

NextEra Energy's cash flows from investing activities for the six months ended June 30, 2011 reflect capital investments, including nuclear fuel purchases, of approximately $1.6 billion by FPL to expand and enhance its electric system and generating facilities to continue to provide reliable service to meet the power needs of present and future customers and investments in independent power projects, including nuclear fuel, of approximately $1.1 billion by NextEra Energy Resources. NextEra Energy's cash flows from investing activities also include approximately $486 million (comprised of $301 million and $185 million at NextEra Energy Resources and FPL, respectively) of cash grants under the Recovery Act, the purchase and sale of restricted securities held in the special use funds, as well as other investment activity, primarily at Capital Holdings. NextEra Energy expects to receive additional cash grants under the Recovery Act during 2011.

During the six months ended June 30, 2011, NextEra Energy generated proceeds from financing activities of approximately $1.9 billion, including $210 million in proceeds from the sale of differential membership interests, a net increase in short-term debt of $160 million (comprised of a $554 million increase at FPL and a $394 million decrease at Capital Holdings), $33 million in proceeds from the issuance of common stock and the following long-term debt issuances and borrowings.

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
				$ 1,495	

(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.

During the six months ended June 30, 2011, NextEra Energy paid approximately $1.5 billion in connection with financing activities, including $637 million in principal payments on Capital Holdings' debt, $330 million in principal payments on NextEra Energy Resources' debt, $24 million in principal payments on FPL's storm-recovery bonds and $459 million for the payment of dividends on NextEra Energy's common stock.

In April 2011, an indirect wholly-owned subsidiary of NextEra Energy Resources issued Class B membership interests to two third-party investors. The NextEra Energy Resources subsidiary has ownership interests in five wind generation facilities with generating capability totaling approximately 483 mw located in Iowa, North Dakota, South Dakota, Texas and Wisconsin. The NextEra Energy Resources subsidiary received approximately $118 million at closing and will receive future capital contributions from the third-party investors on a quarterly basis through December 31, 2019 based on the amount of PTCs generated by the wind facilities. The future capital contributions are expected to total approximately $316 million based on projected wind generation.

In June 2011, an indirect wholly-owned subsidiary of NextEra Energy Resources sold Class B membership interests to a third-party investor. The NextEra Energy Resources subsidiary has ownership interests in a wind generation facility with generating capability totaling approximately 150 mw located in Illinois. The NextEra Energy Resources subsidiary received approximately $79 million at closing and is scheduled to receive a future capital contribution from the third-party investor of $55 million when the project receives notice regarding the award or denial of its application for a Recovery Act cash grant. The NextEra Energy Resources subsidiary is also scheduled to receive up to approximately $43 million in additional capital contributions from the third-party investor depending on the amount of the cash grant awarded. The NextEra Energy Resources subsidiary expects to receive notice of the award or denial of its application and subsequent capital contributions during the third quarter of 2011.

NextEra Energy's cash and cash equivalents increased for the six months ended June 30, 2010 reflecting cash generated by operating activities, net issuance of long-term debt, the sale of differential membership interests and the cash grants received under the Recovery Act. These inflows were partially offset by capital investments by FPL and NextEra Energy Resources and the payment of common stock dividends to NextEra Energy shareholders.

Accumulated Other Comprehensive Income (Loss)

NextEra Energy's total other comprehensive income (loss) activity is as follows:

	Accumulated Other Comprehensive Income (Loss)					
	Six Months Ended June 30,					
	2011			2010		
	(millions)					
	Net Unrealized Gains (Losses) On Cash Flow Hedges	Other	Total	Net Unrealized Gains (Losses) On Cash Flow Hedges	Other	Total
Balances at December 31 of prior year	$ 24	$ 142	$ 166	$ 67	$ 102	$ 169
Net unrealized gains (losses) on cash flow hedges:						
Effective portion of net unrealized losses (net of $33 and $30 tax benefit, respectively)	(91)	-	(91)	(52)	-	(52)
Reclassification from AOCI to net income (net of $7 tax expense and $21 tax benefit, respectively)	21	-	21	(27)	-	(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	23	-	(13)	(13)
Reclassification from AOCI to net income (net of $14 and $11 tax benefit, respectively)	-	(22)	(22)	-	(14)	(14)
Defined benefit pension and other benefits plans (net of $4 tax expense)	-	6	6	-	-	-
Net unrealized gains (losses) on foreign currency translation (net of $6 tax expense and $7 tax benefit, respectively)	-	12	12	-	(14)	(14)
Balances at June 30	$ (46)	$ 161	$ 115	$ (12)	$ 61	$ 49

Energy Marketing and Trading and Market Risk Sensitivity

Energy Marketing and Trading - Certain of NextEra Energy's subsidiaries, including FPL and NextEra Energy Resources, use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity. In addition, NextEra Energy, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in power and gas marketing and trading activities to take advantage of expected future favorable price movements.

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 clause or the 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. See Note 2.

The changes in the fair value of NextEra Energy's consolidated subsidiaries' energy contract derivative instruments for the three and six months ended June 30, 2011 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	NextEra Energy Total
			(millions)		
Three months ended June 30, 2011					
Fair value of contracts outstanding at March 31, 2011	$ 134	$ 213	$ 44	$ (146)	$ 245
Reclassification to realized at settlement of contracts	(14)	(27)	(14)	74	19
Changes in fair value excluding reclassification to realized	20	157	-	(68)	109
Fair value of contracts outstanding at June 30, 2011	140	343	30	(140)	373
Net option premium payments (receipts)	(131)	9	-	-	(122)
Net margin cash collateral paid					12
Total mark-to-market energy contract net assets (liabilities) at June 30, 2011	$ 9	$ 352	$ 30	$ (140)	$ 263

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	Hedges on Owned Assets: FPL Cost Recovery Clauses	NextEra Energy Total
			(millions)		
Six months ended June 30, 2011					
Fair value of contracts outstanding at December 31, 2010	$ 125	$ 413	$ 49	$ (236)	$ 351
Reclassification to realized at settlement of contracts	2	(58)	(19)	164	89
Changes in fair value excluding reclassification to realized	13	(12)	-	(68)	(67)
Fair value of contracts outstanding at June 30, 2011	140	343	30	(140)	373
Net option premium payments (receipts)	(131)	9	-	-	(122)
Net margin cash collateral paid					12
Total mark-to-market energy contract net assets (liabilities) at June 30, 2011	$ 9	$ 352	$ 30	$ (140)	$ 263

NextEra Energy's total mark-to-market energy contract net assets (liabilities) at June 30, 2011 shown above are included in the condensed consolidated balance sheets as follows:

	June 30, 2011
	(millions)
Current derivative assets	$ 310
Noncurrent derivative assets	413
Current derivative liabilities	(319)
Noncurrent derivative liabilities	(141)
NextEra Energy's total mark-to-market energy contract net assets	$ 263

The sources of fair value estimates and maturity of energy contract derivative instruments at June 30, 2011 were as follows:

	Maturity: 2011	2012	2013	2014	2015	Thereafter	Total
				(millions)			
Trading:							
Quoted prices in active markets for identical assets	$ 4	$ 1	$ (43)	$ 2	$ -	$ -	$ (36)
Significant other observable inputs	(54)	(32)	39	(2)	-	9	(40)
Significant unobservable inputs	47	4	8	7	10	9	85
Total	(3)	(27)	4	7	10	18	9
Owned Assets - Non-Qualifying:							
Quoted prices in active markets for identical assets	(10)	(22)	(4)	(1)	-	-	(37)
Significant other observable inputs	77	122	35	35	31	24	324
Significant unobservable inputs	5	20	16	14	12	(2)	65
Total	72	120	47	48	43	22	352
Owned Assets - OCI:							
Quoted prices in active markets for identical assets	16	14	-	-	-	-	30
Significant other observable inputs	6	(6)	-	-	-	-	-
Significant unobservable inputs	-	-	-	-	-	-	-
Total	22	8	-	-	-	-	30
Owned Assets - FPL Cost Recovery Clauses:							
Quoted prices in active markets for identical assets	-	-	-	-	-	-	-
Significant other observable inputs	(128)	(17)	-	-	-	-	(145)
Significant unobservable inputs	2	2	1	-	-	-	5
Total	(126)	(15)	1	-	-	-	(140)
Total sources of fair value	$ (35)	$ 86	$ 52	$ 55	$ 53	$ 40	$ 251

The changes in the fair value of NextEra Energy's consolidated subsidiaries' energy contract derivative instruments for the three and six months ended June 30, 2010 were as follows:

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	FPL Cost Recovery Clauses	NextEra Energy Total
			(millions)		
Three months ended June 30, 2010					
Fair value of contracts outstanding at March 31, 2010	$ 63	$ 415	$ 130	$ (473)	$ 135
Reclassification to realized at settlement of contracts	(23)	(49)	(32)	138	34
Inception value of new contracts	16	(45)	-	-	(29)
Changes in fair value excluding reclassification to realized	27	(8)	-	63	82
Fair value of contracts outstanding at June 30, 2010	83	313	98	(272)	222
Net option premium payments (receipts)	(143)	11	-	-	(132)
Net margin cash collateral paid					104
Total mark-to-market energy contract net assets (liabilities) at June 30, 2010	$ (60)	$ 324	$ 98	$ (272)	$ 194

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	FPL Cost Recovery Clauses	NextEra Energy Total
			(millions)		
Six months ended June 30, 2010					
Fair value of contracts outstanding at December 31, 2009	$ 39	$ 126	$ 131	$ (64)	$ 232
Reclassification to realized at settlement of contracts	2	(78)	(52)	183	55
Inception value of new contracts	(6)	(45)	-	-	(51)
Effective portion of changes in fair value recorded in OCI	-	-	19	-	19
Ineffective portion of changes in fair value recorded in earnings	-	1	-	-	1
Changes in fair value excluding reclassification to realized	48	309	-	(391)	(34)
Fair value of contracts outstanding at June 30, 2010	83	313	98	(272)	222
Net option premium payments (receipts)	(143)	11	-	-	(132)
Net margin cash collateral paid					104
Total mark-to-market energy contract net assets (liabilities) at June 30, 2010	$ (60)	$ 324	$ 98	$ (272)	$ 194

Market Risk Sensitivity - Financial instruments and positions affecting the financial statements of NextEra Energy and FPL described below are held primarily for purposes other than trading. Market risk is measured as the potential loss in fair value resulting from hypothetical reasonably possible changes in commodity prices, interest rates, equity prices or currency exchange rates over the next year. At June 30, 2011, with respect to certain debt issuances and borrowings, Capital Holdings has two cross currency swaps, one to hedge against currency movements with respect to both interest and principal payments and one to hedge against currency and interest rate movements with respect to both interest and principal payments. At June 30, 2011 and December 31, 2010, the fair value of cross currency swaps was approximately $1 million and $44 million, respectively.

NextEra Energy and its subsidiaries are also exposed to credit risk through their energy marketing and trading operations. Credit risk is the risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligation. NextEra Energy manages counterparty credit risk for its subsidiaries with energy marketing and trading operations through established policies, including counterparty credit limits, and in some cases credit enhancements, such as cash prepayments, letters of credit, cash and other collateral and guarantees. Credit risk is also managed through the use of master netting agreements. NextEra Energy's credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis.

Management has established risk management policies to monitor and manage market and credit risks. With respect to commodities, NextEra Energy's Exposure Management Committee (EMC), which is comprised of certain members of senior management, and NextEra Energy's chief executive officer are responsible for the overall approval of market and credit risk management policies and the delegation of approval and authorization levels. The EMC and NextEra Energy's chief executive officer receive periodic updates on market positions and related exposures, credit exposures and overall risk management activities.

Commodity price risk - NextEra Energy uses a value-at-risk (VaR) model to measure market risk in its trading and mark-to-market portfolios. The VaR is the estimated nominal loss of market value based on a one-day holding period at a 95% confidence level using historical simulation methodology. At June 30, 2011 and December 31, 2010, the VaR figures are as follows:

	Trading			Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses[a]			Total		
	FPL	NextEra Energy Resources	NextEra Energy	FPL	NextEra Energy Resources	NextEra Energy	FPL	NextEra Energy Resources	NextEra Energy
					(millions)				
December 31, 2010	$ -	$ 3	$ 3	$ 51	$ 21	$ 35	$ 51	$ 23	$ 36
June 30, 2011	$ -	$ 4	$ 4	$ 66	$ 41	$ 38	$ 66	$ 42	$ 35
Average for the six months ended June 30, 2011	$ -	$ 3	$ 3	$ 55	$ 34	$ 34	$ 55	$ 34	$ 33

(a) Non-qualifying hedges are employed to reduce the market risk exposure to physical assets or contracts which are not marked to market. The VaR figures for the non-qualifying hedges and hedges in OCI and FPL cost recovery clauses category do not represent the economic exposure to commodity price movements.

Interest rate risk - NextEra Energy and FPL are exposed to risk resulting from changes in interest rates as a result of their respective issuances of debt, investments in special use funds and other investments. NextEra Energy and FPL manage their respective interest rate exposure by monitoring current interest rates, entering into interest rate swaps and adjusting their variable rate debt in relation to total capitalization.

The following are estimates of the fair value of NextEra Energy's and FPL's financial instruments:

	June 30, 2011		December 31, 2010	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		(millions)		
NextEra Energy:				
Fixed income securities:				
Special use funds	$ 1,803	$ 1,803[a]	$ 1,701	$ 1,701[a]
Other investments:				
Debt securities	$ 120	$ 120[a]	$ 114	$ 114[a]
Notes receivable	$ 503	$ 548[b]	$ 525	$ 583[b]
Long-term debt, including current maturities	$ 20,399	$ 21,331[c]	$ 19,929	$ 20,756[c]
Interest rate swaps - net unrealized losses	$ (93)	$ (93)[d]	$ (16)	$ (16)[d]
FPL:				
Fixed income securities - special use funds	$ 1,434	$ 1,434[a]	$ 1,375	$ 1,375[a]
Long-term debt, including current maturities	$ 6,956	$ 7,478[c]	$ 6,727	$ 7,236[c]

(a) Based on quoted market prices for these or similar issues.
(b) Based on market prices provided by external sources.
(c) Provided by external sources based on market prices indicative of market conditions.
(d) Modeled internally based on market values using discounted cash flow analysis and credit valuation adjustment.

The special use funds of NextEra Energy and FPL consist of restricted funds set aside to cover the cost of storm damage for FPL and for the decommissioning of NextEra Energy's and FPL's nuclear power plants. A portion of these funds is invested in fixed income debt securities carried at estimated fair value. At FPL, changes in fair value, including any other than temporary impairment losses, result in a corresponding adjustment to the related liability accounts based on current regulatory treatment. The changes in fair value of NextEra Energy's non-rate regulated operations result in a corresponding adjustment to OCI, except for impairments deemed to be other than temporary, including any credit losses, which are reported in current period earnings. Because the funds set aside by FPL for storm damage could be needed at any time, the related investments are generally more liquid and, therefore, are less sensitive to changes in interest rates. The nuclear decommissioning funds, in contrast, are generally invested in longer-term securities, as decommissioning activities are not scheduled to begin until at least 2030 (2032 at FPL).

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. At June 30, 2011, the estimated fair value of NextEra Energy's interest rate swaps was as follows:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Fair value hedges - Capital Holdings:					
$ 300	June 2008	September 2011	Variable[a]	5.625%	$ 2
$ 250	May 2010	November 2013	Variable[b]	2.55%	6
$ 400	August 2010	September 2015	Variable[c]	2.60%	(1)
Total fair value hedges					7
Cash flow hedges:					
NextEra Energy Resources:					
$ 38	December 2003	December 2017	4.245%	Variable[d]	(3)
$ 12	April 2004	December 2017	3.845%	Variable[d]	(1)
$ 137	December 2005	November 2019	4.905%	Variable[d]	(14)
$ 362	January 2007	January 2022	5.390%	Variable[e]	(40)
$ 62	January 2008	September 2011	3.2050%	Variable[d]	(1)
$ 305	January 2009	December 2016	2.680%	Variable[d]	(10)
$ 124	January 2009[f]	December 2023	3.725%	Variable[d]	3
$ 85	January 2009	December 2023	2.578%	Variable[g]	2
$ 18	March 2009	December 2016	2.655%	Variable[d]	(1)
$ 7	March 2009[f]	December 2023	3.960%	Variable[d]	-
$ 293	May 2009	May 2017	3.015%	Variable[d]	(13)
$ 106	May 2009[f]	May 2024	4.663%	Variable[d]	-
$ 128	December 2009	December 2019	3.830%	Variable[d]	(9)
$ 52	December 2009[f]	September 2021	5.500%	Variable[d]	-
$ 243	April 2010	January 2027	4.040%	Variable[e]	(17)
$ 277	October 2010	September 2028	2.822%	Variable[d]	11
$ 201	December 2010	January 2018	2.313%	Variable[e]	(4)
$ 153	April 2011	December 2013	2.733%	Variable[h]	(4)
$ 854	April 2011[f]	June 2018	4.042%	Variable[i]	(16)
$ 707	April 2011[f]	December 2030	4.694%	Variable[i]	(10)
Capital Holdings:					
$ 250	October 2010[f][j]	September 2021	2.819%	Variable[d]	12
$ 250	October 2010[f]	June 2023	3.479%	Variable[d]	15
Total cash flow hedges					(100)
Total interest rate swaps					$ (93)

(a) Three-month London InterBank Offered Rate (LIBOR) plus 1.18896%.
(b) Three-month LIBOR plus 0.4726%
(c) Three-month LIBOR plus 0.7980%
(d) Three-month LIBOR.
(e) Six-month LIBOR.
(f) Exchange of payments does not begin until December 2016, December 2016, May 2017, December 2019, December 2013, June 2018, September 2011 and June 2013, respectively.
(g) Three-month Banker's Acceptance Rate.
(h) One-month Euro Interbank Offered Rate (Euribor).
(i) Six-month Euribor.
(j) In June 2011, hedge accounting ceased because issuance of forecasted debt is no longer probable.

Based upon a hypothetical 10% decrease in interest rates, which is a reasonable near-term market change, the net fair value of NextEra Energy's net liabilities would increase by approximately $1,041 million ($401 million for FPL) at June 30, 2011.

Equity price risk - Included in the nuclear decommissioning reserve funds of NextEra Energy are marketable equity securities carried at estimated fair value of approximately $2,102 million and $2,041 million ($1,310 million and $1,262 million for FPL) at June 30, 2011 and December 31, 2010, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $195 million ($123 million for FPL) reduction in fair value and corresponding adjustments to the related liability accounts based on current regulatory treatment for FPL, or adjustments to OCI for NextEra Energy's non-rate regulated operations, at June 30, 2011.

Credit risk - For all derivative and contractual transactions, NextEra Energy's energy marketing and trading operations, which includes FPL's energy marketing and trading division, are exposed to losses in the event of nonperformance by counterparties to these transactions. Relevant considerations when assessing NextEra Energy's energy marketing and trading operations' credit risk exposure include:

- Operations are primarily concentrated in the energy industry.
- Trade receivables and other financial instruments are predominately with energy, utility and financial services related companies, as well as municipalities, cooperatives and other trading companies in the United States.
- Overall credit risk is managed through established credit policies and is overseen by the EMC.
- Prospective and existing customers are reviewed for creditworthiness based upon established standards, with customers not meeting minimum standards providing various credit enhancements or secured payment terms, such as letters of credit or the posting of margin cash collateral.
- The use of master netting agreements to offset cash and non-cash gains and losses arising from derivative instruments with the same counterparty. NextEra Energy's policy is to have master netting agreements in place with significant counterparties.

Based on NextEra Energy's policies and risk exposures related to credit, NextEra Energy and FPL do not anticipate a material adverse effect on their financial positions as a result of counterparty nonperformance. As of June 30, 2011, approximately 98% of NextEra Energy's and 96% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have investment grade credit ratings.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of June 30, 2011, each of NextEra Energy and FPL had performed an evaluation, under the supervision and with the participation of its management, including NextEra Energy's and FPL's chief executive officer and chief financial officer, of the effectiveness of the design and operation of each company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rule 13a-15(e) or 15d-15(e)). Based upon that evaluation, the chief executive officer and chief financial officer of each of NextEra Energy and FPL concluded that the company's disclosure controls and procedures were effective as of June 30, 2011.

(b) Changes in Internal Control over Financial Reporting

NextEra Energy and FPL are continuously seeking to improve the efficiency and effectiveness of their operations and of their internal controls. This results in refinements to processes throughout NextEra Energy and FPL. However, there has been no change in NextEra Energy's or FPL's internal control over financial reporting that occurred during NextEra Energy's and FPL's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, NextEra Energy's or FPL's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

NextEra Energy and FPL are parties to various legal and regulatory proceedings in the ordinary course of their respective businesses. For information regarding legal proceedings that could have a material effect on NextEra Energy or FPL, see Item 3. Legal Proceedings and Note 14 - Legal Proceedings to Consolidated Financial Statements in the 2010 Form 10-K for NextEra Energy and FPL and Note 10 - Legal Proceedings herein. Such descriptions are incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in NextEra Energy's and FPL's March 2011 Form 10-Q and 2010 Form 10-K except as follows:

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.

- NextEra Energy and FPL are required to maintain decommissioning funds to satisfy their future obligations to decommission their nuclear power plants. In addition, NextEra Energy sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of NextEra Energy and its subsidiaries. A decline in the market value of the assets held in the decommissioning funds or in the defined benefit pension plan due to poor investment performance or other factors may increase the funding requirements for these obligations. Moreover, NextEra Energy's and FPL's defined benefit pension plan is sensitive to changes in interest rates, since, as interest rates decrease, the funding liabilities increase, potentially increasing benefits costs and funding requirements. Any increase in benefits costs or funding requirements may have an adverse effect on NextEra Energy's and FPL's liquidity and financial results.

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

The factors discussed above, in Part II, Item 1A. Risk Factors in NextEra Energy's and FPL's March 2011 Form 10-Q and in Part I, Item 1A. Risk Factors in NextEra Energy's and FPL's 2010 Form 10-K, as well as other information set forth in this report, which could materially adversely affect NextEra Energy's and FPL's businesses, financial condition, future financial results and/or liquidity should be carefully considered. The risks described above and in NextEra Energy's and FPL's March *2011 Form 10-Q and 2010 Form 10-K are not the only risks facing NextEra Energy and FPL.* Additional risks and uncertainties not currently known to NextEra Energy or FPL, or that are currently deemed to be immaterial, also may materially adversely affect NextEra Energy's or FPL's business, financial condition, future financial results and/or liquidity.

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

(c) Information regarding purchases made by NextEra Energy of its common stock during the three months ended June 30, 2011 is as follows:

Period	Total Number of Shares Purchased[a]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Maximum Number of Shares that May Yet be Purchased Under the Program[b]
4/01/11 - 4/30/11	-	$ -	-	20,000,000
5/01/11 - 5/31/11	12,573	$ 58.64	-	20,000,000
6/01/11 - 6/30/11	549	$ 57.05	-	20,000,000
Total	13,122	$ 58.57	-	

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

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

Item 5. Other Information

(a) None

(b) None

(c) Other events

(i) Reference is made to Item 1. Business - FPL Operations - System Capability and Load in the 2010 Form 10-K for NextEra Energy and FPL.

In July 2011, the FPSC ordered FPL to continue executing its current demand side management (DSM) plans until the FPSC decides if the DSM goals set pursuant to a 2009 FPSC order for Florida utilities, including FPL, should be reset given concerns over higher customer rates.

(ii) Reference is made to Item 1. Business - FPL Operations - Nuclear Operations in the 2010 Form 10-K for NextEra Energy and FPL.

The next scheduled nuclear refueling outage for St. Lucie Unit No. 1, which is an expanded scope outage, is now scheduled for November 2011.

(iii) Reference is made to Item 1. Business - Environmental Matters - Clean Air Interstate Rule (CAIR)/Clean Air Transport Rule (Transport Rule) in the 2010 Form 10-K for NextEra Energy and FPL.

In July 2011, the EPA issued a final version of the Transport Rule, the Cross-State Air Pollution Rule (CSAPR), which will replace the CAIR beginning January 1, 2012. CSAPR will limit emissions of sulfur dioxide (SO_2) and nitrogen oxide (NO_X) from power plants in 27 eastern states and provides an allocation methodology for emission allowances and reduction limits for SO_2 and NO_X beginning in January 2012 and seasonal ozone requirements beginning in May 2012, with a second phase of reductions beginning in January 2014. Complying with the CSAPR is not expected to have a significant impact on NextEra Energy or FPL.

Item 6. Exhibits

Exhibit Number	Description	NextEra Energy	FPL
*4(a)	Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and seventeen Supplements thereto, between FPL and Deutsche Bank Trust Company Americas, Trustee (filed as Exhibit B-3, File No. 2-4845; Exhibit 7(a), File No. 2-7126; Exhibit 7(a), File No. 2-7523; Exhibit 7(a), File No. 2-7990; Exhibit 7(a), File No. 2-9217; Exhibit 4(a)-5, File No. 2-10093; Exhibit 4(c), File No. 2-11491; Exhibit 4(b)-1, File No. 2-12900; Exhibit 4(b)-1, File No. 2-13255; Exhibit 4(b)-1, File No. 2-13705; Exhibit 4(b)-1, File No. 2-13925; Exhibit 4(b)-1, File No. 2-15088; Exhibit 4(b)-1, File No. 2-15677; Exhibit 4(b)-1, File No. 2-20501; Exhibit 4(b)-1, File No. 2-22104; Exhibit 2(c), File No. 2-23142; Exhibit 2(c), File No. 2-24195; Exhibit 4(b)-1, File No. 2-25677; Exhibit 2(c), File No. 2-27612; Exhibit 2(c), File No. 2-29001; Exhibit 2(c), File No. 2-30542; Exhibit 2(c), File No. 2-33038; Exhibit 2(c), File No. 2-37679; Exhibit 2(c), File No. 2-39006; Exhibit 2(c), File No. 2-41312; Exhibit 2(c), File No. 2-44234; Exhibit 2(c), File No. 2-46502; Exhibit 2(c), File No. 2-48679; Exhibit 2(c), File No. 2-49726; Exhibit 2(c), File No. 2-50712; Exhibit 2(c), File No. 2-52826; Exhibit 2(c), File No. 2-53272; Exhibit 2(c), File No. 2-54242; Exhibit 2(c), File No. 2-56228; Exhibits 2(c) and 2(d), File No. 2-60413; Exhibits 2(c) and 2(d), File No. 2-65701; Exhibit 2(c), File No. 2-66524; Exhibit 2(c), File No. 2-67239; Exhibit 4(c), File No. 2-69716; Exhibit 4(c), File No. 2-70767; Exhibit 4(b), File No. 2-71542; Exhibit 4(b), File No. 2-73799; Exhibits 4(c), 4(d) and 4(e), File No. 2-75762; Exhibit 4(c), File No. 2-77629; Exhibit 4(c), File No. 2-79557; Exhibit 99(a) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669; Exhibit 99(a) to Post-Effective Amendment No. 1 to Form S-3, File No. 33-46076; Exhibit 4(b) to Form 10-K for the year ended December 31, 1993, File No. 1-3545; Exhibit 4(i) to Form 10-Q for the quarter ended June 30, 1994, File No. 1-3545; Exhibit 4(b) to Form 10-Q for the quarter ended June 30, 1995, File No. 1-3545; Exhibit 4(a) to Form 10-Q for the quarter ended March 31,1996, File No. 1-3545; Exhibit 4 to Form 10-Q for the quarter ended June 30, 1998, File No. 1-3545; Exhibit 4 to Form 10-Q for the quarter ended March 31, 1999, File No. 1-3545; Exhibit 4(f) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; Exhibit 4(g) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; Exhibit 4(o), File No. 333-102169; Exhibit 4(k) to Post-Effective Amendment No. 1 to Form S-3, File No. 333-102172; Exhibit 4(l) to Post-Effective Amendment No. 2 to Form S-3, File No. 333-102172; Exhibit 4(m) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102172; Exhibit 4(a) to Form 10-Q for the quarter ended September 30, 2004, File No. 2-27612; Exhibit 4(f) to Amendment No. 1 to Form S-3, File No. 333-125275; Exhibit 4(y) to Post-Effective Amendment No. 2 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(z) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 2006, File No. 2-27612; Exhibit 4(a) to Form 8-K dated April 17, 2007, File No. 2-27612; Exhibit 4 to Form 8-K dated October 10, 2007, File No. 2-27612; Exhibit 4 to Form 8-K dated January 16, 2008, File No. 2-27612; Exhibit 4(a) to Form 8-K dated March 17, 2009, File No. 2-27612; Exhibit 4 to Form 8-K dated February 9, 2010, File No. 2-27612; Exhibit 4 to Form 8-K dated December 9, 2010, File No. 2-27612; and Exhibit 4(a) to Form 8-K dated June 10, 2011, File No. 2-27612)	x	x
*4(b)	Officer's Certificate of Capital Holdings, dated June 10, 2011, creating the 4.50% Debentures, Series due June 1, 2021 (filed as Exhibit 4(b) to Form 8-K dated June 10, 2011, File No. 1-8841)	x	
*10(a)	NextEra Energy 2011 Long Term Incentive Plan (filed as Exhibit 10(a) to Form 8-K dated May 20, 2011, File No. 1-8841)	x	x
10(b)	Amendment 1 to the NextEra Energy Deferred Compensation Plan effective January 1, 2005, as amended and restated through October 15, 2010	x	x

Exhibit Number	Description	NextEra Energy	FPL
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		x
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of NextEra Energy	x	
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of NextEra Energy	x	
31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL		x
31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL		x
32(a)	Section 1350 Certification of NextEra Energy	x	
32(b)	Section 1350 Certification of FPL		x
101.INS	XBRL Instance Document	x	x
101.SCH	XBRL Schema Document	x	x
101.PRE	XBRL Presentation Linkbase Document	x	x
101.CAL	XBRL Calculation Linkbase Document	x	x
101.LAB	XBRL Label Linkbase Document	x	x
101.DEF	XBRL Definition Linkbase Document	x	x

*Incorporated herein by reference

NextEra Energy and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that NextEra Energy and FPL have not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

SIGNATURES

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

NEXTERA ENERGY, INC.
(Registrant)

Date: August 1, 2011

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

FLORIDA POWER & LIGHT COMPANY
(Registrant)

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

Exhibit 12(a)

NEXTERA ENERGY, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS[a]

	Six Months Ended June 30, 2011 (millions of dollars)
Earnings, as defined:	
Net income	$ 848
Income taxes	115
Fixed charges included in the determination of net income, as below	541
Amortization of capitalized interest	11
Distributed income of equity method investees	48
Less: Equity in earnings of equity method investees	29
Total earnings, as defined	$ 1,534
Fixed charges, as defined:	
Interest expense	$ 510
Rental interest factor	21
Allowance for borrowed funds used during construction	10
Fixed charges included in the determination of net income	541
Capitalized interest	50
Total fixed charges, as defined	$ 591
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends[a]	2.60

(a) NextEra Energy, Inc. has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 12(b)

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS[a]

	Six Months Ended June 30, 2011 (millions of dollars)
Earnings, as defined:	
Net income	$ 506
Income taxes	305
Fixed charges included in the determination of net income, as below	199
Total earnings, as defined	$ 1,010
Fixed charges, as defined:	
Interest expense	$ 187
Rental interest factor	3
Allowance for borrowed funds used during construction	9
Fixed charges included in the determination of net income	199
Capitalized interest	2
Total fixed charges, as defined	$ 201
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends[a]	5.02

(a) Florida Power & Light Company has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2011 of NextEra Energy, Inc. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2011

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
of NextEra Energy, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2011 of NextEra Energy, Inc. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2011

ARMANDO PIMENTEL, JR.

Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer
of NextEra Energy, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando J. Olivera, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2011 of Florida Power & Light Company (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2011

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2011 of Florida Power & Light Company (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2011

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III and Armando Pimentel, Jr., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of NextEra Energy, Inc. (NextEra Energy) for the quarterly period ended June 30, 2011 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of NextEra Energy.

Dated: August 1, 2011

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
of NextEra Energy, Inc.

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance and
Chief Financial Officer of NextEra Energy, Inc.

A signed original of this written statement required by Section 906 has been provided to NextEra Energy and will be retained by NextEra Energy and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of NextEra Energy under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32(b)

Section 1350 Certification

We, Armando J. Olivera and Armando Pimentel, Jr., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of Florida Power & Light Company (FPL) for the quarterly period ended June 30, 2011 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL.

Dated: August 1, 2011

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive Officer of
Florida Power & Light Company

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

A signed original of this written statement required by Section 906 has been provided to FPL and will be retained by FPL and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 3(f)

Quarterly Report on Form 10-Q for the quarterly period ended September 30, 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 **September 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**	59-0247775

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

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 ☐ Florida Power & Light Company Yes ☑ No ☐

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).

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

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 ☑	Accelerated Filer ☐	Non-Accelerated Filer ☐	Smaller Reporting Company ☐
Florida Power & Light Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-Accelerated Filer ☑	Smaller Reporting Company ☐

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

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 September 30, 2011: 422,536,194 shares.

As of September 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, 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 Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011 (June 2011 Form 10-Q), and investors should refer to those sections of the 2010 Form 10-K, the March 2011 Form 10-Q and the June 2011 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 September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
OPERATING REVENUES	$ 4,382	$ 4,691	$ 11,476	$ 11,904
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,911	1,991	4,872	4,795
Other operations and maintenance	748	712	2,212	2,123
Impairment charges	—	—	51	—
Depreciation and amortization	496	531	1,236	1,330
Taxes other than income taxes and other	316	332	859	883
Total operating expenses	3,471	3,566	9,230	9,131
OPERATING INCOME	911	1,125	2,246	2,773
OTHER INCOME (DEDUCTIONS)				
Interest expense	(265)	(247)	(775)	(732)
Loss on assets held for sale	(148)	—	(148)	—
Equity in earnings of equity method investees	28	33	57	56
Allowance for equity funds used during construction	7	10	28	25
Interest income	21	22	58	69
Gains on disposal of assets - net	37	13	79	61
Other than temporary impairment losses on securities held in nuclear decommissioning funds	(30)	(1)	(34)	(16)
Other - net	4	5	18	(10)
Total other deductions - net	(346)	(165)	(717)	(547)
INCOME BEFORE INCOME TAXES	565	960	1,529	2,226
INCOME TAXES	158	240	273	532
NET INCOME	$ 407	$ 720	$ 1,256	$ 1,694
Earnings per share of common stock:				
Basic	$ 0.98	$ 1.75	$ 3.01	$ 4.14
Assuming dilution	$ 0.97	$ 1.74	$ 3.00	$ 4.11
Dividends per share of common stock	$ 0.55	$ 0.50	$ 1.65	$ 1.50
Weighted-average number of common shares outstanding:				
Basic	417.4	410.9	416.7	409.1
Assuming dilution	419.8	413.7	419.1	411.6

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)

	September 30, 2011	December 31, 2010
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 49,929	$ 48,841
Nuclear fuel	1,707	1,539
Construction work in progress	4,587	3,841
Less accumulated depreciation and amortization	(15,106)	(15,146)
Total property, plant and equipment - net ($2,731 and $2,398 related to VIEs, respectively)	41,117	39,075
CURRENT ASSETS		
Cash and cash equivalents	640	302
Customer receivables, net of allowances of $13 and $20, respectively	1,689	1,509
Other receivables	548	1,073
Materials, supplies and fossil fuel inventory	1,045	857
Regulatory assets:		
Deferred clause and franchise expenses	267	368
Derivatives	263	236
Other	86	82
Derivatives	327	506
Assets held for sale ($759 related to VIEs)	1,092	—
Other	295	325
Total current assets	6,252	5,258
OTHER ASSETS		
Special use funds	3,668	3,742
Other investments	931	971
Prepaid benefit costs	1,317	1,259
Regulatory assets:		
Securitized storm-recovery costs ($325 and $356 related to a VIE, respectively)	530	581
Other	408	329
Derivatives	499	589
Other	1,863	1,190
Total other assets	9,216	8,661
TOTAL ASSETS	$ 56,585	$ 52,994
CAPITALIZATION		
Common stock	$ 4	$ 4
Additional paid-in capital	5,558	5,418
Retained earnings	9,439	8,873
Accumulated other comprehensive (loss) income	(114)	166
Total common shareholders' equity	14,887	14,461
Long-term debt ($1,403 and $1,338 related to VIEs, respectively)	20,039	18,013
Total capitalization	34,926	32,474
CURRENT LIABILITIES		
Commercial paper	1,835	889
Current maturities of long-term debt	597	1,920
Accounts payable	1,336	1,124
Customer deposits	639	634
Accrued interest and taxes	683	462
Derivatives	571	536
Accrued construction-related expenditures	422	371
Liabilities associated with assets held for sale ($387 related to VIEs)	596	—
Other	740	968
Total current liabilities	7,419	6,904
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,608	1,639
Accumulated deferred income taxes	5,357	5,109
Regulatory liabilities:		
Accrued asset removal costs	2,211	2,244
Asset retirement obligation regulatory expense difference	1,531	1,592
Other	537	423
Derivatives	454	243
Deferral related to differential membership interests - VIEs	1,100	949
Other	1,442	1,417
Total other liabilities and deferred credits	14,240	13,616
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 56,585	$ 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)

	Nine Months Ended September 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 1,256	$ 1,694
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,236	1,330
Nuclear fuel amortization	210	214
Loss on assets held for sale	148	—
Impairment charges	51	—
Unrealized (gains) losses on marked to market energy contracts	182	(499)
Deferred income taxes	274	336
Cost recovery clauses and franchise fees	71	(679)
Changes in prepaid option premiums and derivative settlements	23	10
Equity in earnings of equity method investees	(57)	(56)
Distributions of earnings from equity method investees	67	32
Allowance for equity funds used during construction	(28)	(25)
Gains on disposal of assets - net	(79)	(61)
Other than temporary impairment losses on securities held in nuclear decommissioning funds	34	16
Changes in operating assets and liabilities:		
Customer receivables	(228)	(157)
Other receivables	56	(133)
Materials, supplies and fossil fuel inventory	(269)	(17)
Other current assets	(27)	(50)
Other assets	(83)	114
Accounts payable	30	102
Margin cash collateral	(28)	136
Income taxes	106	117
Interest and other taxes	259	233
Other current liabilities	(83)	(5)
Other liabilities	(130)	(21)
Other - net	126	138
Net cash provided by operating activities	3,117	2,769
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(2,128)	(2,044)
Independent power and other investments of NextEra Energy Resources	(1,654)	(1,837)
Cash grants under the American Recovery and Reinvestment Act of 2009	503	556
Funds received from a spent fuel settlement	—	44
Nuclear fuel purchases	(331)	(157)
Other capital expenditures	(204)	(51)
Sale of independent power investments	—	16
Loan proceeds restricted for construction	(596)	—
Proceeds from sale or maturity of securities in special use funds	3,567	5,350
Purchases of securities in special use funds	(3,638)	(5,435)
Proceeds from sale or maturity of other securities	399	580
Purchases of other securities	(431)	(578)
Other - net	91	—
Net cash used in investing activities	(4,422)	(3,556)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	2,917	3,018
Retirements of long-term debt	(1,688)	(571)
Proceeds from sale of differential membership interests	210	261
Net change in short-term debt	946	(935)
Issuances of common stock - net	39	184
Dividends on common stock	(689)	(616)
Other - net	(92)	(1)
Net cash provided by financing activities	1,643	1,340
Net increase in cash and cash equivalents	338	553
Cash and cash equivalents at beginning of period	302	238
Cash and cash equivalents at end of period	$ 640	$ 791
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued property additions	$ 851	$ 610

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 September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
OPERATING REVENUES	$ 3,152	$ 3,116	$ 8,200	$ 8,024
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,479	1,504	3,854	3,816
Other operations and maintenance	429	399	1,237	1,196
Depreciation and amortization	299	333	653	754
Taxes other than income taxes and other	289	296	822	780
Total operating expenses	2,496	2,532	6,566	6,546
OPERATING INCOME	656	584	1,634	1,478
OTHER INCOME (DEDUCTIONS)				
Interest expense	(101)	(91)	(287)	(270)
Allowance for equity funds used during construction	6	10	26	25
Other - net	1	(1)	(2)	(1)
Total other deductions - net	(94)	(82)	(263)	(246)
INCOME BEFORE INCOME TAXES	562	502	1,371	1,232
INCOME TAXES	215	194	519	468
NET INCOME	$ 347	$ 308	$ 852	$ 764

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)

	September 30, 2011	December 31, 2010
ELECTRIC UTILITY PLANT		
Plant in service	$ 31,274	$ 29,519
Nuclear fuel	944	729
Construction work in progress	2,064	2,175
Less accumulated depreciation and amortization	(10,979)	(10,871)
Electric utility plant - net	23,303	21,552
CURRENT ASSETS		
Cash and cash equivalents	30	20
Customer receivables, net of allowances of $11 and $17, respectively	996	710
Other receivables	291	395
Materials, supplies and fossil fuel inventory	724	505
Regulatory assets:		
Deferred clause and franchise expenses	267	368
Derivatives	263	236
Other	79	76
Other	158	145
Total current assets	2,808	2,455
OTHER ASSETS		
Special use funds	2,611	2,637
Prepaid benefit costs	1,075	1,035
Regulatory assets:		
Securitized storm-recovery costs ($325 and $356 related to a VIE, respectively)	530	581
Other	375	293
Other	168	145
Total other assets	4,759	4,691
TOTAL ASSETS	$ 30,870	$ 28,698
CAPITALIZATION		
Common stock	$ 1,373	$ 1,373
Additional paid-in capital	5,363	5,054
Retained earnings	3,798	3,364
Total common shareholder's equity	10,534	9,791
Long-term debt ($437 and $486 related to a VIE, respectively)	6,885	6,682
Total capitalization	17,419	16,473
CURRENT LIABILITIES		
Commercial paper	408	101
Current maturities of long-term debt	49	45
Accounts payable	732	554
Customer deposits	633	628
Accrued interest and taxes	492	311
Derivatives	269	245
Accrued construction-related expenditures	200	183
Other	389	441
Total current liabilities	3,172	2,508
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,126	1,083
Accumulated deferred income taxes	4,334	3,835
Regulatory liabilities:		
Accrued asset removal costs	2,211	2,244
Asset retirement obligation regulatory expense difference	1,531	1,592
Other	500	377
Other	577	586
Total other liabilities and deferred credits	10,279	9,717
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 30,870	$ 28,698

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)

	Nine Months Ended September 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 852	$ 764
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	653	754
Nuclear fuel amortization	111	102
Deferred income taxes	439	242
Cost recovery clauses and franchise fees	71	(679)
Allowance for equity funds used during construction	(26)	(25)
Changes in operating assets and liabilities:		
Customer receivables	(286)	(83)
Other receivables	14	(70)
Materials, supplies and fossil fuel inventory	(219)	(13)
Other current assets	(33)	(35)
Other assets	(48)	19
Accounts payable	69	130
Income taxes	(67)	162
Interest and other taxes	228	232
Other current liabilities	1	30
Other liabilities	(36)	9
Other - net	25	73
Net cash provided by operating activities	1,748	1,612
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(2,128)	(2,044)
Cash grants under the American Recovery and Reinvestment Act of 2009	202	131
Funds received from a spent fuel settlement	—	32
Nuclear fuel purchases	(223)	(62)
Proceeds from sale or maturity of securities in special use funds	2,483	4,088
Purchases of securities in special use funds	(2,534)	(4,151)
Other - net	32	31
Net cash used in investing activities	(2,168)	(1,975)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	248	523
Retirements of long-term debt	(45)	(42)
Net change in short-term debt	307	(578)
Capital contribution from NextEra Energy	310	660
Dividends	(400)	(250)
Other - net	10	4
Net cash provided by financing activities	430	317
Net increase (decrease) in cash and cash equivalents	10	(46)
Cash and cash equivalents at beginning of period	20	83
Cash and cash equivalents at end of period	$ 30	$ 37
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued property additions	$ 420	$ 237

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.

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 September 30,				Nine Months Ended September 30,			
	2011	2010	2011	2010	2011	2010	2011	2010
	(millions)							
Service cost	$ 16	$ 15	$ 2	$ 1	$ 48	$ 45	$ 5	$ 4
Interest cost	25	25	5	6	74	76	16	17
Expected return on plan assets	(60)	(60)	(1)	(1)	(179)	(180)	(2)	(2)
Amortization of transition obligation	—	—	1	1	—	—	2	3
Amortization of prior service benefit	(1)	(1)	—	—	(2)	(3)	—	—
Net periodic benefit (income) cost at NextEra Energy	$ (20)	$ (21)	$ 7	$ 7	$ (59)	$ (62)	$ 21	$ 22
Net periodic benefit (income) cost at FPL	$ (13)	$ (14)	$ 5	$ 6	$ (39)	$ (41)	$ 16	$ 17

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 or when it becomes probable that a forecasted transaction being hedged would not occur. See Note 6. The ineffective portion of net unrealized gains (losses) on these hedges is reported in earnings in the current period. At September 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.

In September 2011, a subsidiary of NextEra Energy Resources entered into an agreement to sell its ownership interest in four natural gas-fired generating plants. See Note 3 - Nonrecurring Fair Value Measurements. Certain of the plants had hedged their exposure to interest rate and commodity price fluctuations by entering into derivative contracts. Because the plants are being sold to a third party, it became no longer probable that the future hedged transactions would occur. Therefore, NextEra Energy was required to reclassify any gains or losses in AOCI related to those hedges to earnings. During the three and nine months ended September 30, 2011, NextEra Energy reclassified approximately $21 million of net losses to earnings, $30 million of losses were recorded in loss on assets held for sale and $9 million of gains were recorded in other - net.

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	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
	(millions)			
Current derivative assets[a]	$ 327	$ 506	$ 6 [b]	$ 8 [b]
Noncurrent derivative assets[c]	499	589	2 [d]	1 [d]
Current derivative liabilities[e]	(571)	(536)	(269)	(245)
Noncurrent derivative liabilities[f]	(454)	(243)	(27) [g]	—
Total mark-to-market derivative instrument assets (liabilities)	$ (199)	$ 316	$ (288)	$ (236)

(a) At September 30, 2011 and December 31, 2010, NextEra Energy's balances reflect the netting of approximately $43 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 September 30, 2011 and December 31, 2010, NextEra Energy's balances reflect the netting of approximately $54 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 September 30, 2011 and December 31, 2010, NextEra Energy's balances reflect the netting of approximately $88 million and $23 million (none at FPL), respectively, in margin cash collateral provided to counterparties.
(f) At September 30, 2011 and December 31, 2010, NextEra Energy's balances reflect the netting of approximately $99 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 September 30, 2011 and December 31, 2010, NextEra Energy had approximately $24 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 current other liabilities in NextEra Energy's condensed consolidated balance sheets. Additionally, at September 30, 2011 and December 31, 2010, NextEra Energy had approximately $46 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 current other assets in NextEra Energy's 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 September 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.

	September 30, 2011		December 31, 2010	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(millions)			
Interest rate swaps:				
Current derivative assets	$ 19	$ —	$ 16	$ —
Current derivative liabilities	—	58	—	64
Noncurrent derivative assets	12	—	91	—
Noncurrent derivative liabilities	—	249	—	59
Foreign currency swaps:				
Current derivative assets	—	—	24	—
Current derivative liabilities	—	2	—	4
Noncurrent derivative assets	—	—	11	—
Noncurrent derivative liabilities	—	6	—	—
Total	$ 31	$ 315	$ 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 September 30,							
	2011				2010			
	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swaps	Total	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swaps	Total
	(millions)							
Gains (losses) recognized in OCI	$ —	$ (236)	$ (14)	$ (250)	$ —	$ (76)	$ 5	$ (71)
Gains (losses) reclassified from AOCI to net income	$ 11 [a]	$ (21) [b]	$ 5 [c]	$ (5)	$ 25 [a]	$ (23) [b]	$ 8 [c]	$ 10

(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.

	Nine Months Ended September 30,							
	2011				2010			
	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swaps	Total	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swaps	Total
	(millions)							
Gains (losses) recognized in OCI	$ —	$ (353)	$ (20)	$ (373)	$ 19	$ (181)	$ 9	$ (153)
Gains (losses) reclassified from AOCI to net income	$ 30 [a]	$ (64) [b]	$ 1 [c]	$ (33)	$ 93 [a]	$ (50) [b]	$ 14 [d]	$ 57
Gains (losses) recognized in income[e]	$ —	$ —	$ —	$ —	$ 1 [a]	$ —	$ —	$ 1

(a) Included in operating revenues.
(b) Included in interest expense.
(c) Loss of approximately $4 million is included in interest expense and the balance is included in other - net.
(d) Loss of approximately $2 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 nine months ended September 30, 2011, NextEra Energy recorded a gain of approximately $16 million and $19 million, respectively, on six 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 nine months ended September 30, 2010, NextEra Energy recorded a gain of approximately $4 million and $8 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.

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.

	September 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	$ 667	$ 316	$ 6 [a]	$ —	$ 754	$ 278	$ 9 [a]	$ 1 [a]
Current derivative liabilities	1,815	2,412	4	273	1,848	2,339	12	257
Noncurrent derivative assets	651	133	2 [b]	—	687	157	1 [b]	—
Noncurrent derivative liabilities	747	1,045	—	27 [c]	828	1,084	—	—
Foreign currency swap:								
Current derivative assets	—	—	—	—	13	—	—	—
Current derivative liabilities	—	2	—	—	—	—	—	—
Noncurrent derivative assets	23	—	—	—	—	—	—	—
Total	$ 3,903	$ 3,908	$ 12	$ 300	$ 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 September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(millions)			
Commodity contracts:				
Operating revenues	$ (50) [a]	$ 354 [a]	$ (48) [a]	$ 615 [a]
Fuel, purchased power and interchange	10	(104)	8	(10)
Foreign currency swap - Other - net	23	8	20	13
Interest rate contracts - Other - net	(16)	—	(11)	—
Total	$ (33)	$ 258	$ (31)	$ 618

(a) In addition, for the three and nine months ended September 30, 2011, FPL recorded approximately $232 million and $300 million of losses, respectively, related to commodity contracts as regulatory assets on its condensed consolidated balance sheets. For the three and nine months ended September 30, 2010, FPL recorded approximately $306 million and $698 million of losses, respectively, related to commodity contracts as regulatory assets 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 September 30, 2011, NextEra Energy and FPL had derivative commodity contracts for the following net notional volumes:

Commodity Type	NextEra Energy		FPL	
	(millions)			
Power	(115)	mwh[a]	—	
Natural gas	1,183	mmbtu[b]	855	mmbtu[b]
Oil	(2)	barrels	—	

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

At September 30, 2011, NextEra Energy had 28 interest rate swaps with a notional amount totaling approximately $6.6 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 September 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 $1.7 billion ($0.3 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 $350 million ($100 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 $600 million ($150 million at FPL).

Collateral may be posted in the form of cash or credit support. At September 30, 2011, NextEra Energy had posted approximately $140 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.

Recurring Fair Value Measurements - 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:

	September 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	$ 409	$ —	$ —	$ —	$ 409
FPL - equity securities	$ 3	$ —	$ —	$ —	$ 3
Special use funds:					
NextEra Energy:					
Equity securities	$ 638	$ 1,086 [b]	$ —	$ —	$ 1,724
U.S. Government and municipal bonds	$ 545	$ 138	$ —	$ —	$ 683
Corporate debt securities	$ —	$ 488	$ —	$ —	$ 488
Mortgage-backed securities	$ —	$ 519	$ —	$ —	$ 519
Other debt securities	$ —	$ *64*	$ —	$ —	$ *64*
FPL:					
Equity securities	$ 121	$ 949 [b]	$ —	$ —	$ 1,070
U.S. Government and municipal bonds	$ 478	$ 114	$ —	$ —	$ 592
Corporate debt securities	$ —	$ 338	$ —	$ —	$ 338
Mortgage-backed securities	$ —	$ 437	$ —	$ —	$ 437
Other debt securities	$ —	$ 44	$ —	$ —	$ 44
Other investments:					
NextEra Energy:					
Equity securities	$ 4	$ —	$ —	$ —	$ 4
U.S. Government and municipal bonds	$ 18	$ —	$ —	$ —	$ 18
Corporate debt securities	$ —	$ 29	$ —	$ —	$ 29
Mortgage-backed securities	$ —	$ 36	$ —	$ —	$ 36
Other	$ 5	$ 10	$ —	$ —	$ 15
Derivatives:					
NextEra Energy:					
Commodity contracts	$ 1,596	$ 1,623	$ 661	$ (3,108)	$ 772 [c]
Interest rate swaps	$ —	$ 31	$ —	$ —	$ 31 [c]
Foreign currency swaps	$ —	$ 23	$ —	$ —	$ 23 [c]
FPL - *commodity contracts*	$ —	$ *6*	$ *6*	$ (4)	$ *8* [c]
Liabilities:					
Derivatives:					
NextEra Energy:					
Commodity contracts	$ 1,693	$ 1,673	$ 540	$ (3,198)	$ 708 [c]
Interest rate swaps	$ —	$ 307	$ —	$ —	$ 307 [c]
Foreign currency swaps	$ —	$ 10	$ —	$ —	$ 10 [c]
FPL - commodity contracts	$ —	$ 298	$ 2	$ (4)	$ 296 [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 $970 million ($875 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.

	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 September 30, 2011		Nine Months Ended September 30, 2011	
	NextEra Energy	FPL	NextEra Energy	FPL
	(millions)			
Fair value of net derivatives based on significant unobservable inputs at June 30 and December 31 of prior period	$ 155	$ 5	$ 296	$ 7
Realized and unrealized gains (losses):				
Included in earnings[a]	(11)	—	2	—
Included in regulatory assets and liabilities	—	—	2	2
Purchases	45	—	186	—
Settlements[b]	3	(1)	(100)	(5)
Issuances	(70)	—	(260)	—
Transfers in[c]	1	—	3	—
Transfers out[c]	(2)	—	(8)	—
Fair value of net derivatives based on significant unobservable inputs at September 30	$ 121	$ 4	$ 121	$ 4
The amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to derivatives still held at the reporting date[d]	$ 12	$ —	$ 42	$ —

(a) For the three and nine months ended September 30, 2011, $(12) million and $(11) million, respectively, of realized and unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income. For the three and nine months ended September 30, 2011, $1 million and $14 million, respectively, of realized and unrealized gains (losses) are reflected in fuel, purchased power and interchange in the condensed consolidated statements of income.
(b) Includes a $12 million derivative asset related to a commodity contract reclassified to assets held for sale at September 30, 2011 that will be settled at closing. See Nonrecurring Fair Value Measurements below.
(c) For the three and nine months ended September 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.
(d) For the three and nine months ended September 30, 2011, $12 million and $37 million, respectively, of unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income. For the three and nine months ended September 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 September 30, 2010		Nine Months Ended September 30, 2010	
	NextEra Energy	FPL	NextEra Energy	FPL
	(millions)			
Fair value of net derivatives based on significant unobservable inputs at June 30 and December 31 of prior period	$ 347	$ 7	$ 364	$ 11
Realized and unrealized gains (losses):				
Included in earnings[a]	173	—	523	—
Included in regulatory assets and liabilities	3	3	2	2
Purchases, sales, settlements and issuances	54	(2)	(284)	(5)
Transfers in[b]	(1)	—	1	—
Transfers out[b]	(14)	—	(44)	—
Fair value of net derivatives based on significant unobservable inputs at September 30	$ 562	$ 8	$ 562	$ 8
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]	$ 184	$ —	$ 381	$ —

(a) For the three and nine months ended September 30, 2010, $171 million and $515 million, respectively, of realized and unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income. For the three and nine months ended September 30, 2010, $2 million and $8 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 nine months ended September 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 nine months ended September 30, 2010, $183 million and $377 million, respectively, of unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income. For the three and nine months ended September 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.

Nonrecurring Fair Value Measurements - 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 nine months ended September 30, 2011.

In September 2011, a subsidiary of NextEra Energy Resources entered into an agreement to sell its ownership interest in four natural gas-fired generating plants with a total generating capacity of 2,152 mw located in California, Virginia, Alabama and South Carolina. A NextEra Energy Resources affiliate will continue to operate three of the facilities included in the sale under service contracts for a five-year period and the fourth facility for a two-year period. The transaction is expected to close in the fourth quarter of 2011, contingent upon receipt of necessary regulatory approvals and third-party consents.

In connection with the agreement to sell, during the three and nine months ended September 30, 2011, a loss of approximately $148 million ($97 million after-tax) was recorded in NextEra Energy's condensed consolidated statements of income consisting of the impact of writing down the net assets held for sale to their estimated fair value less costs to sell and the reclassification of $30 million from AOCI as a result of the discontinuance of certain cash flow hedges because it became probable that the related forecasted transactions being hedged would not occur. See Note 2. The fair value measurement (Level 3) was based on the negotiated sales price and the estimated costs to sell. The carrying amounts of the major classes of assets and liabilities related to the four plants that were classified as held for sale on NextEra Energy's condensed consolidated balance sheets are as follows:

	September 30, 2011
	(millions)
Property, plant and equipment - net	$ 856
Current assets	147
Other assets	89
Assets held for sale	$ 1,092
Long-term debt	$ 488
Current liabilities	87
Other liabilities and deferred credits	21
Liabilities associated with assets held for sale	$ 596

Derivative assets and derivative liabilities with carrying values and estimated fair values of approximately $12 million and $28 million, respectively, are included in the assets held for sale and liabilities associated with assets held for sale at September 30, 2011. The derivative assets consist of a commodity contract which is subject to recurring fair value measurements based on Level 3 inputs and the derivative liabilities consist of interest rate swap agreements which are subject to recurring fair value measurements based on Level 2 inputs.

4. Financial Instruments

The carrying amounts of cash equivalents and commercial paper approximate their fair values. At September 30, 2011 and December 31, 2010, other investments of NextEra Energy, not included in the table below, included financial instruments of approximately $75 million and $97 million ($4 million and $4 million at FPL), respectively, including $41 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.

	September 30, 2011		December 31, 2010	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
NextEra Energy:				
Special use funds	$ 3,668 [a]	$ 3,668 [b]	$ 3,742 [a]	$ 3,742 [b]
Other investments:				
Notes receivable	$ 503	$ 521 [c]	$ 525	$ 583 [c]
Debt securities	$ 94 [d]	$ 94 [b]	$ 114 [d]	$ 114 [b]
Equity securities	$ 75	$ 154 [e]	$ 57	$ 125 [e]
Long-term debt, including current maturities	$ 20,632 [f]	$ 22,578 [g]	$ 19,929	$ 20,756 [g]
Interest rate swaps - net unrealized losses	$ (276) [f]	$ (276) [h]	$ (16)	$ (16) [h]
Foreign currency swaps - net unrealized gains	$ 11	$ 11 [h]	$ 44	$ 44 [h]
FPL:				
Special use funds	$ 2,611 [a]	$ 2,611 [b]	$ 2,637 [a]	$ 2,637 [b]
Long-term debt, including current maturities	$ 6,934	$ 8,346 [g]	$ 6,727	$ 7,236 [g]

(a) At September 30, 2011, includes $150 million of investments accounted for under the equity method and $40 million of loans not measured at fair value on a recurring basis ($105 million and $25 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 $1,645 million and $1,405 million, respectively, at September 30, 2011 and $1,616 million and $1,489 million, respectively, at December 31, 2010 ($1,317 million and $859 million, respectively, at September 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 September 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) Exclude balances related to liabilities associated with assets held for sale. See Note 3 - Nonrecurring Fair Value Measurements.
(g) Provided by external sources based on market prices indicative of market conditions.
(h) 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 $129 million and NextEra Energy's and FPL's nuclear decommissioning fund assets of $3,539 million and $2,482 million, respectively, at September 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 September 30, 2011 of approximately six years at both NextEra Energy and FPL. FPL's storm fund primarily consists of debt securities with a weighted-average maturity at September 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 September 30,				Nine Months Ended September 30,			
	2011		2010		2011		2010	
	NextEra Energy	FPL	NextEra Energy	FPL	NextEra Energy	FPL	NextEra Energy	FPL
	(millions)							
Realized gains	$ 69	$ 22	$ 23	$ 7	$ 156	$ 60	$ 85	$ 38
Realized losses	$ 27	$ 17	$ 6	$ 4	$ 70	$ 51	$ 21	$ 14
Proceeds from sale or maturity of securities	$ 992	$ 675	$ 1,212	$ 775	$ 3,567	$ 2,483	$ 5,350	$ 4,088

Unrealized losses on available for sale debt securities at September 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	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
	(millions)			
Equity securities	$ 372	$ 612	$ 264	$ 384
U.S. Government and municipal bonds	$ 48	$ 15	$ 43	$ 15
Corporate debt securities	$ 28	$ 23	$ 23	$ 19
Mortgage-backed securities	$ 27	$ 20	$ 24	$ 18
Other debt securities	$ 3	$ 2	$ 3	$ 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 September 30, 2011 and 2010 was approximately 28% and 25%, respectively. The reduction from the federal statutory rate mainly reflects the benefit of wind production tax credits (PTCs) of approximately $45 million and $66 million, respectively, related to NextEra Energy Resources' wind projects and approximately $9 million and $26 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), primarily for certain wind projects expected to be placed in service. NextEra Energy's effective income tax rate for the three months ended September 30, 2010 also reflects an income tax benefit of $24 million related to employee benefits.

NextEra Energy's effective income tax rate for the nine months ended September 30, 2011 and 2010 was approximately 18% and 24%, respectively. The reduction from the federal statutory rate mainly reflects the benefit of wind PTCs of approximately $208 million and $229 million, respectively, and approximately $17 million and $56 million, respectively, of deferred income tax benefits associated with convertible ITCs. NextEra Energy's effective income tax rate for the nine months ended September 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 state tax law changes 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's effective income tax rate for the nine months ended September 30, 2010 also reflects an income tax benefit of $24 million related to employee benefits.

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.

6. Comprehensive Income

NextEra Energy's comprehensive income is as follows:

	Three Months Ended September 30,	
	2011	2010
	(millions)	
Net income of NextEra Energy	$ 407	$ 720
Net unrealized gains (losses) on cash flow hedges:		
Effective portion of net unrealized losses (net of $92 and $25 tax benefit, respectively)	(158)	(46)
Reclassification from AOCI to net income (net of $10 tax expense and $7 tax benefit, respectively)	16	(3)
Net unrealized gains (losses) on available for sale securities:		
Net unrealized gains (losses) on securities still held (net of $27 tax benefit and $25 tax expense, respectively)	(43)	39
Reclassification from AOCI to net income (net of $17 and $2 tax benefit, respectively)	(25)	(2)
Net unrealized gains (losses) on foreign currency translation (net of $10 tax benefit and $5 tax expense, respectively)	(19)	10
Comprehensive income of NextEra Energy	$ 178	$ 718

	Nine Months Ended September 30,	
	2011	2010
	(millions)	
Net income of NextEra Energy	$ 1,256	$ 1,694
Net unrealized gains (losses) on cash flow hedges:		
Effective portion of net unrealized losses (net of $125 and $55 tax benefit, respectively)	(248)	(98)
Reclassification from AOCI to net income (net of $18 tax expense and $27 tax benefit, respectively)	36	(30)
Net unrealized gains (losses) on available for sale securities:		
Net unrealized gains (losses) on securities still held (net of $12 tax benefit and $45 tax expense, respectively)	(20)	26
Reclassification from AOCI to net income (net of $32 and $9 tax benefit, respectively)	(47)	(17)
Defined benefit pension and other benefits plans (net of $4 tax expense)	6	—
Net unrealized losses on foreign currency translation (net of $4 and $1 tax benefit, respectively)	(7)	(3)
Comprehensive income of NextEra Energy	$ 976	$ 1,572

Approximately $27 million of net losses included in NextEra Energy's AOCI at September 30, 2011 related to derivative instruments are expected to be reclassified into earnings within the next twelve months as either principal and/or interest payments are made or electricity is sold. Such amount assumes no change in 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 September 30, 2011, NextEra Energy has nine 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 $396 million and $444 million at September 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 $490 million and $542 million at September 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 September 30, 2011 and 2010, FPL purchased 327,583 mwh and 462,021 mwh, respectively, from the facility at a total cost of approximately $50 million and $49 million, respectively. During the nine months ended September 30, 2011 and 2010, FPL purchased 965,105 mwh and 1,197,563 mwh, respectively, from the facility at a total cost of approximately $144 million and $140 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. In September 2011, NextEra Energy Resources entered into an agreement to sell its ownership interest in certain natural gas-fired generating plants (see Note 3), including two of the three VIEs. At September 30, 2011, the assets and liabilities of these two VIEs are included in assets held for sale and liabilities associated with assets held for sale on NextEra Energy's condensed consolidated balance sheets and totaled approximately $759 million and $387 million, respectively, and consisted primarily of property, plant and equipment and long-term debt. At December 31, 2010, the assets and liabilities of these two VIEs totaled approximately $730 million and $373 million, respectively, and consisted primarily of property, plant and equipment and long-term debt. The assets and liabilities of the third remaining natural gas/oil VIE were approximately $101 million and $81 million, respectively, at September 30, 2011 and $99 million and $82 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 $2.4 billion, respectively, at September 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 September 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 September 30, 2011 and December 31, 2010, several NextEra Energy subsidiaries have investments totaling approximately $680 million ($531 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 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. As of September 30, 2011, NextEra Energy subsidiaries are not the primary beneficiary and therefore do not consolidate any of these entities because they do not control any of the ongoing activities of these entities, were not involved in the initial design of these entities and do not have a controlling financial interest in these entities. Prior to September 30, 2011, NextEra Energy consolidated one of these entities; however, NextEra Energy is no longer the primary beneficiary of this entity and therefore no longer consolidates this entity. Upon deconsolidation, NextEra Energy's investment in this entity is accounted for under the equity method. NextEra Energy did not recognize any gain or loss and there was no significant effect on NextEra Energy's consolidated balance sheets as a result of the deconsolidation.

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 September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(millions, except per share amounts)			
Numerator - net income	$ 407	$ 720	$ 1,256	$ 1,694
Denominator:				
Weighted-average number of common shares outstanding - basic	417.4	410.9	416.7	409.1
Performance share awards, options and restricted stock[(a)]	2.4	2.8	2.4	2.5
Weighted-average number of common shares outstanding - assuming dilution	419.8	413.7	419.1	411.6
Earnings per share of common stock:				
Basic	$ 0.98	$ 1.75	$ 3.01	$ 4.14
Assuming dilution	$ 0.97	$ 1.74	$ 3.00	$ 4.11

(a) Performance share awards are included in diluted weighted-average number of common shares outstanding based upon what would be issued if the end of the reporting period was the end of the term of the award. Performance share awards, options, 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 14.6 million and 9.4 million for the three months ended September 30, 2011 and 2010, respectively, and 14.5 million and 8.2 million for the nine months ended September 30, 2011 and 2010, respectively.

9. Debt

As of September 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 - September 2011	NextEra Energy Resources subsidiary	Canadian revolving credit facilities	Variable [a]	$ 152	2013
February 2011	NextEra Energy Resources subsidiary	Senior secured limited-recourse notes	6.25%	$ 82	2031
April - September 2011	NextEra Energy Resources subsidiaries	Euro denominated senior secured limited-recourse loan	Variable [a][b]	$ 243	2030
April - September 2011	NextEra Energy Resources subsidiaries	Euro denominated senior secured limited-recourse loan	Variable [a]	$ 24	2015
June - September 2011	NextEra Energy Resources subsidiary	Euro denominated revolving loan	Variable [a]	$ 27	2014
June 2011	FPL	First mortgage bonds	5.125%	$ 250	2041
June 2011	Capital Holdings	Debentures	4.50% [b]	$ 400	2021
June 2011	Capital Holdings	Japanese yen denominated term loan	Variable [a][c]	$ 424	2014
August 2011	NextEra Energy Resources subsidiary	Limited-recourse term loan	Variable [a][b]	$ 70	2016
August 2011	NextEra Energy Resources subsidiary	Limited-recourse note	4.125%	$ 702 [d]	2038
September 2011	Capital Holdings	Term loan	1.10%	$ 50	2016
September 2011	Capital Holdings	Term loans	Variable [a]	$ 525	2013

(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.
(d) At September 30, 2011, approximately $596 million of loan proceeds were restricted for the construction of a solar thermal facility and included in other assets on NextEra Energy's condensed consolidated balance sheets.

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 September 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]	$ 460	$ 1,780	$ 610	$ 75	$ —	$ 2,925
Existing	275	765	665	645	515	2,865
Transmission and distribution	220	835	685	650	635	3,025
Nuclear fuel	125	205	125	205	250	910
General and other	55	195	210	115	100	675
Total	$ 1,135	$ 3,780	$ 2,295	$ 1,690	$ 1,500	$ 10,400
NextEra Energy Resources:						
Wind[d]	$ 290	$ 960	$ 85	$ 20	$ 5	$ 1,360
Solar[e]	540	1,135	630	110	5	2,420
Nuclear[f]	205	295	260	260	280	1,300
Other[g]	120	160	70	85	95	530
Total	$ 1,155	$ 2,550	$ 1,045	$ 475	$ 385	$ 5,610
Corporate and Other[h]	$ 150	$ 520	$ 75	$ 30	$ 30	$ 805

(a) Includes allowance for funds used during construction (AFUDC) of approximately $10 million, $80 million, $86 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 $34 million, $100 million, $32 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 totaling 670 mw that have received applicable internal approvals and related transmission, including equity contributions associated with an equity method investment in a 550 mw solar project. Excludes solar projects requiring internal approvals with generation totaling 270 mw with an estimated cost of approximately $1 billion, over half of which is expected to be incurred in 2016.
(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 $5 million, $42 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 September 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 September 30, 2011 was approximately $50 million. At September 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 September 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 December 2011 through 2031, approximately $2.6 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 included in 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 September 30, 2011 were estimated as follows:

	2011	2012	2013	2014	2015	Thereafter
FPL:			(millions)			
Capacity payments:[a]						
Qualifying facilities	$ 70	$ 295	$ 275	$ 280	$ 285	$ 2,675
JEA and Southern subsidiaries	$ 55	$ 225	$ 220	$ 200	$ 175	$ 195
Other electricity suppliers	$ 5	$ 5	$ —	$ —	$ —	$ —
Minimum payments, at projected prices:						
Natural gas, including transportation and storage[b]	$ 520	$ 1,815	$ 935	$ 550	$ 535	$ 7,390
Oil[b]	$ 10	$ —	$ —	$ —	$ —	$ —
Coal[b]	$ 25	$ 75	$ 80	$ 20	$ —	$ —
NextEra Energy Resources[c]	$ 835	$ 1,375	$ 545	$ 230	$ 190	$ 825
Corporate and Other	$ 130	$ 215	$ 15	$ —	$ —	$ —

(a) Capacity payments under these contracts, substantially all of which are recoverable through the capacity clause, totaled approximately $128 million and $126 million for the three months ended September 30, 2011 and 2010, respectively, and approximately $383 million and $412 million for the nine months ended September 30, 2011 and 2010, respectively. Energy payments under these contracts, which are recoverable through the fuel clause, totaled approximately $135 million and $139 million for the three months ended September 30, 2011 and 2010, respectively, and approximately $348 million and $352 million for the nine months ended September 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 $165 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 trial has been indefinitely continued pending resolution of a jurisdictional issue.

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 September 30,							
	2011				2010			
	FPL	NextEra Energy Resources[a]	Corporate and Other	NextEra Energy Consolidated	FPL	NextEra Energy Resources[a]	Corporate and Other	NextEra Energy Consolidated
	(millions)							
Operating revenues	$ 3,152	$ 1,172	$ 58	$ 4,382	$ 3,116	$ 1,528	$ 47	$ 4,691
Operating expenses	$ 2,496	$ 920	$ 55	$ 3,471	$ 2,532	$ 997	$ 37	$ 3,566
Net income (loss)	$ 347	$ 67 [b]	$ (7) [c]	$ 407	$ 308	$ 386	$ 26 [d]	$ 720

	Nine Months Ended September 30,							
	2011				2010			
	FPL	NextEra Energy Resources[a]	Corporate and Other	NextEra Energy Consolidated	FPL	NextEra Energy Resources[a]	Corporate and Other	NextEra Energy Consolidated
	(millions)							
Operating revenues	$ 8,200	$ 3,110	$ 166	$ 11,476	$ 8,024	$ 3,739	$ 141	$ 11,904
Operating expenses	$ 6,566	$ 2,520 [e]	$ 144	$ 9,230	$ 6,546	$ 2,473	$ 112	$ 9,131
Net income	$ 852	$ 371 [b][f]	$ 33 [c][g]	$ 1,256	$ 764	$ 907	$ 23 [d]	$ 1,694

	September 30, 2011				December 31, 2010			
	FPL	NextEra Energy Resources	Corporate and Other	NextEra Energy Consolidated	FPL	NextEra Energy Resources	Corporate and Other	NextEra Energy Consolidated
	(millions)							
Total assets	$ 30,870	$ 23,563 [h]	$ 2,152	$ 56,585	$ 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 after-tax loss on assets held for sale of $91 million. See Note 3 - Nonrecurring Fair Value Measurements. See Note 5 for a discussion of NextEra Energy Resources' tax benefits related to PTCs.
(c) Includes after-tax loss on assets held for sale of $6 million. See Note 3 - Nonrecurring Fair Value Measurements.
(d) Includes an income tax benefit of $24 million related to employee benefits.
(e) Includes impairment charges of approximately $51 million. See Note 3 - Nonrecurring Fair Value Measurements.
(f) Includes after-tax impairment charges of approximately $31 million. See Note 3 - Nonrecurring Fair Value Measurements.
(g) Includes state deferred income tax benefit of approximately $64 million, net of federal income taxes, related to state tax law changes. See Note 5.
(h) Includes assets held for sale of approximately $1.1 billion. See Note 3 - Nonrecurring Fair Value Measurements.

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 $56 million, increase net income by $11 million and $33 million, and increase basic and diluted earnings per share by approximately $0.03 and $0.08, for the three and nine months ended September 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 September 30,							
	2011				2010			
	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated
	(millions)							
Operating revenues	$ —	$ 1,232	$ 3,150	$ 4,382	$ —	$ 1,578	$ 3,113	$ 4,691
Operating expenses	(4)	(973)	(2,494)	(3,471)	(1)	(1,036)	(2,529)	(3,566)
Interest expense	(3)	(164)	(98)	(265)	(4)	(156)	(87)	(247)
Other income (deductions) - net	417	(86)	(412)	(81)	699	74	(691)	82
Income (loss) before income taxes	410	9	146	565	694	460	(194)	960
Income tax expense (benefit)	3	(60)	215	158	(26)	72	194	240
Net income (loss)	$ 407	$ 69	$ (69)	$ 407	$ 720	$ 388	$ (388)	$ 720

(a) Represents FPL and consolidating adjustments.

	Nine Months Ended September 30,							
	2011				2010			
	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated
	(millions)							
Operating revenues	$ —	$ 3,285	$ 8,191	$ 11,476	$ —	$ 3,888	$ 8,016	$ 11,904
Operating expenses	(11)	(2,662)	(6,557)	(9,230)	(3)	(2,590)	(6,538)	(9,131)
Interest expense	(10)	(486)	(279)	(775)	(11)	(463)	(258)	(732)
Other income (deductions) - net	1,215	40	(1,197)	58	1,689	159	(1,663)	185
Income (loss) before income taxes	1,194	177	158	1,529	1,675	994	(443)	2,226
Income tax expense (benefit)	(62)	(185)	520	273	(19)	83	468	532
Net income (loss)	$ 1,256	$ 362	$ (362)	$ 1,256	$ 1,694	$ 911	$ (911)	$ 1,694

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Balance Sheets

	September 30, 2011				December 31, 2010			
	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated
	(millions)							
PROPERTY, PLANT AND EQUIPMENT								
Electric utility plant in service and other property	$ 31	$ 21,911	$ 34,281	$ 56,223	$ 19	$ 21,779	$ 32,423	$ 54,221
Less accumulated depreciation and amortization	(2)	(4,125)	(10,979)	(15,106)	—	(4,275)	(10,871)	(15,146)
Total property, plant and equipment - net	29	17,786	23,302	41,117	19	17,504	21,552	39,075
CURRENT ASSETS								
Cash and cash equivalents	—	610	30	640	—	282	20	302
Receivables	133	1,065	1,039	2,237	654	1,380	548	2,582
Other	8	1,881	1,486	3,375	9	1,024	1,341	2,374
Total current assets	141	3,556	2,555	6,252	663	2,686	1,909	5,258
OTHER ASSETS								
Investment in subsidiaries	14,719	—	(14,719)	—	14,150	—	(14,150)	—
Other	475	4,339	4,402	9,216	365	3,845	4,451	8,661
Total other assets	15,194	4,339	(10,317)	9,216	14,515	3,845	(9,699)	8,661
TOTAL ASSETS	$ 15,364	$ 25,681	$ 15,540	$ 56,585	$ 15,197	$ 24,035	$ 13,762	$ 52,994
CAPITALIZATION								
Common shareholders' equity	$ 14,887	$ 4,185	$ (4,185)	$ 14,887	$ 14,461	$ 4,359	$ (4,359)	$ 14,461
Long-term debt	—	13,154	6,885	20,039	—	11,331	6,682	18,013
Total capitalization	14,887	17,339	2,700	34,926	14,461	15,690	2,323	32,474
CURRENT LIABILITIES								
Debt due within one year	—	1,975	457	2,432	—	2,664	145	2,809
Accounts payable	—	604	732	1,336	—	571	553	1,124
Other	152	1,769	1,730	3,651	352	1,361	1,258	2,971
Total current liabilities	152	4,348	2,919	7,419	352	4,596	1,956	6,904
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	—	482	1,126	1,608	—	556	1,083	1,639
Accumulated deferred income taxes	48	1,221	4,088	5,357	53	1,336	3,720	5,109
Regulatory liabilities	37	—	4,242	4,279	46	—	4,213	4,259
Other	240	2,291	465	2,996	285	1,857	467	2,609
Total other liabilities and deferred credits	325	3,994	9,921	14,240	384	3,749	9,483	13,616
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 15,364	$ 25,681	$ 15,540	$ 56,585	$ 15,197	$ 24,035	$ 13,762	$ 52,994

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Nine Months Ended September 30,							
	2011				2010			
	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated	NextEra Energy (Guarantor)	Capital Holdings	Other[a]	NextEra Energy Consolidated
	(millions)							
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 979	$ 1,071	$ 1,067	$ 3,117	$ 1,079	$ 1,198	$ 492	$ 2,769
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures, independent power and other investments and nuclear fuel purchases	(16)	(1,950)	(2,351)	(4,317)	—	(1,983)	(2,106)	(4,089)
Capital contribution to FPL	(310)	—	310	—	(660)	—	660	—
Cash grants under the Recovery Act	—	301	202	503	—	426	130	556
Other - net	16	(592)	(32)	(608)	—	(13)	(10)	(23)
Net cash used in investing activities	(310)	(2,241)	(1,871)	(4,422)	(660)	(1,570)	(1,326)	(3,556)
CASH FLOWS FROM FINANCING ACTIVITIES								
Issuances of long-term debt	—	2,669	248	2,917	—	2,495	523	3,018
Retirements of long-term debt	—	(1,643)	(45)	(1,688)	—	(530)	(41)	(571)
Proceeds from sale of differential membership interests	—	210	—	210	—	261	—	261
Net change in short-term debt	—	639	307	946	—	(357)	(578)	(935)
Issuances of common stock	39	—	—	39	184	—	—	184
Dividends on common stock	(689)	—	—	(689)	(616)	—	—	(616)
Other - net	(19)	(377)	304	(92)	13	(898)	884	(1)
Net cash provided by (used in) financing activities	(669)	1,498	814	1,643	(419)	971	788	1,340
Net increase (decrease) in cash and cash equivalents	—	328	10	338	—	599	(46)	553
Cash and cash equivalents at beginning of period	—	282	20	302	—	156	82	238
Cash and cash equivalents at end of period	$ —	$ 610	$ 30	$ 640	$ —	$ 755	$ 36	$ 791

(a) Represents FPL and consolidating adjustments.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with the Notes contained herein and Management's Discussion and Analysis of Financial Condition and Results of Operations (Management's Discussion) appearing in the 2010 Form 10-K for NextEra Energy and FPL. The results of operations for an interim period generally will not give a true indication of results for the year. In the following discussion, all comparisons are with the corresponding items in the prior year period.

Results of Operations

Summary - Presented below is a summary of NextEra Energy's net income (loss) by reportable segment (see Note 11). Corporate and Other represents business activities other than FPL and NextEra Energy Resources, other segments that are not separately reportable and eliminating entries.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2011	2010	Increase (Decrease)	2011	2010	Increase (Decrease)
			(millions)			
FPL	$ 347	$ 308	$ 39	$ 852	$ 764	$ 88
NextEra Energy Resources	67	386	(319)	371	907	(536)
Corporate and Other	(7)	26	(33)	33	23	10
NextEra Energy Consolidated	$ 407	$ 720	$ (313)	$ 1,256	$ 1,694	$ (438)

FPL's earnings for the three and nine months ended September 30, 2011 increased primarily due to rate base growth and FPL's ability to use the surplus depreciation credit, as permitted under the terms of the stipulation and settlement regarding FPL's base rates (2010 rate agreement), to earn up to FPL's allowed 11% regulatory return on equity (ROE) on its retail rate base. The increase in FPL's results for the three and nine months ended September 30, 2011 also reflects higher earnings related to additional nuclear capacity, solar and environmental capital expenditures recovered through cost recovery clauses.

In September 2011, a subsidiary of NextEra Energy Resources entered into an agreement to sell its ownership interest in four natural gas-fired generating plants with a total generating capacity of 2,152 mw located in California, Virginia, Alabama and South Carolina. In connection with this agreement to sell, during the three and nine months ended September 30, 2011 a loss of approximately $148 million ($97 million total after-tax loss with $91 million of this after-tax loss recorded by NextEra Energy Resources) was recorded in NextEra Energy's condensed consolidated statements of income and is subject to various adjustments at closing. The transaction is expected to close in the fourth quarter of 2011, contingent upon receipt of necessary regulatory approvals and third-party consents. See Note 3 - Nonrecurring Fair Value Measurements. NextEra Energy Resources' results for the three and nine months ended September 30, 2011 and 2010 were also affected by net unrealized after-tax gains and losses from non-qualifying hedges, as well as after-tax other than temporary impairment (OTTI) losses and reversals on securities held in its nuclear decommissioning funds, as described below. In addition, NextEra Energy Resources' results for the three months ended September 30, 2011 reflect lower results from the customer supply and proprietary gas trading businesses, from new investments and from existing wind investments, partly offset by improved results at the Point Beach Nuclear Power Plant (Point Beach) and higher gas infrastructure results. NextEra Energy Resources' results for the nine months ended September 30, 2011 reflect lower results from the customer supply and proprietary gas trading businesses, lower results at Seabrook, impairment charges primarily taken to write down the value of certain wind and oil-fired generation assets and higher expenses to support the growth of the business, partly offset by higher wind investment and gas infrastructure results. See the table under NextEra Energy Resources below for the primary drivers of earnings.

In October 2011, subsidiaries of NextEra Energy Resources entered into an agreement to sell their ownership interests in a 550 mw natural gas-fired generating plant in Rhode Island. The transaction is expected to close in late 2011 and is contingent upon receipt of necessary regulatory approvals and third-party consents. In connection with the agreement to sell, an after-tax loss of approximately $2 million, which is subject to various adjustments at closing, is expected to be recorded in the fourth quarter of 2011.

NextEra Energy and NextEra Energy Resources segregate into two categories unrealized mark-to-market gains and losses on energy derivative transactions which are used to manage commodity price risk. The first category, referred to as trading activities, represents the net unrealized effect of actively traded positions entered into to take advantage of market price movements and to optimize the value of generation assets and related contracts. The second category, referred to as non-qualifying hedges, represents the net unrealized effect of derivative and certain other transactions entered into as economic hedges but which do not qualify for hedge accounting, or for which hedge accounting was not elected. At FPL, substantially all changes in the fair value of energy derivative transactions are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel clause or the capacity clause. See Note 2.

NextEra Energy's management uses earnings excluding certain items (adjusted earnings) internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as an input in determining whether performance goals are met for performance-based compensation under NextEra Energy's employee incentive compensation plans. NextEra Energy also uses adjusted earnings when communicating its financial results and earnings outlook to investors. Adjusted earnings exclude the unrealized mark-to-market effect of non-qualifying hedges, OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds, net of the reversal of previously recognized OTTI losses on securities sold and losses on securities where price recovery was deemed unlikely (collectively, OTTI reversals) and, in 2011, the after-tax loss on natural gas assets held for sale. NextEra Energy's management believes adjusted earnings provide a more meaningful representation of the company's fundamental earnings power. Although the excluded amounts are properly included in the determination of net income in accordance with generally accepted accounting principles, management believes that the amount and/or nature of such items make period to period comparisons of operations difficult and potentially confusing. Adjusted earnings do not represent a substitute for net income, as prepared in accordance with generally accepted accounting principles.

The following table provides details of the net unrealized after-tax gains and losses from non-qualifying hedges, after-tax OTTI losses, net of reversals and the after-tax loss on natural gas assets held for sale.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(millions)			
Net unrealized mark-to-market after-tax gains (losses) from non-qualifying hedge activity[a]	$ (37)	$ 114	$ (84)	$ 245
OTTI after-tax losses on securities held in nuclear decommissioning funds, net of OTTI reversals[a]	$ (9)	$ 5	$ (5)	$ 4
After-tax loss on natural gas assets held for sale[b]	$ (97)	$ —	$ (97)	$ —

(a) Included in NextEra Energy's and NextEra Energy Resources' net income.
(b) Included in NextEra Energy's net income. $91 million included in NextEra Energy Resources' net income and $6 million recorded at Corporate and Other.

The change in unrealized mark-to-market activity from non-qualifying hedges is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains or losses as the underlying transactions are realized. As a general rule, a gain (loss) in the non-qualifying hedge category is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under generally accepted accounting principles.

The decrease in Corporate and Other's results for the three months ended September 30, 2011 reflects the absence of an income tax benefit of $24 million recorded in 2010 related to employee benefits. The increase in Corporate and Other's results for the nine months ended September 30, 2011 is primarily due to a state deferred income tax benefit of approximately $64 million, net of federal income taxes, related to state tax law changes, partly offset by the absence of the benefit related to employee benefits. See Note 5.

NextEra Energy's effective income tax rates for the three and nine months ended September 30, 2011 were approximately 28% and 18%, respectively; NextEra Energy's effective income tax rates for the corresponding periods in 2010 were 25% and 24%. These rates reflect the effect of PTCs for wind projects at NextEra Energy Resources and deferred income tax benefits associated with convertible ITCs under the Recovery Act. PTCs and deferred income tax benefits associated with convertible ITCs can significantly affect NextEra Energy's effective income tax rate depending on the amount of NextEra Energy's pretax income. PTCs can be significantly affected by wind generation. PTCs for the three and nine months ended September 30, 2011 were approximately $45 million and $208 million, respectively, and $66 million and $229 million for the comparable periods in 2010. Deferred income tax benefits associated with convertible ITCs for the three and nine months ended September 30, 2011 were approximately $9 million and $17 million, respectively, and $26 million and $56 million for the comparable periods in 2010. NextEra Energy's effective income tax rates for the nine months ended September 30, 2011 were also reduced by the approximately $64 million state deferred income tax benefit recorded at Corporate and Other and the $26 million state ITC benefit. See Note 5.

As a result of the impact of the March 2011 earthquake and tsunami on nuclear facilities in Japan, the NRC established a task force to conduct a comprehensive review of processes and regulations relating to nuclear facilities in the United States to determine whether the NRC should make additional improvements to its regulatory system and to make recommendations to the NRC for its policy direction. In July 2011, the NRC task force released its recommendations to the NRC and since then, the NRC staff presented certain conclusions based on their review of the task force recommendations, which conclusions have been approved by the NRC. The NRC staff's report concluded that none of the findings addressed by the task force recommendations rise to the level of an imminent hazard to public health and safety. However, since the recommendations can contribute to safety improvements, the NRC staff proposed the following actions: 1) issue orders within approximately six months to require each nuclear site to purchase portable equipment and revise procedures to address multi-unit events, provide reliable spent fuel pool instrumentation and enhance containment venting capabilities for boiling water reactors (Duane Arnold is NextEra Energy's only boiling water reactor); 2) request each site to re-evaluate its seismic and flood protection designs in light of current requirements and identify any areas for improvement; and 3) issue new regulations requiring enhancements relating to extended periods of loss of alternating current power, emergency preparedness and spent fuel pool cooling capabilities. The NRC is reviewing the timeline for implementation of all of the actions, but has indicated that all actions should be completed by the end of 2016. NextEra Energy and FPL are currently reviewing the NRC's directions relating to the NRC staff's recommendations and assessing the potential financial and operational impact on NextEra Energy, FPL and their respective nuclear units.

The lessons learned from the events in Japan and the results of the NRC's review of the NRC staff's recommendations may, among other things, result in changes in or new licensing and safety-related requirements for U.S. nuclear facilities. Such changes in or new requirements could, among other things, impact the capacity additions (uprates) at FPL's existing nuclear units at St. Lucie and Turkey Point, and future licensing and operations of U.S. nuclear facilities, including FPL's and NextEra Energy Resources' existing nuclear facilities and the NRC approval of two additional nuclear units at FPL's Turkey Point site, and could, among other things, result in increased cost and capital expenditures associated with the operation and maintenance of FPL's and NextEra Energy Resources' nuclear units. While the NRC continues its review, FPL and NextEra Energy Resources continue to work with industry organizations to understand the events in Japan and apply lessons learned, which may result in FPL and NextEra Energy Resources proactively making certain modifications to their nuclear facilities to, among other things, improve operational and safety systems prior to any potential requirements being imposed by the NRC. Any such modifications could, among other things, result in increased cost and capital expenditures associated with the operation and maintenance of FPL's and NextEra Energy Resources' nuclear units. Third parties have requested that the NRC suspend the approval of nuclear uprates, nuclear license extensions and new licenses, including approval of licenses for two additional nuclear units at FPL's Turkey Point site. Another third party request was filed with the NRC seeking immediate suspension of the NRC operating licenses for all boiling water reactors that use a certain primary containment system, including NextEra Energy Resources' Duane Arnold nuclear unit, pending completion of the NRC review. The NRC denied the request for immediate action related to the suspension of operating licenses for boiling water reactors, and, since the nuclear events in Japan, has continued to grant approvals for nuclear uprates and license extensions. However, it is uncertain at this time how and when the NRC will respond to the other items in these requests or other requests it may receive, or take action with regard to the timing for implementation of all of the NRC staff's recommendations.

FPL - FPL's net income for the three months ended September 30, 2011 and 2010 was $347 million and $308 million, respectively, an increase of $39 million. FPL's net income for the nine months ended September 30, 2011 and 2010 was $852 million and $764 million, respectively, an increase of $88 million. See Summary above for a discussion of the major drivers of these increases.

FPL's operating revenues consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(millions)			
Retail base	$ 1,263	$ 1,232	$ 3,261	$ 3,243
Fuel cost recovery	1,312	1,346	3,421	3,038
Net repayment of previously deferred retail fuel revenues	—	—	—	356
Other cost recovery clauses and pass-through costs, net of any deferrals	514	480	1,346	1,236
Other, primarily pole attachment rentals, transmission and wholesale sales and customer-related fees	63	58	172	151
Total	$ 3,152	$ 3,116	$ 8,200	$ 8,024

As permitted by the 2010 rate agreement, retail base revenues collected through the capacity clause included approximately $44 million and $69 million for the three and nine months ended September 30, 2011, respectively, related to the placement in service of West County Energy Center (WCEC) Unit No. 3, which occurred in May 2011. For the three months ended September 30, 2011, a 0.5% increase in the average number of customer accounts increased retail base revenues by approximately $6 million, while a 1.2% decrease in usage per retail customer, reflecting weather and other factors, decreased retail base revenues by approximately $19 million. For the nine months ended September 30, 2011, a 0.6% increase in the average number of customer accounts increased retail base revenues by approximately $19 million, while a 1.7% decrease in usage per retail customer, reflecting weather and other factors, decreased retail base revenues by approximately $78 million. In addition, a base rate increase pursuant to an FPSC order which became effective March 1, 2010, increased retail base revenues for the nine months ended September 30, 2011 by approximately $8 million. The usage per retail customer data for the three and nine months ended September 30, 2011 includes two extra days of sales after adjusting for a change from a fiscal month to a calendar month.

Revenues from fuel and other cost recovery clauses and pass-through costs, such as franchise fees, revenue taxes and storm-related surcharges, are largely a pass-through of costs. Such revenues also include a return on investment allowed to be recovered through the cost recovery clauses on certain assets, primarily related to nuclear capacity, solar and environmental projects. For the three months ended September 30, 2011 and 2010, cost recovery clauses contributed $28 million and $19 million, respectively, to FPL's net income; the amounts for the nine months ended September 30, 2011 and 2010, were $76 million and $54 million, respectively. The increase in cost recovery clause results is primarily due to the return on investment related to additional nuclear capacity, solar and environmental capital expenditures. For the remainder of 2011, it is expected that FPL's earnings will continue to be favorably affected by cost recovery clauses as a result of additional nuclear capacity and environmental capital expenditures. Underrecovery or overrecovery of cost recovery clause and pass-through costs can significantly affect NextEra Energy's and FPL's operating cash flows. Fluctuations in fuel cost recovery revenues are primarily driven by changes in fuel and energy charges which are included in fuel, purchased power and interchange expense in the condensed consolidated statements of income, as well as by changes in energy sales. Fluctuations in revenues from other cost recovery clauses and pass-through costs are primarily driven by changes in storm-related surcharges, capacity charges, franchise fee costs, the impact of changes in operations and maintenance and depreciation expenses on the underlying cost recovery clause, investment in solar and environmental projects, investment in nuclear capacity until such capacity goes into service, pre-construction costs associated with the early-stage development of two additional nuclear units at the Turkey Point site and changes in energy sales. Capacity charges and franchise fee costs are included in fuel, purchased power and interchange and taxes other than income taxes and other, respectively, in the condensed consolidated statements of income.

FPL uses a risk management fuel procurement program which was approved by the FPSC. The FPSC reviews the program activities and results for prudence on an annual basis as part of its annual review of fuel costs. The program is intended to manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements. The current regulatory asset for the change in fair value of derivative instruments used in FPL's fuel procurement program was approximately $263 million and $236 million at September 30, 2011 and December 31, 2010, respectively. Pursuant to an FPSC order, FPL was required to refund, in the form of a one-time credit to retail customers' bills, the 2009 year-end estimated fuel overrecovery; during the first quarter of 2010, approximately $404 million was refunded to retail customers. At December 31, 2009, approximately $356 million of retail fuel revenues were overrecovered, the reversal of which is reflected as net repayment of previously deferred retail fuel revenues in the table above. The difference between the refund and the December 31, 2009 overrecovery is being collected from retail customers during 2011. The decrease in fuel revenues for the three months ended September 30, 2011 reflects approximately $23 million related to a lower average fuel factor and $11 million related to lower energy sales. The increase in fuel revenues for the nine months ended September 30, 2011 reflects the absence of the $404 million refund partly offset by approximately $21 million related to a lower average fuel factor. The decrease from December 31, 2010 to September 30, 2011 in deferred clause and franchise expenses and in deferred clause and franchise revenues was approximately $71 million and positively affected NextEra Energy's and FPL's cash flows from operating activities for the nine months ended September 30, 2011.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(millions)			
Fuel and energy charges during the period	$ 1,249	$ 1,458	$ 3,363	$ 3,732
Net collection of previously deferred retail fuel costs	55	—	42	—
Net deferral of retail fuel costs	—	(120)	—	(339)
Other, primarily capacity charges, net of any capacity deferral	175	166	449	423
Total	$ 1,479	$ 1,504	$ 3,854	$ 3,816

The decrease in fuel and energy charges for the three months ended September 30, 2011 reflects lower fuel and energy prices of approximately $196 million and $13 million attributable to lower energy sales. The decrease in fuel and energy charges for the nine months ended September 30, 2011 reflects lower fuel and energy prices of approximately $309 million and $60 million attributable to lower energy sales.

FPL's O&M expenses increased $30 million and $41 million for the three and nine months ended September 30, 2011, respectively, primarily due to higher cost recovery clause costs which did not significantly affect net income. The increase in cost recovery clause costs for the nine months ended September 30, 2011 was partly offset by the absence of an approximately $20 million charge for workforce reductions recorded in the second quarter of 2010.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(millions)			
Surplus depreciation credit	$ 47	$ 79	$ (84)	$ —
Other depreciation and amortization recovered under base rates	239	223	699	666
Depreciation and amortization recovered under cost recovery clauses and securitized storm-recovery cost amortization	13	31	38	88
Total	$ 299	$ 333	$ 653	$ 754

Under the terms of the 2010 rate agreement, FPL can vary the amount of surplus depreciation credit taken in any calendar year up to a cap in 2010 of $267 million, a cap in subsequent years of $267 million plus the amount of any unused portion from prior years, and a cap of $776 million (surplus depreciation credit cap) over the 2010 to 2012 period. In any year of the 2010 rate agreement FPL must use at least enough surplus depreciation credit to maintain a 9% earned regulatory ROE but may not use any amount of surplus depreciation credit that would result in an earned regulatory ROE in excess of 11%. For the three months ended September 30, 2011, FPL was required to reverse $47 million of the surplus depreciation credit taken earlier in 2011 in order to comply with the 2010 rate agreement. The surplus depreciation credit for the three and nine months ended September 30, 2010 was recorded prior to the final order approving the 2010 rate agreement. As of September 30, 2011, approximately $688 million of the surplus depreciation credit cap remains; $446 million of the surplus depreciation credit cap is available for use in the remainder of 2011. The increase in other depreciation and amortization expense recovered under base rates for the three and nine months ended September 30, 2011 is primarily due to higher plant in service balances. The decrease in depreciation and amortization recovered under cost recovery clauses and securitized storm-recovery cost amortization for the three and nine months ended September 30, 2011 is primarily due to lower depreciation and amortization under the FPSC's nuclear cost recovery rule.

Taxes other than income taxes and other decreased $7 million for the three months ended September 30, 2011 primarily due to a true-up to property tax expense. Taxes other than income taxes and other increased $42 million for the nine months ended September 30, 2011 primarily due to higher franchise fees and revenue taxes, both of which are pass-through costs and reflect the increase in fuel and other cost recovery clauses and pass-through costs revenues. In addition, the increase for the nine months ended September 30, 2011 reflects higher property and payroll taxes. The increase in interest expense for the three months ended September 30, 2011 is primarily due to higher average debt balances; the increase for the nine months ended September 30, 2011 is primarily due to higher average interest rates.

In May 2011, FPL placed in service WCEC Unit No. 3, a 1,220 mw natural gas-fired combined-cycle unit. In addition, FPL is in the process of adding a total of approximately 450 mw of capacity at its existing nuclear units at St. Lucie and Turkey Point, which additional capacity is projected to be placed in service by 2013. Approximately 31 mw of this additional capacity was placed in service in May 2011 at St. Lucie Unit No. 2. FPL is also in the process of modernizing its Cape Canaveral and Riviera Beach power plants to high-efficiency natural gas-fired units and expects the units to be placed in service by 2013 and 2014, respectively. Each modernized plant is expected to provide approximately 1,200 mw of capacity. FPL is in the preliminary stages of pursuing the modernization of its Port Everglades facility to a high-efficiency natural gas-fired unit. If the project proceeds and the required regulatory approvals are obtained, the proposed in-service date for the Port Everglades facility would be 2016, with an expected cost of approximately $1.2 billion.

NextEra Energy Resources - NextEra Energy Resources' net income for the three months ended September 30, 2011 and 2010 was $67 million and $386 million, respectively, a decrease of $319 million. NextEra Energy Resources' net income for the nine months ended September 30, 2011 and 2010 was $371 million and $907 million, respectively, a decrease of $536 million. The primary drivers, on an after-tax basis, of these changes were as follows:

	Increase (Decrease) From Prior Period	
	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2011
	(millions)	
New investments[a]	$ (27)	$ (13)
Existing assets[a]	(1)	40
Customer supply and proprietary power and gas trading businesses[b]	(55)	(87)
Gas infrastructure[b]	19	21
Asset sales	—	(19)
Impairment charges	—	(31)
Interest expense, differential membership costs and other	1	(18)
Change in unrealized mark-to-market non-qualifying hedge activity[c][d]	(151)	(329)
Loss on natural gas assets held for sale[e]	(91)	(91)
Change in OTTI losses on securities held in nuclear decommissioning funds, net of OTTI reversals[d]	(14)	(9)
Net income decrease	$ (319)	$ (536)

(a) Includes PTCs and state ITCs on wind projects and, for new investments, deferred income tax (see Note 5) and other benefits associated with convertible ITCs but does not include allocation of interest expense or corporate general and administrative expenses. Results from new projects are included in new investments during the first twelve months of operation. A project's results are included in existing assets beginning with the thirteenth month of operation.
(b) Does not include allocation of interest expense or corporate general and administrative expenses.
(c) See Note 2 and discussion above related to derivative instruments.
(d) See table in Summary above for additional detail.
(e) See Note 3 - Nonrecurring Fair Value Measurements for additional information.

Results from new investments for the three and nine months ended September 30, 2011 include approximately $9 million and $17 million, respectively, of deferred income tax benefits associated with convertible ITCs; the corresponding amounts for the three and nine months ended September 30, 2010 were $26 million and $56 million. See Note 5. Results from new investments for the three and nine months ended September 30, 2011 also reflect lower state ITCs and, for the nine-month period, the addition of 750 mw of wind generation during or after the nine months ended September 30, 2010. In addition, an after-tax benefit associated with convertible ITCs of approximately $17 million was recorded in the second quarter of 2011 from the sale of membership interests where the investor elected to receive the convertible ITCs related to the underlying wind project; the $29 million pretax amount of such benefit was recorded in taxes other than income taxes and other in NextEra Energy's condensed consolidated statements of income for the nine months ended September 30, 2011.

Results for the three-month period from NextEra Energy Resources' existing asset portfolio reflect unfavorable wind results of approximately $18 million due to a lower wind resource and unfavorable prices primarily in Texas, partly offset by a change in estimate of the useful lives of certain equipment across the wind portfolio and the impact of lower priced hedges at Seabrook of $12 million. These reductions were substantially offset by favorable results at Point Beach of $19 million due primarily to higher gains on its decommissioning funds, higher generation due to a power uprate which was completed in June 2011 and the absence of an unplanned outage that occurred in 2010. In addition, fossil operations in Texas contributed $8 million to NextEra Energy Resources' results for the three-month period benefiting from high market prices in August 2011. Results for the nine-month period from NextEra Energy Resources' existing asset portfolio reflect higher wind results of approximately $84 million due to a higher wind resource, lower depreciation and amortization expense due to a change in estimate of the useful lives of certain equipment across the wind portfolio and $30 million related to the state ITC benefit (see Note 5), partly offset by lower prices, primarily in Texas. In addition, results for the nine-month period were favorably affected by approximately $20 million from higher prices under a new long-term contract for a natural gas-fired project in California, which is currently held for sale, and by higher results at Point Beach of $13 million primarily due to higher gains on its decommissioning funds and a higher contract price. These results were partially offset by lower results at Seabrook of approximately $68 million primarily due to lower priced hedges and an extended refueling outage in 2011. The effect of the change in estimate of useful lives of certain equipment across the wind portfolio 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 (see Note 11).

Results from the customer supply and proprietary power and gas trading businesses for the three- and nine-month periods decreased primarily due to lower full requirements results, lower power and gas trading results, lower results from the retail electricity provider reflecting adverse effects from hot weather in Texas in August 2011 and the absence of a gain on a power supply contract realized in 2010. The decrease in asset sales for the nine-month period reflects the absence of an after-tax gain of approximately $5 million on a coal-fired project that was recorded in 2010 and the absence of an after-tax gain from the sale of a waste-to-energy project of approximately $12 million recorded in 2010 after the expiration of an option for the buyer to sell the project back to NextEra Energy Resources.

Impairment charges for the nine-month period reflect charges taken primarily to write down the value of certain wind and oil-fired generation assets deemed to be unrecoverable. As a result of a fair value analysis, 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 which is recorded as a separate line item in NextEra Energy's condensed consolidated statements of income; the after-tax amount of the impairment charge reduced NextEra Energy Resources' results for the nine months ended September 30, 2011 by $31 million. See Note 3 - Nonrecurring Fair Value Measurements. The increase in interest expense, differential membership costs and other for the nine months ended September 30, 2011 reflects higher interest expense and other costs to support the growth of the business.

In addition to the primary drivers of net income discussed above, the discussion below describes changes in certain line items set forth in NextEra Energy's condensed consolidated statements of income as they relate to NextEra Energy Resources.

Operating revenues for the three months ended September 30, 2011 decreased $356 million primarily due to lower revenues of approximately $307 million from the existing portfolio and NextEra Energy Power Marketing, LLC (PMI), and unrealized mark-to-market losses of $32 million from non-qualifying hedges compared to $26 million of gains on such hedges in 2010. Operating revenues for the nine months ended September 30, 2011 decreased $629 million primarily due to lower revenues of approximately $650 million at PMI and the existing asset portfolio, due in part to the extended refueling outage at Seabrook and unfavorable market conditions in the New England Power Pool and Electric Reliability Council of Texas regions, and unrealized mark-to-market losses of $13 million from non-qualifying hedges compared to $65 million of gains on such hedges in 2010. These items were partially offset by higher revenues from project additions of approximately $97 million.

Operating expenses for the three months ended September 30, 2011 decreased $77 million reflecting lower fuel expense of $239 million partially offset by $23 million of unrealized mark-to-market losses from non-qualifying hedges compared to $160 million of gains from such hedges in 2010. Operating expenses for the nine months ended September 30, 2011 increased $47 million reflecting $119 million of unrealized mark-to-market losses from non-qualifying hedges compared to $338 million of gains on such hedges in 2010 and impairment charges of $51 million (see Note 3 - Nonrecurring Fair Value Measurements), partly offset by lower fuel costs of approximately $418 million and higher benefits associated with differential membership interests.

NextEra Energy Resources' interest expense for the three and nine months ended September 30, 2011 increased $5 million and $17 million, respectively, primarily due to increased borrowings to support the growth of the business. Gains on disposal of assets - net in NextEra Energy's condensed consolidated statements of income for the three and nine months ended September 30, 2011 and 2010 primarily reflect gains on sales of securities held in NextEra Energy Resources' nuclear decommissioning funds and, for the nine months ended September 30, 2010, also reflect a pretax gain of approximately $18 million from the sale of the waste-to-energy project. See Summary above and Note 5 for a discussion of PTCs and deferred income tax benefits associated with convertible ITCs.

NextEra Energy Resources expects its future portfolio capacity growth to come primarily from wind and solar development and from asset acquisitions. NextEra Energy Resources plans to add a total of approximately 1,400 mw to 2,000 mw of new wind generation in 2011 and 2012, including 150 mw added to date in 2011. NextEra Energy Resources plans to add a total of 660 mw of new solar generation during the period 2011 through 2014, including 5 mw added to date in 2011, and approximately 280 mw between 2015 and 2016. NextEra Energy Resources is in the process of constructing solar thermal facilities with generation capacity of 250 mw in California and 99.8 mw in Spain. In addition, a 550 mw solar photovoltaic project in California, in which NextEra Energy Resources has an equity investment, has commenced construction. The wind and solar expansions are subject to, among other things, continued public policy support, support for the construction and availability of sufficient transmission facilities and capacity, continued market demand, supply chain expansion, access to capital at reasonable cost and on reasonable terms and no changes to federal or state tax policy or incentives. Currently, in the United States, approximately 30 states and the District of Columbia have renewable portfolio standards requiring electricity providers in the state or district to meet a certain percentage of their retail sales with energy from renewable sources. These standards vary, but the majority include requirements to meet 10% to 25% of the electricity providers' retail sales with energy from renewable sources by 2025. NextEra Energy Resources believes that these standards will create incremental demand for renewable energy in the future.

Corporate and Other - Corporate and Other is primarily comprised of interest expense, the operating results of FPL FiberNet and other business activities, as well as corporate interest income and expenses. Corporate and Other allocates non-utility interest expense and shared service costs to NextEra Energy Resources. Interest expense is allocated based on a deemed capital structure of 70% debt and, for purposes of allocating non-utility interest expense, the deferred credit associated with differential membership interests sold by NextEra Energy Resources subsidiaries is included with debt. Each subsidiary's income taxes are calculated based on the "separate return method," except that tax benefits that could not be used on a separate return basis, but are used on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated income tax benefits or expenses are recorded at Corporate and Other. The major components of Corporate and Other's results, on an after-tax basis, are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
			(millions)	
Interest expense, net of allocations to NextEra Energy Resources	$ (19)	$ (17)	$ (51)	$ (46)
Interest income	9	10	24	32
Federal and state income tax benefits (expenses)	(1)	26	40	26
Other	4	7	20	11
Net income (loss)	$ (7)	$ 26	$ 33	$ 23

Federal and state income tax benefits and expenses for the three and nine months ended September 30, 2011 reflect consolidating tax adjustments and include an approximately $6 million expense associated with the loss on natural gas assets held for sale. Federal and state income tax benefits and expenses for the nine months ended September 30, 2011 also include the state deferred income tax benefit of approximately $64 million, net of federal income taxes, related to state tax law changes. Federal and state income tax benefits and expenses for the three and nine months ended September 30, 2010 reflect an income tax benefit of $24 million related to employee benefits and consolidating income tax adjustments. Other includes all other corporate income and expenses, as well as other business activities. The increase in other for the nine months ended September 30, 2011 is primarily due to the absence of a 2010 $12 million after-tax write-down to fair value in the residual value of assets held under leveraged leases; the pretax amount of the write-down of $18 million is reflected in other - net in NextEra Energy's condensed consolidated statements of income.

Liquidity and Capital Resources

NextEra Energy and its subsidiaries, including FPL, require funds to support and grow their businesses. These funds are used for, among other things, working capital, capital expenditures, investments in or acquisitions of assets and businesses, payment of maturing debt obligations and, from time to time, redemption or repurchase of outstanding debt or equity securities. It is anticipated that these requirements will be satisfied through a combination of internally generated funds, short- and long-term borrowings, and the issuance, from time to time, of short- and long-term debt and equity securities, consistent with NextEra Energy's and FPL's objective of maintaining, on a long-term basis, a capital structure that will support a strong investment grade credit rating. NextEra Energy, FPL and Capital Holdings rely on access to credit and capital markets as significant sources of liquidity for capital requirements and other operations that are not satisfied by operating cash flows. The inability of NextEra Energy, FPL and Capital Holdings to maintain their current credit ratings could affect their ability to raise short- and long-term capital, their cost of capital and the execution of their respective financing strategies, and could require the posting of additional collateral under certain agreements. In May 2011, Fitch Ratings changed its ratings outlook for NextEra Energy, FPL and Capital Holdings from negative to stable. For a discussion of NextEra Energy's, FPL's and Capital Holdings' credit ratings, see Management's Discussion - Liquidity and Capital Resources - Credit Ratings in the 2010 Form 10-K for NextEra Energy and FPL.

Available Liquidity - At September 30, 2011, NextEra Energy's total net available liquidity was approximately $5.5 billion, of which FPL's portion was approximately $2.8 billion. The components of each company's net available liquidity at September 30, 2011 were as follows:

	FPL	Capital Holdings	NextEra Energy Consolidated	Maturity Date FPL	Maturity Date Capital Holdings
		(millions)			
Bank revolving line of credit facilities[a]	$ 2,973	$ 4,417	$ 7,390	[b]	[b]
Less letters of credit	(3)	(970)	(973)		
	2,970	3,447	6,417		
Revolving credit facility	250	—	250	2014	
Less borrowings	—	—	—		
	250	—	250		
Subtotal	3,220	3,447	6,667		
Cash and cash equivalents	30	610	640		
Less commercial paper	(408)	(1,427)	(1,835)		
Net available liquidity	$ 2,842	$ 2,630	$ 5,472		

(a) Provide for the funding of loans up to $7,390 million ($2,973 million for FPL) and the issuance of letters of credit up to $6,390 million ($2,473 million for FPL). The entire amount of the credit facilities is available for general corporate purposes, including to provide back-up liquidity for FPL's and Capital Holdings' commercial paper programs and other short-term borrowings and to provide additional liquidity in the event of a loss to the companies' or their subsidiaries' operating facilities (including, in the case of FPL, a transmission and distribution property loss). FPL's bank revolving line of credit facilities are also available to support the purchase of $633 million of pollution control, solid waste disposal and industrial development revenue bonds in the event they are tendered by individual bond holders and not remarketed prior to maturity.

(b) $17 million of FPL's and $40 million of Capital Holdings' bank revolving line of credit facilities expire in 2012. The remaining portion of the bank revolving line of credit facilities for FPL and Capital Holdings expires in 2013.

In April 2011, Capital Holdings and an indirect wholly-owned subsidiary of NextEra Energy Resources entered into a €170 million principal amount variable rate revolving loan agreement maturing in April 2014 (the revolving loan agreement) to finance a portion of the costs associated with constructing two 49.9 mw solar thermal plants and related facilities in Spain (the Spain Solar Project). As of September 30, 2011, approximately €151 million (approximately $202 million) of the funding commitment under the revolving loan agreement remained available.

In addition, in April 2011, two indirect wholly-owned subsidiaries of NextEra Energy Resources entered into two senior secured limited-recourse variable rate loan agreements (collectively, project loan agreements), one loan agreement to finance a further portion of the costs associated with constructing the Spain Solar Project (construction loan), and the second loan agreement to finance ongoing value added tax payments associated with the construction of the Spain Solar Project (VAT loan). The construction loan agreement provides up to approximately €589 million principal amount in borrowings with a maturity date of December 2030. Concurrent with executing the construction loan agreement, several interest rate swaps were entered into to hedge against interest rate movements with respect to a portion of the projected interest payments with an interest rate cap to hedge the remaining portion of the projected interest payments during the construction period and interest rate hedges to cover the expected outstanding principal balance of the loan after completion of construction. As of September 30, 2011, approximately €422 million (approximately $565 million) of the funding commitment under the construction loan agreement remained available, and is anticipated to be borrowed on a monthly basis through the completion of construction of the Spain Solar Project. The VAT loan agreement provides for €40 million in borrowings with a maturity date of no later than April 2015. As of September 30, 2011, approximately €27 million (approximately $37 million) of the funding commitment under the VAT loan agreement remained available.

In August 2011, in addition to issuing a $702 million limited-recourse note (see cash flow debt issuances and borrowings table below), an indirect wholly-owned subsidiary of NextEra Energy Resources entered into a $150 million variable rate term loan facility and an $83 million letter of credit facility. Proceeds from the borrowings under the term loan facility will be used primarily to finance a portion of the cost associated with the construction of a 250 mw solar thermal facility in California (Genesis Project), and loans under the term loan facility will amortize to maturity in 2019. The letter of credit facility will be used to support certain reserves associated with the financing, as well as to provide security for obligations under power purchase and interconnection agreement obligations relating to the Genesis Project. As of September 30, 2011, the full amount of the term loan facility and approximately $46 million of the letter of credit facility remained available.

As a precondition to borrowing under the terms of the Spain Solar Project revolving loan agreement and the project loan agreements, among other things, NextEra Energy's ratio of funded debt to total capitalization must not exceed a stated ratio. The financing documents relating to the Spain Solar Project and the Genesis Project contain default and related acceleration provisions for, among other things, the failure to make required payments, failure to comply with certain covenants (including requirements that construction of the Spain Solar Project and the Genesis Project must be completed by a certain date and for the Spain Solar Project revolving loan agreement, a requirement that NextEra Energy's ratio of funded debt to total capitalization must not exceed the specified ratio), certain bankruptcy-related events, and other actions by the Spain Solar Project and Genesis Project borrowers or other parties as specified in the Spain Solar Project and Genesis Project financing documents.

Until certain conditions or obligations related to the Spain Solar Project and Genesis Project, as the case may be, are met, certain obligations, including all or a portion of the debt payment obligations and, in the case of the Spain Solar Project, any related interest rate hedges, are guaranteed by Capital Holdings, which guarantee obligations are in turn guaranteed by NextEra Energy. The Capital Holdings guarantee contains default and acceleration provisions relating to, among other things, NextEra Energy's ratio of funded debt to total capitalization exceeding a specified ratio.

NextEra Energy and FPL continue to monitor the development of rules related to the Dodd-Frank Act. Final rules on OTC derivative-related provisions of the Dodd-Frank Act were statutorily required to be established through U.S. Commodity Futures Trading Commission (CFTC) and SEC rulemakings by July 2011. While some provisions of the statute related to OTC derivatives are currently in effect, the majority of the rules are not expected to be implemented until 2012 or later. NextEra Energy and FPL cannot predict the final rules that will be adopted to implement the OTC derivative-related provisions of the Dodd-Frank Act. Those rules could negatively affect NextEra Energy's and FPL's ability to hedge their commodity and interest rate risks, which could have a material effect on NextEra Energy's and FPL's financial results. The rules also could cause NextEra Energy Resources to decide to restructure part of its energy marketing and trading operations or to discontinue certain portions of that business. In addition, if the rules require NextEra Energy and FPL to post cash collateral with respect to swap transactions, NextEra Energy's and FPL's liquidity could be materially affected, and their ability to enter into OTC derivatives to hedge commodity and interest rate risks could be significantly limited. Reporting and compliance requirements of the rules also could significantly increase operating costs and expose NextEra Energy and FPL to penalties for non-compliance. The financial and operational impact of the final rules cannot be determined at this time, but could be material.

Letters of Credit, Surety Bonds and Guarantees - NextEra Energy and FPL obtain letters of credit and surety bonds, and issue guarantees, to facilitate commercial transactions with third parties and financings. At September 30, 2011, NextEra Energy had approximately $1.1 billion of standby letters of credit ($10 million for FPL), approximately $99 million of surety bonds ($53 million for FPL) and approximately $12.6 billion notional amount of guarantees ($23 million for FPL), of which approximately $8.1 billion ($15 million for FPL) letters of credit and guarantees have expiration dates within the next five years. An aggregate of approximately $973 million ($3 million for FPL) of the standby letters of credit at September 30, 2011 were issued under FPL's and Capital Holdings' credit facilities. See Available Liquidity above. Letters of credit, surety bonds and guarantees support, among other things, the buying and selling of wholesale energy commodities, debt and related reserves, nuclear activities, capital expenditures for wind and solar development and other contractual agreements. Each of NextEra Energy and FPL believe it is unlikely that it would incur any liabilities associated with these letters of credit, surety bonds and guarantees. Accordingly, at September 30, 2011, NextEra Energy and FPL did not have any liabilities recorded for these letters of credit, surety bonds and guarantees. In addition, NextEra Energy has guaranteed certain payment obligations of Capital Holdings, including most of its debt and all of its debentures and commercial paper issuances, as well as most of its payment guarantees, and Capital Holdings has guaranteed certain debt and other obligations of NextEra Energy Resources and its subsidiaries. See Note 10 - Commitments.

Cash Flow - The changes in cash and cash equivalents are summarized as follows:

	NextEra Energy		FPL	
	Nine Months Ended September 30,			
	2011	2010	2011	2010
	(millions)			
Net cash provided by operating activities	$ 3,117	$ 2,769	$ 1,748	$ 1,612
Net cash used in investing activities	(4,422)	(3,556)	(2,168)	(1,975)
Net cash provided by financing activities	1,643	1,340	430	317
Net increase (decrease) in cash and cash equivalents	$ 338	$ 553	$ 10	$ (46)

NextEra Energy's cash and cash equivalents increased for the nine months ended September 30, 2011 reflecting cash generated by operating activities, net issuances of long- and short-term debt, proceeds from the sale of differential membership interests and cash grants received under the Recovery Act. These inflows were partially offset by capital investments by FPL and NextEra Energy Resources, loan proceeds restricted for construction and the payment of common stock dividends to NextEra Energy shareholders.

NextEra Energy's cash flows from operating activities for the nine months ended September 30, 2011 reflect cash generated by net income after the effect of non-cash charges, as well as changes in operating assets and liabilities reflecting changes in other receivables and income taxes due to a cash refund of approximately $278 million received from the IRS related to the IRS settlement and an increase in other taxes at FPL primarily due to property taxes, which are payable in the fourth quarter. These inflows were partially offset by cash outflows related to materials, supplies and fossil fuel inventory due to additional fuel being purchased to replenish inventory and the acquisition of inventory due to expiring fuel tank leases.

NextEra Energy's cash flows from investing activities for the nine months ended September 30, 2011 reflect capital investments, including nuclear fuel purchases, of approximately $2.4 billion by FPL to expand and enhance its electric system and generating facilities to continue to provide reliable service to meet the power needs of present and future customers and investments in independent power projects, including nuclear fuel, of approximately $1.8 billion by NextEra Energy Resources. NextEra Energy's cash flows from investing activities also reflect approximately $596 million of loan proceeds that are restricted for the construction of a solar thermal facility in California and approximately $503 million (comprised of $301 million at NextEra Energy Resources and $202 million at FPL) of cash grants under the Recovery Act, the purchase and sale of restricted securities held in the special use funds, including the reinvestment of fund earnings, as well as other investment activity, primarily at Capital Holdings. NextEra Energy expects to receive additional cash grants under the Recovery Act during 2011. In addition, NextEra Energy Resources expects to receive net cash proceeds of approximately $825 million, after the repayment of debt, transaction costs and working capital and other adjustments, for the sale of five natural gas-fired generating plants which are expected to close in the fourth quarter of 2011.

During the nine months ended September 30, 2011, NextEra Energy generated proceeds from financing activities of approximately $4.1 billion, including $210 million in proceeds from the sale of differential membership interests, a net increase in short-term debt of $946 million (comprised of a $639 million increase at Capital Holdings and a $307 million increase at FPL), $39 million in proceeds from the issuance of common stock and the following long-term debt issuances and borrowings.

Date Issued	Company	Debt Issuances/Borrowings	Interest Rate	Principal Amount	Maturity Date
				(millions)	
January - September 2011	NextEra Energy Resources subsidiary	Canadian revolving credit facilities	Variable [a]	$ 152	2013
February 2011	NextEra Energy Resources subsidiary	Senior secured limited-recourse notes	6.25%	82	2031
April - September 2011	NextEra Energy Resources subsidiaries	Euro denominated senior secured limited-recourse loan	Variable [a][b]	243	2030
April - September 2011	NextEra Energy Resources subsidiaries	Euro denominated senior secured limited-recourse loan	Variable [a]	24	2015
June - September 2011	NextEra Energy Resources subsidiary	Euro denominated revolving loan	Variable [a]	27	2014
June 2011	FPL	First mortgage bonds	5.125%	250	2041
June 2011	Capital Holdings	Debentures	4.50% [b]	400	2021
June 2011	Capital Holdings	Japanese yen denominated term loan	Variable [a][c]	424	2014
August 2011	NextEra Energy Resources subsidiary	Limited-recourse term loan	Variable [a][b]	70	2016
August 2011	NextEra Energy Resources subsidiary	Limited-recourse note	4.125%	702 [d]	2038
September 2011	Capital Holdings	Term loan	1.10%	50	2016
September 2011	Capital Holdings	Term loans	Variable [a]	525	2013
				$ 2,949	

(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.
(d) At September 30, 2011, approximately $596 million of loan proceeds were restricted for the construction of a solar thermal facility and included in other assets on NextEra Energy's condensed consolidated balance sheets.

During the nine months ended September 30, 2011, NextEra Energy paid approximately $2.4 billion in connection with financing activities, including $1.2 billion in principal payments on Capital Holdings' debt, $406 million in principal payments on NextEra Energy Resources' debt, $45 million in principal payments on FPL's storm-recovery bonds and $689 million for the payment of dividends on NextEra Energy's common stock.

In April 2011, an indirect wholly-owned subsidiary of NextEra Energy Resources issued Class B membership interests to two third-party investors. The NextEra Energy Resources subsidiary has ownership interests in five wind generation facilities with generating capability totaling approximately 483 mw located in Iowa, North Dakota, South Dakota, Texas and Wisconsin. The NextEra Energy Resources subsidiary received approximately $118 million at closing and will receive future capital contributions from the third-party investors on a quarterly basis through December 31, 2019 based on the amount of PTCs generated by the wind facilities. The future capital contributions are expected to total approximately $315 million based on projected wind generation.

In June 2011, an indirect wholly-owned subsidiary of NextEra Energy Resources sold Class B membership interests to a third-party investor. The NextEra Energy Resources subsidiary has ownership interests in a wind generation facility with generating capability totaling 150 mw located in Illinois. The NextEra Energy Resources subsidiary received approximately $79 million at closing and approximately $98 million in October 2011 when the project received notice regarding the award of its application for a Recovery Act cash grant.

NextEra Energy's cash and cash equivalents increased for the nine months ended September 30, 2010 reflecting cash generated by operating activities, net issuances of long-term debt, proceeds from the sale of differential membership interests and cash grants received under the Recovery Act. These inflows were partially offset by capital investments by FPL and NextEra Energy Resources, a net decrease in short-term debt and the payment of common stock dividends to NextEra Energy shareholders.

Accumulated Other Comprehensive Income (Loss)

NextEra Energy's total other comprehensive income (loss) activity is as follows:

	Accumulated Other Comprehensive Income (Loss)					
	Nine Months Ended September 30,					
	2011			2010		
	Net Unrealized Gains (Losses) On Cash Flow Hedges	Other	Total	Net Unrealized Gains (Losses) On Cash Flow Hedges	Other	Total
	(millions)					
Balances at December 31 of prior year	$ 24	$ 142	$ 166	$ 67	$ 102	$ 169
Net unrealized gains (losses) on cash flow hedges:						
Effective portion of net unrealized losses (net of $125 and $55 tax benefit, respectively)	(248)	—	(248)	(98)	—	(98)
Reclassification from AOCI to net income (net of $18 tax expense and $27 tax benefit, respectively)	36	—	36	(30)	—	(30)
Net unrealized gains (losses) on available for sale securities:						
Net unrealized gains (losses) on securities still held (net of $12 tax benefit and $45 tax expense, respectively)	—	(20)	(20)	—	26	26
Reclassification from AOCI to net income (net of $32 and $9 tax benefit, respectively)	—	(47)	(47)	—	(17)	(17)
Defined benefit pension and other benefits plans (net of $4 tax expense)	—	6	6	—	—	—
Net unrealized losses on foreign currency translation (net of $4 and $1 tax benefit, respectively)	—	(7)	(7)	—	(3)	(3)
Balances at September 30	$ (188)	$ 74	$ (114)	$ (61)	$ 108	$ 47

Energy Marketing and Trading and Market Risk Sensitivity

Energy Marketing and Trading - Certain of NextEra Energy's subsidiaries, including FPL and NextEra Energy Resources, use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity. In addition, NextEra Energy, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in power and gas marketing and trading activities to take advantage of expected future favorable price movements.

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 clause or the 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. See Note 2.

The changes in the fair value of NextEra Energy's consolidated subsidiaries' energy contract derivative instruments for the three and nine months ended September 30, 2011 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	NextEra Energy Total
			(millions)		
Three months ended September 30, 2011					
Fair value of contracts outstanding at June 30, 2011	$ 140	$ 343	$ 30	$ (140)	$ 373
Reclassification to realized at settlement of contracts	(15)	(16)	(11)	85	43
Changes in fair value excluding reclassification to realized	22	(63)	—	(233)	(274)
Fair value of contracts outstanding at September 30, 2011	147	264	19	(288)	142
Net option premium payments (receipts)	(177)	9	—	—	(168)
Net margin cash collateral paid					90
Total mark-to-market energy contract net assets (liabilities) at September 30, 2011	$ (30)	$ 273	$ 19	$ (288)	$ 64

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	NextEra Energy Total
			(millions)		
Nine months ended September 30, 2011					
Fair value of contracts outstanding at December 31, 2010	$ 125	$ 413	$ 49	$ (236)	$ 351
Reclassification to realized at settlement of contracts	(13)	(74)	(30)	248	131
Changes in fair value excluding reclassification to realized	35	(75)	—	(300)	(340)
Fair value of contracts outstanding at September 30, 2011	147	264	19	(288)	142
Net option premium payments (receipts)	(177)	9	—	—	(168)
Net margin cash collateral paid					90
Total mark-to-market energy contract net assets (liabilities) at September 30, 2011	$ (30)	$ 273	$ 19	$ (288)	$ 64

NextEra Energy's total mark-to-market energy contract net assets (liabilities) at September 30, 2011 shown above are included in the condensed consolidated balance sheets as follows:

	September 30, 2011
	(millions)
Current derivative assets	$ 308
Noncurrent derivative assets	464
Current derivative liabilities	(509)
Noncurrent derivative liabilities	(199)
NextEra Energy's total mark-to-market energy contract net assets	$ 64

The sources of fair value estimates and maturity of energy contract derivative instruments at September 30, 2011 were as follows:

	Maturity						
	2011	2012	2013	2014	2015	Thereafter	Total
				(millions)			
Trading:							
Quoted prices in active markets for identical assets	$ 11	$ (35)	$ (51)	$ —	$ (1)	$ —	$ (76)
Significant other observable inputs	(65)	(47)	47	13	8	26	(18)
Significant unobservable inputs	11	19	3	—	12	19	64
Total	(43)	(63)	(1)	13	19	45	(30)
Owned Assets - Non-Qualifying:							
Quoted prices in active markets for identical assets	(4)	(28)	(7)	(4)	—	—	(43)
Significant other observable inputs	25	126	21	26	35	30	263
Significant unobservable inputs	13	(1)	14	12	8	7	53
Total	34	97	28	34	43	37	273
Owned Assets - OCI:							
Quoted prices in active markets for identical assets	8	14	—	—	—	—	22
Significant other observable inputs	3	(6)	—	—	—	—	(3)
Significant unobservable inputs	—	—	—	—	—	—	—
Total	11	8	—	—	—	—	19
Owned Assets - FPL Cost Recovery Clauses:							
Quoted prices in active markets for identical assets	—	—	—	—	—	—	—
Significant other observable inputs	(119)	(173)	—	—	—	—	(292)
Significant unobservable inputs	1	2	1	—	—	—	4
Total	(118)	(171)	1	—	—	—	(288)
Total sources of fair value	$ (116)	$ (129)	$ 28	$ 47	$ 62	$ 82	$ (26)

The changes in the fair value of NextEra Energy's consolidated subsidiaries' energy contract derivative instruments for the three and nine months ended September 30, 2010 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	NextEra Energy Total
			(millions)		
Three months ended September 30, 2010					
Fair value of contracts outstanding at June 30, 2010	$ 83	$ 313	$ 98	$ (272)	$ 222
Reclassification to realized at settlement of contracts	15	(14)	(25)	140	116
Inception value of new contracts	114	—	—	—	114
Changes in fair value excluding reclassification to realized	38	211	—	(306)	(57)
Fair value of contracts outstanding at September 30, 2010	250	510	73	(438)	395
Net option premium payments (receipts)	(140)	10	—	—	(130)
Net margin cash collateral paid					(5)
Total mark-to-market energy contract net assets (liabilities) at September 30, 2010	$ 110	$ 520	$ 73	$ (438)	$ 260

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	Hedges on Owned Assets: FPL Cost Recovery Clauses	NextEra Energy Total
			(millions)		
Nine months ended September 30, 2010					
Fair value of contracts outstanding at December 31, 2009	$ 39	$ 126	$ 131	$ (64)	$ 232
Reclassification to realized at settlement of contracts	17	(92)	(77)	323	171
Inception value of new contracts	108	(45)	—	—	63
Effective portion of changes in fair value recorded in OCI	—	—	19	—	19
Ineffective portion of changes in fair value recorded in earnings	—	1	—	—	1
Changes in fair value excluding reclassification to realized	86	520	—	(697)	(91)
Fair value of contracts outstanding at September 30, 2010	250	510	73	(438)	395
Net option premium payments (receipts)	(140)	10	—	—	(130)
Net margin cash collateral paid					(5)
Total mark-to-market energy contract net assets (liabilities) at September 30, 2010	$ 110	$ 520	$ 73	$ (438)	$ 260

Market Risk Sensitivity - Financial instruments and positions affecting the financial statements of NextEra Energy and FPL described below are held primarily for purposes other than trading. Market risk is measured as the potential loss in fair value resulting from hypothetical reasonably possible changes in commodity prices, interest rates, equity prices or currency exchange rates over the next year. At September 30, 2011, with respect to certain debt issuances and borrowings, Capital Holdings has two cross currency swaps, one to hedge against currency movements with respect to both interest and principal payments and one to hedge against currency and interest rate movements with respect to both interest and principal payments. At September 30, 2011 and December 31, 2010, the fair value of cross currency swaps was approximately $11 million and $44 million, respectively.

NextEra Energy and its subsidiaries are also exposed to credit risk through their energy marketing and trading operations. Credit risk is the risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligation. NextEra Energy manages counterparty credit risk for its subsidiaries with energy marketing and trading operations through established policies, including counterparty credit limits, and in some cases credit enhancements, such as cash prepayments, letters of credit, cash and other collateral and guarantees. Credit risk is also managed through the use of master netting agreements. NextEra Energy's credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis.

Management has established risk management policies to monitor and manage market and credit risks. With respect to commodities, NextEra Energy's Exposure Management Committee (EMC), which is comprised of certain members of senior management, and NextEra Energy's chief executive officer are responsible for the overall approval of market and credit risk management policies and the delegation of approval and authorization levels. The EMC and NextEra Energy's chief executive officer receive periodic updates on market positions and related exposures, credit exposures and overall risk management activities.

Commodity price risk - NextEra Energy uses a value-at-risk (VaR) model to measure market risk in its trading and mark-to-market portfolios. The VaR is the estimated nominal loss of market value based on a one-day holding period at a 95% confidence level using historical simulation methodology. At September 30, 2011 and December 31, 2010, the VaR figures are as follows:

	Trading			Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses[a]			Total		
	FPL	NextEra Energy Resources	NextEra Energy	FPL	NextEra Energy Resources	NextEra Energy	FPL	NextEra Energy Resources	NextEra Energy
					(millions)				
December 31, 2010	$ —	$ 3	$ 3	$ 51	$ 21	$ 35	$ 51	$ 23	$ 36
September 30, 2011	$ —	$ 2	$ 2	$ 36	$ 47	$ 45	$ 36	$ 49	$ 44
Average for the nine months ended September 30, 2011	$ —	$ 3	$ 3	$ 49	$ 38	$ 37	$ 49	$ 38	$ 37

(a) Non-qualifying hedges are employed to reduce the market risk exposure to physical assets or contracts which are not marked to market. The VaR figures for the non-qualifying hedges and hedges in OCI and FPL cost recovery clauses category do not represent the economic exposure to commodity price movements.

Interest rate risk - NextEra Energy and FPL are exposed to risk resulting from changes in interest rates as a result of their respective issuances of debt, investments in special use funds and other investments. NextEra Energy and FPL manage their respective interest rate exposure by monitoring current interest rates, entering into interest rate swaps and adjusting their variable rate debt in relation to total capitalization.

The following are estimates of the fair value of NextEra Energy's and FPL's financial instruments:

	September 30, 2011		December 31, 2010	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
NextEra Energy:				
Fixed income securities:				
Special use funds	$ 1,887	$ 1,887 [a]	$ 1,701	$ 1,701 [a]
Other investments:				
Notes receivable	$ 503	$ 521 [b]	$ 525	$ 583 [b]
Debt securities	$ 94	$ 94 [a]	$ 114	$ 114 [a]
Long-term debt, including current maturities	$ 21,156 [c]	$ 23,116 [d]	$ 19,929	$ 20,756 [d]
Interest rate swaps - net unrealized losses	$ (304) [c]	$ (304) [e]	$ (16)	$ (16) [e]
FPL:				
Fixed income securities - special use funds	$ 1,484	$ 1,484 [a]	$ 1,375	$ 1,375 [a]
Long-term debt, including current maturities	$ 6,934	$ 8,346 [d]	$ 6,727	$ 7,236 [d]

(a) Based on quoted market prices for these or similar issues.
(b) Based on market prices provided by external sources.
(c) Includes long-term debt, including current maturities of $524 million and net unrealized losses on interest rate swaps of $28 million which are included in liabilities associated with assets held for sale on NextEra Energy's condensed consolidated balance sheets.
(d) Provided by external sources based on market prices indicative of market conditions.
(e) Modeled internally based on market values using discounted cash flow analysis and credit valuation adjustment.

The special use funds of NextEra Energy and FPL consist of restricted funds set aside to cover the cost of storm damage for FPL and for the decommissioning of NextEra Energy's and FPL's nuclear power plants. A portion of these funds is invested in fixed income debt securities carried at estimated fair value. At FPL, changes in fair value, including any other than temporary impairment losses, result in a corresponding adjustment to the related regulatory liability accounts based on current regulatory treatment. The changes in fair value of NextEra Energy's non-rate regulated operations result in a corresponding adjustment to OCI, except for impairments deemed to be other than temporary, including any credit losses, which are reported in current period earnings. Because the funds set aside by FPL for storm damage could be needed at any time, the related investments are generally more liquid and, therefore, are less sensitive to changes in interest rates. The nuclear decommissioning funds, in contrast, are generally invested in longer-term securities, as decommissioning activities are not scheduled to begin until at least 2030 (2032 at FPL).

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. At September 30, 2011, the estimated fair value of NextEra Energy's interest rate swaps was as follows:

Notional Amount	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value
(millions)					(millions)
Fair value hedges - Capital Holdings:					
$ 250	May 2010	November 2013	Variable[a]	2.55%	$ 8
$ 400	August 2010	September 2015	Variable[b]	2.60%	8
$ 250	August 2011	June 2013	Variable[c]	3.35%	(1)
$ 500	August 2011	December 2015	Variable[d]	7.875%	(3)
$ 500	August 2011	March 2019	Variable[e]	6.00%	2
$ 400	August 2011	June 2021	Variable[f]	4.50%	9
Total fair value hedges					23
Cash flow hedges:					
NextEra Energy Resources:					
$ 32	December 2003	December 2017	4.245%	Variable[g]	(3)
$ 10	April 2004	December 2017	3.845%	Variable[g]	(1)
$ 137	December 2005	November 2019	4.905%	Variable[g]	(16)
$ 336	January 2007	January 2022	5.390%	Variable[h]	(44)
$ 54	January 2008	December 2011	3.2050%	Variable[g]	—
$ 305	January 2009	December 2016	2.680%	Variable[g]	(18)
$ 124	January 2009[i]	December 2023	3.725%	Variable[g]	(2)
$ 78	January 2009	December 2023	2.578%	Variable[j]	(3)
$ 18	March 2009	December 2016	2.655%	Variable[g]	(1)
$ 7	March 2009[i]	December 2023	3.960%	Variable[g]	—
$ 293	May 2009	May 2017	3.015%	Variable[g]	(21)
$ 106	May 2009[i]	May 2024	4.663%	Variable[g]	(4)
$ 128	December 2009[k]	December 2019	3.830%	Variable[g]	(19)
$ 52	December 2009[i][k]	September 2021	5.500%	Variable[g]	(1)
$ 243	April 2010	January 2027	4.040%	Variable[h]	(37)
$ 275	October 2010	September 2028	2.822%	Variable[g]	(17)
$ 188	December 2010[k]	January 2018	2.313%	Variable[h]	(8)
$ 196	April 2011	December 2013	2.733%	Variable[l]	(17)
$ 789	April 2011[i]	June 2018	4.042%	Variable[m]	(45)
$ 653	April 2011[i]	December 2030	4.694%	Variable[m]	(51)
$ 70	August 2011	January 2016	(n)	Variable[g]	—
Capital Holdings:					
$ 250	October 2010[i]	June 2023	3.479%	Variable[g]	(19)
Total cash flow hedges					(327)
Total interest rate swaps					$ (304)

(a) Three-month London InterBank Offered Rate (LIBOR) plus 0.4726%.
(b) Three-month LIBOR plus 0.7980%.
(c) Three-month LIBOR plus 4.8275%.
(d) Three-month LIBOR plus 6.675%.
(e) Three-month LIBOR plus 3.945%.
(f) Three-month LIBOR plus 2.05%.
(g) Three-month LIBOR.
(h) Six-month LIBOR.
(i) Exchange of payments does not begin until December 2016, December 2016, May 2017, December 2019, December 2013, June 2018 and June 2013, respectively.
(j) Three-month Banker's Acceptance Rate.
(k) In September 2011, hedge accounting ceased because forecasted transaction is no longer probable as NextEra Energy Resources entered into an agreement to sell its ownership interest in a portfolio of natural gas-fired generating plants. See Note 3 - Nonrecurring Fair Value Measurements.
(l) One-month Euro Interbank Offered Rate (Euribor).
(m) Six-month Euribor.
(n) Rate varies over time from 0.4914% to 3.0048%.

Based upon a hypothetical 10% decrease in interest rates, which is a reasonable near-term market change, the net fair value of NextEra Energy's net liabilities would increase by approximately $965 million ($388 million for FPL) at September 30, 2011.

Equity price risk - Included in the nuclear decommissioning reserve funds of NextEra Energy are marketable equity securities carried at estimated fair value of approximately $1,781 million and $2,041 million ($1,127 million and $1,262 million for FPL) at September 30, 2011 and December 31, 2010, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $164 million ($105 million for FPL) reduction in fair value and corresponding adjustments to the related regulatory liability accounts based on current regulatory treatment for FPL, or adjustments to OCI for NextEra Energy's non-rate regulated operations, at September 30, 2011.

Credit risk - For all derivative and contractual transactions, NextEra Energy's energy marketing and trading operations, which includes FPL's energy marketing and trading division, are exposed to losses in the event of nonperformance by counterparties to these transactions. Relevant considerations when assessing NextEra Energy's energy marketing and trading operations' credit risk exposure include:

- Operations are primarily concentrated in the energy industry.
- Trade receivables and other financial instruments are predominately with energy, utility and financial services related companies, as well as municipalities, cooperatives and other trading companies in the United States.
- Overall credit risk is managed through established credit policies and is overseen by the EMC.
- Prospective and existing customers are reviewed for creditworthiness based upon established standards, with customers not meeting minimum standards providing various credit enhancements or secured payment terms, such as letters of credit or the posting of margin cash collateral.
- The use of master netting agreements to offset cash and non-cash gains and losses arising from derivative instruments with the same counterparty. NextEra Energy's policy is to have master netting agreements in place with significant counterparties.

Based on NextEra Energy's policies and risk exposures related to credit, NextEra Energy and FPL do not anticipate a material adverse effect on their financial statements as a result of counterparty nonperformance. As of September 30, 2011, approximately 97% of NextEra Energy's and 100% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have investment grade credit ratings.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of September 30, 2011, each of NextEra Energy and FPL had performed an evaluation, under the supervision and with the participation of its management, including NextEra Energy's and FPL's chief executive officer and chief financial officer, of the effectiveness of the design and operation of each company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rule 13a-15(e) or 15d-15(e)). Based upon that evaluation, the chief executive officer and chief financial officer of each of NextEra Energy and FPL concluded that the company's disclosure controls and procedures were effective as of September 30, 2011.

(b) Changes in Internal Control over Financial Reporting

NextEra Energy and FPL are continuously seeking to improve the efficiency and effectiveness of their operations and of their internal controls. This results in refinements to processes throughout NextEra Energy and FPL. In July 2011, FPL converted to a new enterprise resource planning (ERP) system that was already in use at NextEra Energy and NextEra Energy Resources. In conjunction with this ERP implementation, FPL has made changes to the design, operation and documentation of its processes as they relate to internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

NextEra Energy and FPL are parties to various legal and regulatory proceedings in the ordinary course of their respective businesses. For information regarding legal proceedings that could have a material effect on NextEra Energy or FPL, see Item 3. Legal Proceedings and Note 14 - Legal Proceedings to Consolidated Financial Statements in the 2010 Form 10-K for NextEra Energy and FPL and Note 10 - Legal Proceedings herein. Such descriptions are incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in NextEra Energy's and FPL's June 2011 Form 10-Q, March 2011 Form 10-Q and 2010 Form 10-K. The factors discussed in Part II, Item 1A. Risk Factors in NextEra Energy's and FPL's June 2011 Form 10-Q and March 2011 Form 10-Q and in Part I, Item 1A. Risk Factors in NextEra Energy's and FPL's 2010 Form 10-K, as well as other information set forth in this report, which could materially adversely affect NextEra Energy's and FPL's businesses, financial condition, future financial results and/or liquidity should be carefully considered. The risks described in NextEra Energy's and FPL's June 2011 Form 10-Q, March 2011 Form 10-Q and 2010 Form 10-K are not the only risks facing NextEra Energy and FPL. Additional risks and uncertainties not currently known to NextEra Energy or FPL, or that are currently deemed to be immaterial, also may materially adversely affect NextEra Energy's or FPL's business, financial condition, future financial results and/or liquidity.

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

(c) Information regarding purchases made by NextEra Energy of its common stock during the three months ended September 30, 2011 is as follows:

Period	Total Number of Shares Purchased[a]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Maximum Number of Shares that May Yet be Purchased Under the Program[b]
7/1/11 - 7/31/11	—	$ —	—	20,000,000
8/1/11 - 8/31/11	10,706	$ 54.74	—	20,000,000
9/1/11 - 9/30/11	561	$ 56.30	—	20,000,000
Total	11,267	$ 54.82	—	

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

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

Item 6. Exhibits

Exhibit Number	Description	NextEra Energy	FPL
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		x
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of NextEra Energy	x	
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of NextEra Energy	x	
31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL		x
31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL		x
32(a)	Section 1350 Certification of NextEra Energy	x	
32(b)	Section 1350 Certification of FPL		x
101.INS	XBRL Instance Document	x	x
101.SCH	XBRL Schema Document	x	x
101.PRE	XBRL Presentation Linkbase Document	x	x
101.CAL	XBRL Calculation Linkbase Document	x	x
101.LAB	XBRL Label Linkbase Document	x	x
101.DEF	XBRL Definition Linkbase Document	x	x

NextEra Energy and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that NextEra Energy and FPL have not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

SIGNATURES

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

NEXTERA ENERGY, INC.
(Registrant)

Date: November 3, 2011

CHRIS N. FROGGATT

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

FLORIDA POWER & LIGHT COMPANY
(Registrant)

KIMBERLY OUSDAHL

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

Exhibit 12(a)

NEXTERA ENERGY, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS[(a)]

	Nine Months Ended September 30, 2011
	(millions of dollars)
Earnings, as defined:	
Net income	$ 1,256
Income taxes	273
Fixed charges included in the determination of net income, as below	817
Amortization of capitalized interest	16
Distributed income of equity method investees	67
Less: Equity in earnings of equity method investees	57
Total earnings, as defined	$ 2,372
Fixed charges, as defined:	
Interest expense	$ 775
Rental interest factor	29
Allowance for borrowed funds used during construction	13
Fixed charges included in the determination of net income	817
Capitalized interest	77
Total fixed charges, as defined	$ 894
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends[(a)]	2.65

(a) NextEra Energy, Inc. has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 12(b)

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS[(a)]

	Nine Months Ended September 30, 2011
	(millions of dollars)
Earnings, as defined:	
Net income	$ 852
Income taxes	519
Fixed charges included in the determination of net income, as below	305
Total earnings, as defined	$ 1,676
Fixed charges, as defined:	
Interest expense	$ 287
Rental interest factor	6
Allowance for borrowed funds used during construction	12
Fixed charges included in the determination of net income	305
Capitalized interest	1
Total fixed charges, as defined	$ 306
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends[(a)]	5.48

(a) Florida Power & Light Company has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended September 30, 2011 of NextEra Energy, Inc. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2011

LEWIS HAY, III

Lewis Hay, III
Chairman and Chief Executive Officer
of NextEra Energy, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended September 30, 2011 of NextEra Energy, Inc. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2011

MORAY P. DEWHURST

Moray P. Dewhurst
Vice Chairman and Chief Financial Officer,
and Executive Vice President - Finance
of NextEra Energy, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando J. Olivera, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended September 30, 2011 of Florida Power & Light Company (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2011

ARMANDO J. OLIVERA

Armando J. Olivera
President and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended September 30, 2011 of Florida Power & Light Company (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2011

MORAY P. DEWHURST

Moray P. Dewhurst
Executive Vice President, Finance
and Chief Financial Officer
of Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III and Moray P. Dewhurst certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of NextEra Energy, Inc. (NextEra Energy) for the quarterly period ended September 30, 2011 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of NextEra Energy.

Dated: November 3, 2011

LEWIS HAY, III

Lewis Hay, III
Chairman and Chief Executive Officer
of NextEra Energy, Inc.

MORAY P. DEWHURST

Moray P. Dewhurst
Vice Chairman and Chief Financial Officer,
and Executive Vice President - Finance
of NextEra Energy, Inc.

A signed original of this written statement required by Section 906 has been provided to NextEra Energy and will be retained by NextEra Energy and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of NextEra Energy under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32(b)

Section 1350 Certification

We, Armando J. Olivera and Moray P. Dewhurst, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of Florida Power & Light Company (FPL) for the quarterly period ended September 30, 2011 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL.

Dated: November 3, 2011

ARMANDO J. OLIVERA

Armando J. Olivera
President and Chief Executive Officer of
Florida Power & Light Company

MORAY P. DEWHURST

Moray P. Dewhurst
Executive Vice President, Finance and
Chief Financial Officer of
Florida Power & Light Company

A signed original of this written statement required by Section 906 has been provided to FPL and will be retained by FPL and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 3(g)

Annual Report on Form 10-K for the year ended December 31, 2011.

NEXTera ENERGY

FPL

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended **December 31, 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**	59-0247775

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

State or other jurisdiction of incorporation or organization: Florida

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

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

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

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

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

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

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

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).

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

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

Indicate by check mark whether the registrants are a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the 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 ☑	Accelerated Filer ☐	Non-Accelerated Filer ☐	Smaller Reporting Company ☐
Florida Power & Light Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-Accelerated Filer ☑	Smaller Reporting Company ☐

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

Aggregate market value of the voting and non-voting common equity of NextEra Energy, Inc. held by non-affiliates as of June 30, 2011 (based on the closing market price on the Composite Tape on June 30, 2011) was $24,179,141,166.

There was no voting or non-voting common equity of Florida Power & Light Company held by non-affiliates as of June 30, 2011.

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 January 31, 2012: 416,208,761 shares.

As of January 31, 2012, 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.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of NextEra Energy, Inc.'s Proxy Statement for the 2012 Annual Meeting of Shareholders are incorporated by reference in Part III hereof.

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

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

DEFINITIONS

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

Term	Meaning
AFUDC	allowance for funds used during construction
AFUDC - debt	debt component of allowance for funds used during construction
AFUDC - equity	equity component of allowance for funds used during construction
AOCI	accumulated other comprehensive income
capacity clause	capacity cost recovery clause, as established by the FPSC
CFTC	U.S. Commodity Futures Trading Commission
CO_2	carbon dioxide
DOE	U.S. Department of Energy
Duane Arnold	Duane Arnold Energy Center
EPA	U.S. Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FPL	Florida Power & Light Company
FPL FiberNet	Fiber-optic telecommunications business
FPSC	Florida Public Service Commission
fuel clause	fuel and purchased power cost recovery clause, as established by the FPSC
GAAP	generally accepted accounting principles in the U.S.
GHG	greenhouse gas(es)
ISO	independent system operator
ITCs	investment tax credits
kw	kilowatt
kwh	kilowatt-hour(s)
Lone Star	Lone Star Transmission, LLC
Management's Discussion	Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
mortgage	mortgage and deed of trust dated as of January 1, 1944, from FPL to Deutsche Bank Trust Company Americas, as supplemented and amended
mw	megawatt(s)
mwh	megawatt-hour(s)
NEE	NextEra Energy, Inc.
NEECH	NextEra Energy Capital Holdings, Inc.
NEER	NextEra Energy Resources, LLC
NERC	North American Electric Reliability Corporation
Note __	Note __ to consolidated financial statements
NOx	nitrogen oxide
NRC	U.S. Nuclear Regulatory Commission
O&M expenses	other operations and maintenance expenses in the consolidated statements of income
OCI	other comprehensive income
OTC	over-the-counter
OTTI	other than temporary impairment
PJM	PJM Interconnection, L.L.C.
PMI	NextEra Energy Power Marketing, LLC
Point Beach	Point Beach Nuclear Power Plant
PTCs	production tax credits
PUCT	Public Utility Commission of Texas
PURPA	Public Utility Regulatory Policies Act of 1978, as amended
PV	photovoltaic
RFP	request for proposal
ROE	return on common equity
regulatory ROE	return on common equity as determined for regulatory purposes
RPS	renewable portfolio standards
RTO	regional transmission organization
Seabrook	Seabrook Station
SEC	U.S. Securities and Exchange Commission
SO_2	sulfur dioxide
U.S.	United States of America
WCEC	FPL's West County Energy Center in western Palm Beach County, Florida

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

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FORWARD-LOOKING STATEMENTS

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

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

PART I

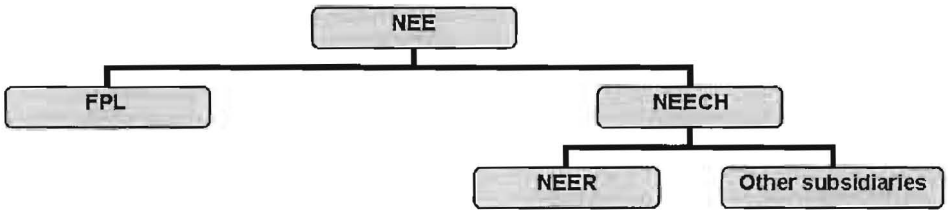
Item 1. Business

OVERVIEW

NextEra Energy, Inc. (hereafter, NEE) is one of the largest electric power companies in North America, with over 41,000 mw of generating capacity in 24 states in the U.S. and 3 provinces in Canada, and employing approximately 14,800 people as of December 31, 2011. NEE provides retail and wholesale electric services to more than 4 million customers and owns generation, transmission and distribution facilities to support its services. It also purchases electric power for resale to its customers and provides risk management services related to power and gas consumption for a limited number of customers. NEE is the largest generator in the U.S. of renewable energy from the wind and sun and owned approximately 18% of the installed base of U.S. wind power production capacity as of December 31, 2011. NEE also produces electricity from solar facilities, and owns and operates one of the largest fleets of nuclear power stations in the U.S., with eight reactors at five sites located in four states, representing approximately 6% of U.S. nuclear power electric generating capacity as of December 31, 2011. NEE's business strategy has emphasized the development, acquisition and operation of renewables, nuclear and natural gas-fired generation facilities in response to long-term federal policy trends supportive of zero and low air emissions sources of power. NEE's generation fleet has significantly lower rates of emissions of CO_2, SO_2 and NOx than the average rates of the U.S. electric power industry with approximately 93% of its 2011 generation, measured by mwh produced, coming from renewables, nuclear and natural gas-fired facilities. Certain environmental attributes of NEE's electric generating facilities, such as renewable energy credits, emissions reductions, offsets, allowances and the avoided emission of GHG pollutants, have been or likely will be sold or transferred to third parties, who are solely entitled to the reporting rights and ownership of the environmental attributes.

NEE was incorporated in 1984 under the laws of Florida and conducts its operations principally through two wholly-owned subsidiaries, Florida Power & Light Company (hereafter, FPL) and NextEra Energy Resources, LLC (hereafter, NEER). NextEra Energy Capital Holdings, Inc. (hereafter, NEECH), another wholly-owned subsidiary of NEE, owns and provides funding for NEER's and NEE's other operating subsidiaries, other than FPL and its subsidiaries. NEE's two principal businesses also constitute NEE's reportable segments for financial reporting purposes, as illustrated below:

NEE Organizational Chart



FPL is a rate-regulated electric utility engaged primarily in the generation, transmission, distribution and sale of electric energy in Florida. FPL is the largest electric utility in the state of Florida and one of the largest electric utilities in the U.S. based on generation. FPL is vertically integrated, with approximately 24,500 mw of generating capacity as of December 31, 2011. FPL's investments in its infrastructure since 2001, such as modernizing less efficient generating plants and upgrading its transmission and distribution systems, have allowed FPL to produce more energy with less fuel and fewer air emissions, and deliver service reliability that was among the best of the Florida investor-owned utilities, all while providing residential and commercial bills that were among the lowest in Florida and below the national average based on a rate per kwh as of July 2011. With 85% of its power generation coming from natural gas, nuclear and solar, FPL is also one of the cleanest electric utilities in the nation. Based on 2011 information, FPL's emissions rates for CO_2, SO_2 and NOx were 36%, 84% and 72% lower, respectively, than the average rates of the U.S. electric power industry.

NEER is one of the largest wholesale generators of electric power in the U.S., with approximately 16,600 mw of generating capacity across 22 states and 3 Canadian provinces as of December 31, 2011. NEER produces the majority of its electricity from clean and renewable sources, including wind, solar and hydro. NEER also provides full energy and capacity requirements services, owns a retail electricity provider serving customers in 13 states and the District of Columbia and engages in power and gas marketing and trading activities.

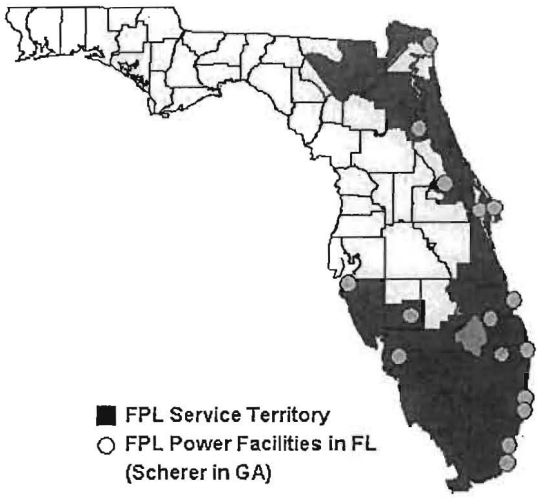
NEECH's other business activities are primarily conducted through FPL FiberNet and Lone Star. FPL FiberNet delivers wholesale and enterprise telecommunications services in Florida and certain areas of the South Central U.S. Lone Star, a rate-regulated transmission service provider in Texas, is constructing transmission lines and other associated facilities in Texas.

NEE seeks to create value in its two principal businesses by meeting its customers' needs more economically and more reliably than its competitors, as described in more detail in the following sections. NEE's strategy has resulted in profitable growth over sustained periods at both FPL and NEER. Management seeks to grow each business in a manner consistent with the varying opportunities open to it and does not maintain any specific goal as to the relative size of the two businesses. However, management believes that the diversification and balance represented by FPL and NEER is a valuable characteristic of the enterprise.

NEE'S OPERATING SUBSIDIARIES

I. FPL

FPL was incorporated under the laws of Florida in 1925, and is a wholly-owned subsidiary of NEE. FPL is a rate-regulated electric utility and is the largest electric utility in the state of Florida and one of the largest electric utilities in the U.S based on generation. FPL, with 24,460 mw of generating capacity at December 31, 2011, supplies electric service throughout most of the east and lower west coasts of Florida, serving nearly 8.9 million people through approximately 4.6 million customer accounts. At December 31, 2011, FPL's service territory and plant locations are as follows (see Item 2 - Generating Facilities):



FRANCHISE AGREEMENTS AND COMPETITION

FPL's service to its retail customers is provided primarily under franchise agreements negotiated with municipalities or counties. Municipalities and counties may form their own utility companies to provide service to their residents. In a few cases, the franchise agreement provides the municipality or county the right to buy the distribution assets serving local residents at the end of the agreement. However, during the term of a franchise agreement, which is typically 30-years, the municipality or county agrees not to form its own utility, and FPL has the right to offer electric service to residents. FPL currently holds 178 franchise agreements with various municipalities and counties in Florida with varying expiration dates through 2042. Four of these franchise agreements expire in 2013 and 174 expire during the period 2014 through 2042. These franchise agreements cover approximately 83% of FPL's retail customer base in Florida. Negotiations are ongoing to renew the franchise agreements that expire in 2013. FPL considers its franchises to be adequate for the conduct of its business. FPL also provides service to 11 other municipalities and to 22 unincorporated areas within its service area without franchise agreements pursuant to the general obligation to serve as a public utility, relying upon Florida law for access to public rights of way.

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

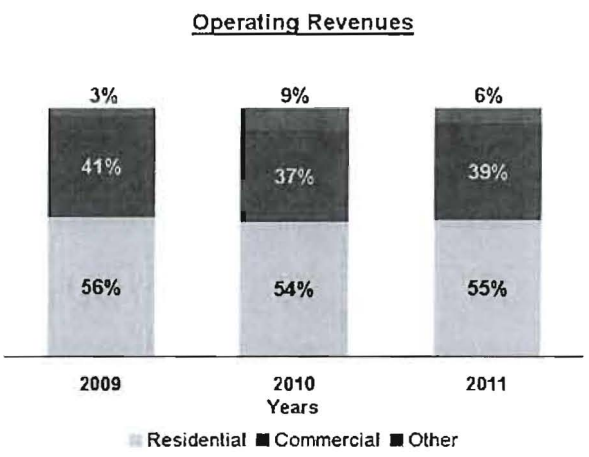
FPL also faces competition from other suppliers of electrical energy to wholesale customers and from alternative energy sources and self-generation for other customer groups, primarily industrial customers. In 2011, 2010 and 2009, operating revenues from wholesale and industrial customers combined represented approximately 3%, 3% and 4%, respectively, of FPL's total operating revenues.

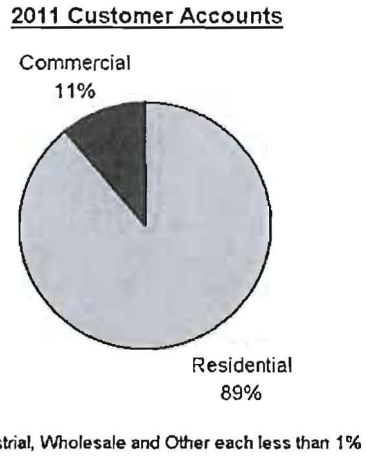
The FPSC promotes cost competitiveness in the building of new steam generating capacity by requiring investor-owned electric utilities, including FPL, to issue a request for proposal (RFP) except when the FPSC determines that an exception from the RFP process is in the public interest. The RFP process allows independent power producers and others to bid to supply the new generating capacity. If a bidder has the most cost-effective alternative, meets other criteria such as financial viability and

demonstrates adequate expertise and experience in building and/or operating generating capacity of the type proposed, the investor-owned electric utility would seek to negotiate a purchased power agreement with the selected bidder and request that the FPSC approve the terms of the purchased power agreement and, if appropriate, provide the required authorization for the construction of the bidder's generating capacity. New nuclear power plants are exempt from the RFP requirement. See FPL Sources of Generation - Nuclear Operations below regarding FPL's planned two additional nuclear units at Turkey Point.

CUSTOMERS AND REVENUE

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

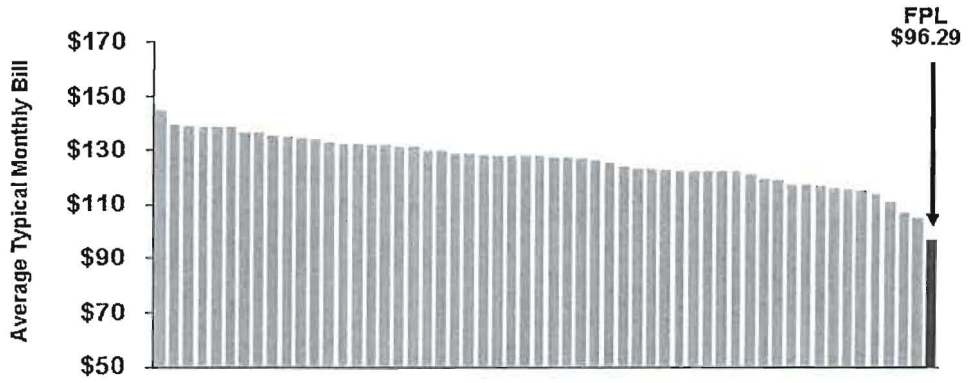




For both retail and wholesale customers, the prices (or rates) that FPL may charge are controlled by regulation, by the FPSC in the case of retail customers, and by the FERC in the case of wholesale customers. In general, under U.S. and Florida law, regulated rates are intended to cover the cost of providing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

As noted above, FPL seeks to maintain attractive rates for its customers. A common benchmark used in the electric power industry for comparing rates across companies is the cost per 1,000 kwh of consumption per month for a residential customer. FPL's 2011 average cost per 1,000 kwh of monthly residential usage was the lowest of the 55 electric utilities within Florida as indicated below:

Florida Electric Utility Residential Bill Comparison of
Average Typical Monthly Bills from January – December 2011
Residential 1,000 kWh Bill



TRANSMISSION AND DISTRIBUTION

FPL provides service to its customers through an integrated transmission and distribution system that links all its generation facilities to all its customers. FPL also maintains interconnection facilities with neighboring utilities and wholesale power providers, enabling it to buy and sell wholesale electricity outside its service territory and to enhance the reliability of its own network and support the reliability of neighboring networks. FPL's transmission system carries high voltage electricity from its generating facilities to substations where the electricity is stepped down to lower voltage levels and is sent through the distribution system to its customers.

A key element of FPL's strategy is to provide highly reliable service to its customers. The transmission and distribution system is susceptible to interruptions or outages from a wide variety of sources including weather, animal interference, traffic accidents, equipment failure and many others, and FPL seeks to reduce or eliminate outages where economically practical and to restore service rapidly in the event of an outage. A common benchmark for transmission and distribution system reliability is the system average interruption duration index (SAIDI), which represents the number of minutes the average customer is without power during a time period. During the five years ended 2010, FPL had the best average SAIDI of the Florida investor-owned utilities.

FPL SYSTEM CAPABILITY AND LOAD

At December 31, 2011, FPL's resources for serving load consisted of 26,538 mw, of which 24,460 mw were from FPL-owned facilities (see Item 2 - Generating Facilities) and 2,078 mw were available through purchased power agreements (see FPL Sources of Generation - Purchased Power below). Occasionally, unusually cold temperatures during the winter months result in significant increases in electricity usage for short periods of time. However, customer usage and operating revenues are typically higher during the summer months, largely due to the prevalent use of air conditioning in FPL's service territory. The highest peak load FPL has served to date was 24,346 mw, which occurred on January 11, 2010. FPL had adequate resources available at the time of this peak to meet customer demand.

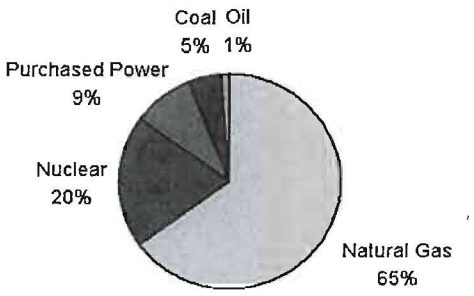
FPL's projected reserve margin for the summer of 2012 is approximately 28%. This reserve margin is expected to be achieved through the combination of available output from FPL's active generating units, purchased power agreements and the capability to reduce peak demand through the implementation of demand side management programs, including load management which was estimated at December 31, 2011 to be capable of reducing demand by 1,817 mw, and energy efficiency and conservation programs. See FPL Sources of Generation - Fossil Operations and Nuclear Operations below regarding generation projects currently under construction.

FPL SOURCES OF GENERATION

FPL relies upon a diverse mix of fuel sources for its generating facilities, along with purchased power, in order to maintain the flexibility to achieve a more economical fuel mix by responding to market and industry developments. See descriptions of fossil, nuclear and solar operations below and a listing of FPL's generating facilities in Item 2 - Generating Facilities.

FPL's 2011 fuel mix based on mwh produced, including purchased power, was as follows:

2011 Generation by Fuel Type
mwh



Solar is less than 1%

Fossil Operations (Natural Gas, Coal and Oil)

At December 31, 2011, FPL owned and operated 78 units that used fossil fuels such as natural gas and/or oil, and had a joint ownership interest in three coal units, which combined provided 21,455 mw of generating capacity for FPL. These fossil units are out of service from time to time for routine maintenance or on standby during periods of reduced electricity demand.

FPL's natural gas plants require natural gas transportation, supply and storage. FPL has firm transportation contracts in place with four different transportation suppliers with expiration dates ranging from 2015 to 2036 that together are expected to satisfy substantially all of the anticipated needs for natural gas transportation at existing units. To the extent desirable, FPL also purchases interruptible natural gas transportation service from these natural gas suppliers based on pipeline availability. FPL has several short- and medium-term natural gas supply contracts to provide a portion of FPL's anticipated needs for natural gas. The remainder of FPL's natural gas requirements is purchased in the spot market. FPL has an agreement for the storage of natural gas that expires in 2013. See Note 14 - Contracts. With respect to its oil plants, FPL obtains its fuel requirements in the spot market.

St. Johns River Power Park (SJRPP) Units Nos. 1 and 2, in which FPL has a joint ownership interest, has a coal supply and transportation contract for all of the 2012 fuel needs and a portion of the 2013 and 2014 fuel needs for those units. All of the transportation requirements and a portion of the coal supply needs for Scherer Unit No. 4, the other coal unit in which FPL has a joint ownership interest, are covered by a series of annual and long-term contracts. The remaining fuel requirements for these units will be obtained in the spot market. See Note 14 - Contracts.

Modernization Projects. FPL is in the process of modernizing its Cape Canaveral and Riviera Beach power plants to high-efficiency natural gas-fired units and expects the units to be placed in service by June 2013 and by 2014, respectively. Each modernized plant is expected to provide approximately 1,200 mw of capacity. In November 2011, FPL filed a need petition with the FPSC to modernize its Port Everglades power plant to a high-efficiency natural gas-fired unit. The modernized Port Everglades unit is expected to provide approximately 1,280 mw of capacity, be in service in 2016 and cost approximately $1.2 billion. The modernization of the Port Everglades plant is contingent upon, among other things, FPSC approval. An FPSC decision regarding the modernization of the Port Everglades plant is expected in late March 2012.

Nuclear Operations

At December 31, 2011, FPL owned, or had undivided interests in, and operated the following four nuclear units with a total net generating capacity of 2,970 mw.

Facility	mw	Operating License Expiration Dates
St. Lucie Unit No. 1	839	2036
St. Lucie Unit No. 2	745	2043
Turkey Point Unit No. 3	693	2032
Turkey Point Unit No. 4	693	2033

FPL has several contracts for the supply of uranium and the conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from March 2012 through 2022. See Note 14 - Contracts. NRC regulations require FPL to submit a plan for decontamination and decommissioning five years before the projected end of plant operation. FPL's current plans, under the applicable operating licenses, provide for prompt dismantlement of Turkey Point Units Nos. 3 and 4 with decommissioning activities commencing in 2032 and 2033, respectively. Current plans provide for St. Lucie Unit No. 1 to be mothballed beginning in 2036 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 commencing in 2043. See Management's Discussion - Critical Accounting Policies and Estimates - Nuclear Decommissioning and Fossil/Solar Dismantlement.

Projects to Add Additional Capacity. FPL is in the process of adding approximately 450 mw to 490 mw of capacity at its existing nuclear units at St. Lucie and Turkey Point, which is expected to result in significant fuel cost savings compared to other sources of generation over the lives of the units. The additional capacity is projected to be placed in service by 2013; approximately 31 mw were placed in service in May 2011 at St. Lucie Unit No. 2. As part of the conditions of certification by the FDEP for the Turkey Point project, FPL was required to implement a monitoring plan in and around the Turkey Point cooling canals due to concerns over potential saltwater intrusion beyond FPL's property. Monitoring under the plan includes collection of data prior to and after the additional capacity is placed in service. Data for the first year has been collected and provided to the FDEP. The ultimate results of the monitoring plan are uncertain, and the financial and operational impacts on FPL, if any, cannot be determined at this time. In 2008, the FPSC approved FPL's need petition for two additional nuclear units at its Turkey Point site. The two units combined are expected to add approximately 2,200 mw of capacity and have projected in-service dates between 2022 and 2023. Additional approvals from other regulatory agencies will be required later in the development process.

Nuclear Unit Scheduled Refueling Outages. FPL's nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, including inspections, repairs and certain other modifications. Scheduled nuclear refueling outages typically require the unit to be removed from service for variable lengths of time. The scheduled nuclear refueling outages

for 2012 are all expanded scope outages related to the addition of capacity at the existing nuclear units which are expected to require the unit to be removed from service for between 110 and 160 days. The following table summarizes each unit's current or next scheduled refueling outage:

Facility	Beginning of Current or Next Scheduled Refueling Outage
St. Lucie Unit No. 1	November 2011
St. Lucie Unit No. 2	August 2012
Turkey Point Unit No. 3	February 2012
Turkey Point Unit No. 4	November 2012

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

Under the Nuclear Waste Policy Act of 1982, as amended (Nuclear Waste Policy Act), the DOE is responsible for the development of a repository for the disposal of spent nuclear fuel and high-level radioactive waste. As required by the Nuclear Waste Policy Act, FPL is a party to contracts with the DOE to provide for disposal of spent nuclear fuel from its nuclear units.

The DOE was required to construct permanent disposal facilities and take title to and provide transportation and disposal for spent nuclear fuel by January 31, 1998 for a specified fee based on current generation from nuclear power plants. The DOE did not meet its statutory obligation for disposal of spent nuclear fuel under the Nuclear Waste Policy Act. In 2009, FPL and certain nuclear plant joint owners entered into a settlement agreement (spent fuel settlement agreement) with the U.S. government agreeing to dismiss with prejudice lawsuits filed against the U.S. government seeking damages caused by the DOE's failure to dispose of spent nuclear fuel from FPL's nuclear plants. The spent fuel settlement agreement permits FPL to make annual filings to recover certain spent fuel storage costs incurred by FPL which are payable by the U.S. government on an annual basis. In a separate lawsuit filed in 2011, FPL joined the Nuclear Energy Institute and several other nuclear plant owners and operators in petitioning the U.S. Court of Appeals for the District of Columbia (D.C. Circuit) to challenge the DOE's decision to continue to collect the nuclear waste fee, which petition is pending. FPL will continue to pay fees to the U.S. government's nuclear waste fund pending the D.C. Circuit's decision on the fee suspension petition.

In March 2010, the DOE filed a motion with the NRC to withdraw its license application for a nuclear waste repository at Yucca Mountain. The DOE's withdrawal motion has been challenged and is being litigated before the NRC and the D.C. Circuit. In light of the Obama Administration's decision not to proceed with the Yucca Mountain repository project, the DOE established a Blue Ribbon Commission on America's Nuclear Future (BRC) to conduct a comprehensive review of policies for managing the back end of the nuclear fuel cycle and to provide recommendations for developing a safe, long-term solution to managing spent nuclear fuel and high-level radioactive waste. In January 2012, the BRC issued its report and recommendations which include a consent-based approach, working with all affected units of government, to siting future nuclear waste management facilities, creation of a new organization, independent of the DOE, dedicated solely to assuring the safe storage and ultimate disposal of spent nuclear fuel and high-level radioactive waste, providing access to the U.S. government's nuclear waste fund for the purpose of nuclear waste storage and disposal and initiating prompt efforts to develop geologic disposal facilities, consolidated interim storage facilities and transportation to those facilities. The BRC's recommendations are not expected to result in any immediate change to the nuclear waste management and disposal situation.

Recent Nuclear Developments. As a result of the impact of the March 2011 earthquake and tsunami on nuclear facilities in Japan, the NRC established a task force to conduct a comprehensive review of processes and regulations relating to nuclear facilities in the U.S. to determine whether the NRC should make additional improvements to its regulatory system and to make recommendations to the NRC for its policy direction. In July 2011, the NRC task force released its recommendations to the NRC and, since then, the NRC staff presented certain conclusions based on their review of the task force recommendations, which conclusions have been approved by the NRC. The NRC staff's report concluded that none of the findings addressed by the task force recommendations rise to the level of an imminent hazard to public health and safety. However, since the recommendations can contribute to safety improvements, the NRC staff proposed the following actions: 1) issue orders within approximately six months to require each nuclear site to purchase portable equipment and revise procedures to address multi-unit events, provide reliable spent fuel pool instrumentation and enhance containment venting capabilities for boiling water reactors (FPL's nuclear units do not use boiling water reactors); 2) request each site to re-evaluate its seismic and flood protection designs in light of current requirements and identify any areas for improvement; and 3) issue new regulations requiring enhancements relating to extended periods of loss of alternating current power, emergency preparedness and spent fuel pool cooling capabilities. The NRC is reviewing the timeline for implementation of all of the actions, but has indicated that all actions should be completed by the end of 2016. FPL is currently reviewing the NRC's directions relating to the NRC staff's recommendations and assessing the potential financial and operational impacts on its nuclear units.

The lessons learned from the events in Japan and the results of the NRC's review of the NRC staff's recommendations may, among other things, result in changes in or new licensing and safety-related requirements for U.S. nuclear facilities. Changes in or new requirements could, among other things, impact the capacity additions (uprates) at FPL's existing nuclear units at St. Lucie and

Turkey Point, and future licensing and operations of U.S. nuclear facilities, including FPL's existing nuclear facilities and the NRC approval of two additional nuclear units at FPL's Turkey Point site, and could, among other things, result in increased cost and capital expenditures associated with the operation and maintenance of FPL's nuclear units. While the NRC continues its review, FPL continues to work with industry organizations to understand the events in Japan and apply lessons learned, which may result in FPL proactively making certain modifications to its nuclear facilities to, among other things, improve operational and safety systems prior to any potential requirements being imposed by the NRC. Any modifications could, among other things, result in increased cost and capital expenditures associated with the operation and maintenance of FPL's nuclear units. Third parties have requested that the NRC suspend the approval of nuclear uprates, nuclear license extensions and new licenses, including approval of licenses for two additional nuclear units at FPL's Turkey Point site. Another third party request was filed with the NRC seeking immediate suspension of the NRC operating licenses for all boiling water reactors that use a certain primary containment system pending completion of the NRC review. The NRC denied the request for immediate action related to the suspension of operating licenses for boiling water reactors, and, since the nuclear events in Japan, has continued to grant approvals for nuclear uprates and license extensions. However, it is uncertain at this time how and when the NRC will respond to the other items in these requests or other requests it may receive, or take action with regard to the timing for implementation of all of the NRC staff's recommendations.

Solar Operations

Solar generation can be provided primarily through two conventions, utility-owned and customer-owned. In utility-owned solar generation, the energy generated goes directly to the transmission grid, whereas, customer-owned solar generation goes directly to the location it is serving. There are two principal solar technologies used for utility-scale projects: photovoltaic and thermal. FPL placed its first utility-scale solar generating facility into service in 2009 and placed two additional solar generating facilities in service in 2010. FPL's three solar generating facilities consist of a 25 mw solar PV facility in DeSoto County, Florida, a 10 mw solar PV facility in Brevard County, Florida and a 75 mw solar thermal facility in Martin County, Florida.

Purchased Power

In addition to owning generation facilities, FPL also purchases electricity from other utilities to meet customer demand through long- and short-term purchased power agreements. As of December 31, 2011, FPL's long-term purchased power agreements provided for the purchase of approximately 2,190 mw of power with expiration dates ranging from May 2012 through 2034. See Note 14 - Contracts. FPL also procures short-term capacity for both economic and reliability purposes.

FPL ENERGY MARKETING AND TRADING

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

FPL REGULATION

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

- The FPSC, which has jurisdiction over retail rates, service territory, issuances of securities, planning, siting and construction of facilities, among other things.
- The FERC, which oversees the acquisition and disposition of facilities, transmission services and wholesale purchases and sales of electric energy, among other things.
- The NERC, which, through its regional entities, establishes and enforces mandatory reliability standards, subject to approval by the FERC, to ensure the reliability of the U.S. electric transmission and generation system and to prevent major system blackouts.
- The NRC, which has jurisdiction over the operation of FPL's nuclear power plants through the issuance of operating licenses, rules, regulations and orders. See FPL Sources of Generation - Nuclear Operations above.
- The EPA, which has the responsibility to maintain and enforce national standards under a variety of environmental laws. The EPA also works with industries and all levels of government in a wide variety of voluntary pollution prevention programs and energy conservation efforts.

FPL Rate Regulation

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

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

Effective March 1, 2010, pursuant to an FPSC final order (FPSC rate order) new retail base rates for FPL were established, resulting in an increase in retail base revenues of approximately $75 million on an annualized basis. The FPSC rate order also established a regulatory ROE of 10.0% with a range of plus or minus 100 basis points and an adjusted regulatory equity ratio of 59.1%. It also shifted certain costs from retail base rates to the capacity clause. (See Cost Recovery Clauses below for additional information regarding the capacity clause.) In addition, the FPSC rate order directed FPL to reduce depreciation expense (surplus depreciation credit) over the 2010 to 2013 period related to a depreciation reserve surplus. In February 2011, the FPSC issued a final order approving a stipulation and settlement agreement between FPL, the State of Florida Office of Public Counsel, the Florida Attorney General's Office and all other principal parties in FPL's 2009 rate case regarding FPL's base rates (2010 rate agreement), which enables FPL to earn a regulatory ROE of up to 11% per year over the term of the 2010 rate agreement. Key elements of the 2010 rate agreement, which is effective through December 31, 2012, are as follows:

- Subject to the provisions of the 2010 rate agreement, retail base rates are effectively frozen through the end of 2012.
- Incremental cost recovery through FPL's capacity clause for the new combined-cycle natural gas unit at WCEC (WCEC Unit No. 3), which was placed in service in May 2011, is permitted up to the amount of the projected annual fuel savings for customers during the term of the 2010 rate agreement.
- Future storm restoration costs would be recoverable on an accelerated basis beginning 60 days from the filing of a cost recovery petition, but capped at an amount that produces a surcharge of no more than $4 for every 1,000 kwh of usage on residential bills during the first 12 months of cost recovery. Any additional costs would be eligible for recovery in subsequent years. If storm restoration costs exceed $800 million in any given calendar year, FPL may request an increase to the $4 surcharge to recover the amount above $800 million.
- If FPL's earned regulatory ROE falls below 9%, FPL may seek retail base rate relief. If FPL's earned regulatory ROE rises above 11%, any party to the 2010 rate agreement may seek a reduction in FPL's retail base rates. In determining the regulatory ROE for all purposes under the 2010 rate agreement, earnings will be calculated on an actual, non-weather-adjusted basis.
- FPL can vary the amount of surplus depreciation credit taken in any calendar year up to a cap in 2010 of $267 million, a cap in subsequent years of $267 million plus the amount of any unused portion from prior years, and a total cap of $776 million (surplus depreciation credit cap) over the course of the 2010 rate agreement, provided that in any year of the 2010 rate agreement FPL must use at least enough surplus depreciation credit to maintain a 9% earned regulatory ROE but may not use any amount of surplus depreciation credit that would result in an earned regulatory ROE in excess of 11%.

In January 2012, FPL notified the FPSC of its intent to initiate a base rate proceeding in 2012. See Recent Regulatory Developments below.

Cost Recovery Clauses. Cost recovery clauses, which are designed to permit full recovery of certain costs and provide a return on certain assets allowed to be recovered through the various clauses, include substantially all fuel, purchased power and interchange expenses, conservation and certain environmental-related expenses, certain revenue taxes and franchise fees. Beginning in 2009, pre-construction costs and carrying charges on construction costs for FPL's planned two additional nuclear units at Turkey Point and carrying charges on construction costs for FPL's approximately 450 mw to 490 mw of additional capacity at St. Lucie and Turkey Point are also recoverable through a cost recovery clause. Also beginning in 2009, costs incurred for FPL's three solar generating facilities are recoverable through a cost recovery clause. Cost recovery clause costs are recovered through levelized monthly charges per kwh or kw, depending on the customer's rate class. These cost recovery clause charges are calculated at least annually based on estimated costs and estimated customer usage for the following year, plus or minus a true-up adjustment to reflect the estimated over or under recovery of costs in the current year. An adjustment to the levelized charges may be approved during the course of a year to reflect revised estimates.

Fuel costs are recovered from customers through the fuel clause, the most significant of the cost recovery clauses. FPL uses a risk management fuel procurement program which has been approved by the FPSC. The FPSC reviews the program activities and results for prudence annually as part of its review of fuel costs. The program is intended to manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements. See FPL Energy Marketing and Trading above, Management's Discussion - FPL: Results of Operations, Note 1 - Regulation and Note 3.

Capacity payments to other utilities and generating companies for purchased power are recovered from customers through the capacity clause. In accordance with the FPSC's nuclear cost recovery rule, FPL also recovers pre-construction costs and carrying charges (equal to a pretax AFUDC rate) on construction costs for new nuclear capacity through the capacity clause. As property related to the new nuclear capacity goes into service, construction costs and a return on investment are recovered through base rate increases effective beginning the following January. See FPL Sources of Generation - Nuclear Operations above. In

accordance with the 2010 rate agreement, cost recovery for WCEC Unit No. 3, which was placed in service in May 2011, is permitted up to the amount of the projected annual fuel savings for customers during the term of the 2010 rate agreement through FPL's capacity clause and is reported as retail base revenues.

Costs associated with implementing energy conservation programs are recovered from customers through the energy conservation cost recovery clause. Certain costs of complying with federal, state and local environmental regulations enacted after April 1993 and costs associated with FPL's three solar facilities are recovered through the environmental compliance cost recovery clause (environmental clause).

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

FERC

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

NERC

The NERC has been certified by the FERC as the national electric reliability organization. The NERC ensures the reliability and security of the North American bulk power system. The NERC's regional entities establish requirements, approved by the FERC, for reliable operation and maintenance of power generation facilities and transmission systems. FPL is subject to these reliability requirements and can incur significant penalties for failing to comply with them. Each NERC region reports seasonally and annually on the status of generation and transmission in each region.

FPL Environmental Regulation

FPL is subject to environmental laws and regulations, and is affected by some of the emerging issues, described in the NEE Environmental Matters section below. FPL expects to seek recovery through the environmental clause for compliance costs associated with any new environmental laws and regulations.

During 2011, FPL spent approximately $117 million on capital additions related to environmental matters, primarily to comply with existing environmental laws and regulations. FPL's capital expenditures related to environmental matters are estimated to total approximately $325 million for 2012 through 2014, including $118 million in 2012.

Recent Regulatory Developments

In January 2012, FPL filed a formal notification with the FPSC indicating its intent to initiate a base rate proceeding. The notification stated that, based on preliminary estimates, FPL expects to request a base rate increase of approximately $525 million effective January 2013 and an additional base rate increase of approximately $170 million annually commencing when the modernized Cape Canaveral plant becomes operational, which is expected to occur in June 2013. FPL expects to propose an allowed regulatory ROE of 11.25% with a 0.25% ROE adder, which is included in the base rate increase FPL expects to request, if FPL maintains the lowest typical residential customer bill among all the electric utilities in Florida. FPL expects to file its formal request to initiate a base rate proceeding before the end of the first quarter of 2012 with a final FPSC decision expected in the fourth quarter of 2012 in time for new rates to be effective January 1, 2013.

FPL EMPLOYEES

FPL had approximately 9,800 employees at December 31, 2011. Approximately 31% of the employees are represented by the International Brotherhood of Electrical Workers (IBEW) under a collective bargaining agreement with FPL that expires October 31, 2014.

II. NEER

NEER was formed in 1998 to aggregate NEE's competitive energy businesses. It is a limited liability company organized under the laws of Delaware and is a wholly-owned subsidiary of NEECH. Through its subsidiaries, NEER currently owns, develops, constructs, manages and operates electric generating facilities in wholesale energy markets primarily in the U.S., as well as in Canada and Spain. See Note 15. NEER is one of the largest wholesale generators of electric power in the U.S., with 16,607 mw of generating capacity across 22 states and 3 Canadian provinces as of December 31, 2011. NEER produces the majority of its electricity from clean and renewable sources as described more fully below. NEER is the largest owner of wind and solar energy projects in the U.S. and one of the largest owners and developers of wind projects in Canada. Since 2002, NEER has more than doubled its generating capacity, primarily through the development of new wind projects and acquisition of nuclear projects.

In addition, NEER provides full energy and capacity requirements services primarily to distribution utilities in certain markets, offers customized power and gas and related risk management services to wholesale customers and engages in power and gas marketing and trading activities. NEER also owns a retail electricity provider serving customers in 13 states and the District of Columbia and engages in limited development of natural gas reserves, as well as pipeline infrastructure, through non-operating ownership interests, hereafter referred to as the gas infrastructure business.

MARKETS AND COMPETITION

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

The degree and nature of competition that NEER faces is different in wholesale markets and in retail markets. The majority of NEER's revenue, roughly 90%, is derived from wholesale markets.

Wholesale power generation is a capital-intensive, commodity-driven business with numerous industry participants. NEER competes on the basis of the location of its plants and ownership of multiple plants in various regions, which increases the reliability of its energy supply. Wholesale power generation is a regional business that is currently highly fragmented relative to other commodity industries and diverse in terms of industry structure. As such, there is a wide variation in terms of the capabilities, resources, nature and identity of the companies NEER competes with depending on the market. In wholesale markets, customers' needs are met through a variety of means, including long-term bilateral contracts, standardized bilateral products such as full requirements service and customized supply and risk management services.

In general, U.S. electricity markets encompass three classes of product: energy, capacity and ancillary services. Energy services relate to the physical delivery of power; capacity services relate to the availability of mw capacity of a power generation asset; and ancillary services are other services related to power generation assets, for example, load-following services, which require the supplier of energy to vary the quantity delivered based on the load demand needs of the customer. The exact nature of these classes of product is defined in part by regulation. Not all regions have a capacity product class, and the specific definitions of ancillary services vary from region to region.

RTOs and ISOs exist in a number of regions within which NEER operates to coordinate generation and transmission across wide geographic areas. NEER also has operations that fall within the Western Electricity Coordinating Council reliability region that are not under the jurisdiction of an established RTO or ISO. Although each RTO and ISO may have differing objectives and structures, some benefits of these entities include regional planning, managing transmission congestion, developing larger wholesale markets for energy and capacity, maintaining reliability and facilitating competition among wholesale electricity providers. NEER has operations that fall within the following RTOs and ISOs:

- Alberta Electric System Operator
- California Independent System Operator
- ERCOT
- Independent Electricity System Operator
- ISO New England
- Midwest Independent Transmission System Operator (MISO)
- New York Independent System Operator (NYISO)
- PJM
- Southwest Power Pool

NEER competes in different regions to different degrees, but in general it seeks to enter into long-term bilateral contracts for the full output of its generating facilities, and approximately 55% of NEER's generating capacity is fully committed under long-term contracts. In some regions long-term contracts are not practical and NEER sells the output of its facilities into daily spot markets. In such cases, NEER will frequently enter into shorter term bilateral contracts, typically but not always of one to three years duration, to hedge the price risk associated with selling into a daily spot market. Such bilateral contracts, which may be hedges either for physical delivery or for financial (pricing) offset, may only protect a portion of the revenue that NEER expects to derive from the associated generation facility and may not qualify for hedge accounting under GAAP. Contracts that serve the economic purpose of hedging some portion of the expected revenue of a generation facility but are not recorded as hedges under GAAP are referred to as "non-qualifying hedges" for adjusted earnings purposes. See Management's Discussion - Overview.

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

The deregulated retail energy business is typically a highly competitive business. In general, competition in the retail energy business is on the basis of price, service, brand image, product offerings and market perceptions of creditworthiness. Electricity is sold pursuant to a variety of product types, including fixed, indexed and renewable products, and customers elect terms of service typically ranging from one month to five years. Retail energy rates are market-based, and not subject to traditional cost-of-service regulation by public service commissions. Non-affiliated transmission and distribution service companies provide, on a non-discriminatory basis, the wires and metering services necessary to access customers. Subsidiaries of NEER compete in certain states for retail customers, which can be divided into two principal segments: residential and commercial and industrial (C&I). Residential customers largely require only energy services, which may be purchased on a month-to-month basis or under a multi-year contract. Large C&I customers share many of the same characteristics as wholesale utility customers and may require similarly customized and structured products.

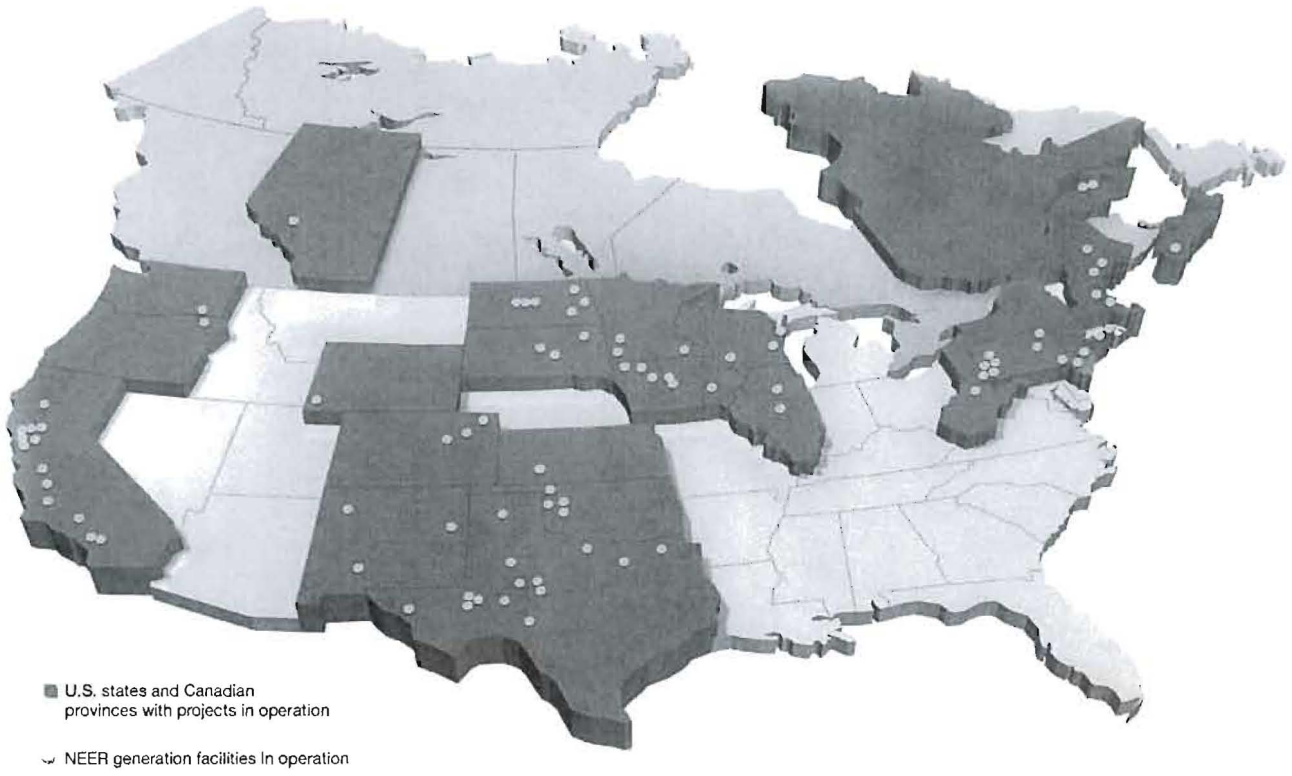
In general, competitive retail electric providers are exposed to both volume and price risk: customers' volumes will vary, and competitive retail providers are committed to supplying the customer's full needs at all times and are therefore responsible for purchases in wholesale markets to meet those needs; and wholesale prices will fluctuate in ways that do not necessarily match the retail prices committed to the customer.

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

GENERATION AND OTHER OPERATIONS

The vast majority of NEER's revenue is derived from selling the products (energy, capacity and ancillary services) produced by its own generating facilities. To a limited extent, NEER also meets its customers' needs through purchases of relevant products in wholesale markets and may combine purchases with sales from its own assets in order to meet particular customers' needs.

At December 31, 2011, the locations of NEER's generation facilities in North America are as follows:



At December 31, 2011, NEER managed or participated in the management of essentially all of its projects in which it has an ownership interest.

NEER categorizes its portfolio in a number of different ways for different business purposes. See a listing of NEER's generating facilities in Item 2 - Generating Facilities. The following combination of the presence/absence of long-term contracts, fuel/technology and region is a common presentation that NEE has used in communicating its business:

Contracted, Merchant and Other Operations

NEER's portfolio of operations based on the presence/absence of long-term contracts and other operations is described below.

Contracted Assets. Contracted assets are projects with long-term power sales agreements for substantially all of their output and certain wind assets where long-term power contracts are expected to be executed. At December 31, 2011, NEER had 9,647 mw of contracted assets, substantially all of which have long-term power contracts. Essentially all of the output of these contracted assets were under power sales agreements, with a weighted-average remaining contract life of approximately 16 years, and have firm fuel and transportation agreements with expiration dates ranging from March 2012 through 2022. See Note 14 - Contracts. Approximately 6,860 mw of this capacity is wind generation and 1,621 mw of this capacity is nuclear generation. The remaining 1,166 mw use a variety of fuels and technologies such as natural gas, oil and solar.

Merchant Assets. Merchant assets are projects that do not have long-term power sales agreements to sell their output, or, in the case of certain wind assets, are not expected to have long-term power contracts, and therefore require active marketing and hedging. At December 31, 2011, NEER's portfolio of merchant assets consists of 6,960 mw of owned wind, nuclear, natural gas, oil, solar and hydro generation facilities, including 846 mw of peak generating facilities. Approximately 60% (based on net mw capacity) of the natural gas-fueled merchant assets have natural gas transportation agreements to provide for fluctuating natural

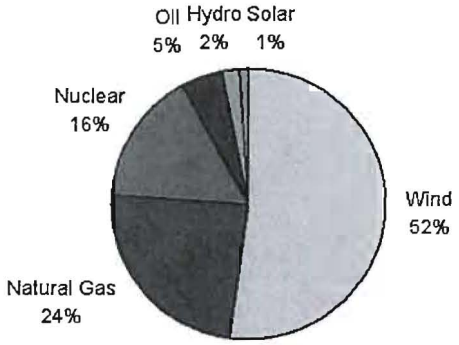
gas requirements. See Note 14 - Contracts. Derivative instruments (primarily swaps, options, futures and forwards) are used to lock in pricing and manage the commodity price risk inherent in power sales and fuel purchases. Managing market risk through these instruments introduces other types of risk, primarily counterparty, credit and operational risks.

Other. NEER's operations also include the gas infrastructure and customer supply and proprietary power and gas trading businesses. See NEER Customer Supply and Proprietary Power and Gas Trading below.

NEER Fuel/Technology Mix

NEER's generating capacity is produced using a variety of fuel sources as further described below.

2011 Generation Capacity by Asset Type
mw



Wind Facilities

At December 31, 2011, NEER had ownership interests in wind generating facilities with a total capacity of 8,569 mw (net ownership). NEER operates substantially all of these wind facilities, which are located in 17 states and Canada. NEER added 379 mw of new wind generation in 2011, including 128 mw related to the repowering of two California wind facilities, and expects to add approximately 1,150 mw to 1,500 mw of new wind generation in 2012.

Natural Gas Facilities

At December 31, 2011, NEER had 3,991 mw of natural gas assets. NEER owns and operates 1,004 mw of natural gas-fired generation from contracted assets located throughout the Northeast. During 2011, subsidiaries of NEER sold their ownership interests in a portfolio of natural gas-fired generating assets totaling approximately 2,700 mw of capacity located in California, Virginia, Alabama, South Carolina and Rhode Island. See Management's Discussion - Overview and Note 4 - Nonrecurring Fair Value Measurements.

Nuclear Facilities

At December 31, 2011, NEER owned, or had undivided interests in, and operated the following four nuclear units with a total net generating capacity of 2,721 mw.

Facility	Location	mw	Portfolio Category	Operating License Expiration Dates
Seabrook	New Hampshire	1,100	Merchant	2030 [(a)]
Duane Arnold	Iowa	431	Contracted[(b)]	2034
Point Beach Unit No. 1	Wisconsin	595	Contracted[(c)]	2030
Point Beach Unit No. 2	Wisconsin	595	Contracted[(c)]	2033

(a) In 2010, NEER filed an application with the NRC to renew Seabrook's operating license for an additional 20 years.
(b) NEER sells substantially all of its share of the output of Duane Arnold under a long-term contract expiring in 2014.
(c) NEER sells all of the output of Point Beach Units Nos. 1 and 2 under long-term contracts through the current operating license terms.

NEER's nuclear facilities have several contracts for the supply of uranium and conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from March 2012 through 2022. See Note 14 - Contracts. NEER is responsible for all nuclear unit operations and the ultimate decommissioning of the nuclear units, the cost of which is shared on a pro-rata basis by the joint owners for the jointly owned units. NRC regulations require plant owners to submit a plan for decontamination and decommissioning five years before the projected end of plant operation. See estimated decommissioning cost data in Management's Discussion - Critical Accounting Policies and Estimates - Nuclear Decommissioning and Fossil/Solar Dismantlement.

Nuclear Unit Scheduled Refueling Outages. NEER's nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, including inspections, repairs and certain other modifications. Scheduled nuclear refueling outages typically require the unit to be removed from service for variable lengths of time. The duration is longer for expanded scope outages, one of which is scheduled at Duane Arnold in 2012 and is expected to last approximately 60 days. The following table summarizes the next scheduled refueling outages:

Facility	Next Scheduled Refueling Outage
Seabrook	October 2012
Duane Arnold	October 2012
Point Beach Unit No. 1	April 2013
Point Beach Unit No. 2	November 2012

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

As owners and operators of nuclear facilities, certain subsidiaries of NEER are subject to the Nuclear Waste Policy Act and are parties to the spent fuel settlement agreement and legal actions described in I. FPL - Nuclear Operations. Similar to FPL, these subsidiaries will continue to pay fees to the U.S. government's nuclear waste fund pending the D.C. Circuit's decision on the fee suspension petition.

Recent Nuclear Developments. For discussion of current developments regarding the impact of the 2011 earthquake and tsunami in Japan as it relates to U.S. nuclear facilities, see I. FPL - Nuclear Operations. NEER's nuclear facilities are subject to the same potential NRC actions as described for FPL. Duane Arnold is NEER's only boiling water reactor unit. NEER is currently reviewing the NRC's directions relating to the NRC staff's recommendations and assessing the potential financial and operational impact on its nuclear units.

Solar Facilities

NEER is one of the largest owners of utility-scale solar energy projects in the U.S., principally through a 310 mw facility in California's Mojave Desert, of which 148 mw is owned by NEER as of December 31, 2011. NEER is in the process of constructing solar thermal facilities with generating capacity of 99.8 mw in Spain (Spain solar project) and 250 mw in California (Genesis solar project), which are expected to be completed in 2013 and 2014, respectively. In addition, a 550 mw solar PV project in California (Desert Sunlight solar project), in which NEER has a 50% equity investment, has commenced construction and commercial operation is expected to be phased in during 2013 through 2015. During 2011, NEER added approximately 5 mw of new solar generation.

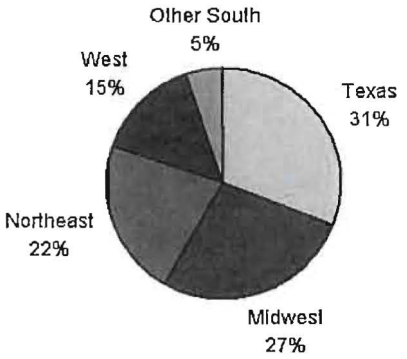
Other Assets

At December 31, 2011, NEER had 1,168 mw of generation assets from a variety of other fuel technologies, including oil and hydropower, with facilities located throughout the Northeast.

NEER Generation by Geographic Region

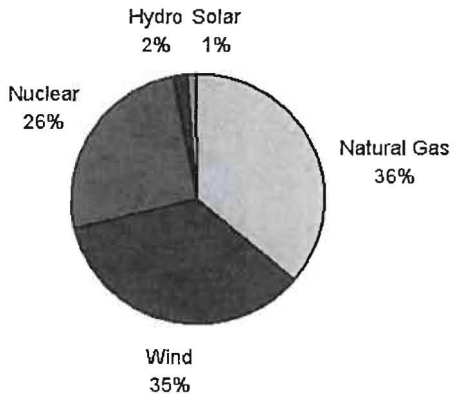
NEER's generating capacity spans various geographic regions in North America, thereby reducing overall volatility related to varying market conditions and seasonality on a portfolio basis. NEER's generating facilities at December 31, 2011 are categorized by geographic region (See Item 2 - Generating Facilities) in terms of mw of capacity as follows:

2011 Generation Capacity by Geographic Region
mw



NEER's power generation in terms of mwh produced for the year ended December 31, 2011 by fuel type is as follows:

2011 Generation by Fuel Type
mwh



NEER CUSTOMER SUPPLY AND PROPRIETARY POWER AND GAS TRADING

PMI, a subsidiary of NEER, buys and sells wholesale energy commodities, such as electricity, natural gas and oil. PMI sells the output from NEER's plants that has not been sold under long-term contracts and procures the non-nuclear fuel for use by NEER's generation fleet. Its primary role is to manage the commodity risk of NEER's portfolio. PMI uses derivative instruments such as swaps, options, futures and forwards to manage the risk associated with fluctuating commodity prices and to optimize the value of NEER's power generation assets.

PMI also provides a wide range of electricity and gas commodity products as well as marketing and trading services to electric and gas utilities, municipalities, cooperatives and other load-serving entities, as well as to owners of electric generation facilities. PMI's customer supply business includes providing full energy and capacity requirements and mid-marketing services that include sales and purchases of wholesale commodities-related products and the operations of a retail electricity provider, which during 2011, served approximately 2,200 mw of peak load to approximately 201,800 customers across the ERCOT, New England Power Pool (NEPOOL), PJM, NYISO and MISO markets.

The results of PMI's activities are included in NEER's operating results. See Management's Discussion - Energy Marketing and Trading and Market Risk Sensitivity, Note 1 - Energy Trading and Note 3.

NEER REGULATION

Each of the energy markets in which NEER operates is subject to domestic and foreign regulation, including local, state and federal regulation, and other specific rules.

At December 31, 2011, NEER had ownership interests in operating independent power projects located in the U.S. that have received exempt wholesale generator status as defined under the Public Utility Holding Company Act of 2005, which represent approximately 95% of NEER's net generating capacity. Exempt wholesale generators own or operate a facility exclusively to sell electricity to wholesale customers. They are barred from selling electricity directly to retail customers. NEER's exempt wholesale generators produce electricity from wind, hydro, fossil fuels and nuclear facilities. Essentially all of the remaining 5% of NEER's net generating capacity has qualifying facility status under PURPA. NEER's qualifying facilities generate electricity primarily from wind, solar and fossil fuels. Qualifying facility status exempts the projects from, among other things, many of the provisions of the Federal Power Act, as well as state laws and regulations relating to rates and financial or organizational regulation of electric utilities. While projects with qualifying facility and/or exempt wholesale generator status are exempt from various restrictions, each project must still comply with other federal, state and local laws, including, but not limited to, those regarding siting, construction, operation, licensing, pollution abatement and other environmental laws.

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

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

NEER EMPLOYEES

NEER and its subsidiaries had approximately 4,700 employees at December 31, 2011. Subsidiaries of NEER have collective bargaining agreements with various unions which are summarized in the table below.

Union	Location	Contract Expiration Date	% of NEER's Employees Covered
IBEW	Wisconsin	June 2012 - September 2013[a]	10%
Utility Workers Union of America	New Hampshire	December 2013	5
IBEW	Iowa	May 2012	3
Security Police and Fire Professionals of America	Iowa	July 2012	2
IBEW	Maine	February 2013	2
IBEW	California	March 2012	- [b]
Total			22%

(a) Various employees at Point Beach are represented by the IBEW under four separate contracts with different expiration dates.
(b) Less than 1% of NEER's employees.

In addition, the employees of an operating project in Illinois, constituting less than 1% of NEER's employees, are represented by the International Union of Operating Engineers, which is currently negotiating its first collective bargaining agreement.

III. OTHER NEE OPERATING SUBSIDIARIES

NEE's Corporate and Other segment represents other business activities, primarily FPL FiberNet and Lone Star, that are not separately reportable. See Note 15.

FPL FIBERNET

FPL FiberNet conducts its business through two separate wholly-owned subsidiaries of NEECH. One subsidiary was formed in 2000 to enhance the value of NEE's fiber-optic network assets that were originally built to support FPL operations and the other was formed in 2011 to hold fiber-optic network assets which were acquired. Both subsidiaries are limited liability companies organized under the laws of Delaware. FPL FiberNet leases fiber-optic network capacity and dark fiber to FPL and other customers,

primarily telephone, wireless, internet and other telecommunications companies. FPL FiberNet's networks cover most of the metropolitan areas in Florida and several in Texas. FPL FiberNet also has a long-haul network providing bandwidth at wholesale rates. The long-haul network connects major cities in Florida and Texas with additional connectivity to Atlanta, Georgia and the South Central U.S., including Arkansas, Louisiana and Oklahoma. At December 31, 2011, FPL FiberNet's network consisted of approximately 7,800 route miles. FPL FiberNet is subject to regulation by the Federal Communications Commission which has jurisdiction over wire and wireless communication networks and by the public utility commissions in the states in which it provides intrastate telecommunication services.

LONE STAR

Lone Star, an indirect wholly-owned subsidiary of NEECH, is constructing approximately 320 miles of 345 kv transmission lines and other associated facilities in Texas. Lone Star, a limited liability company organized under the laws of Delaware, is a rate-regulated transmission service provider in Texas. Two substations and associated facilities with a total capital investment of approximately $60 million are expected to be placed in service in 2012, with the remaining associated facilities and transmission lines expected to be placed in service in the first quarter of 2013, for a total capital investment of approximately $785 million. Lone Star's transmission lines are part of a transmission grid improvement program that will add approximately 2,300 miles of 345 kv lines to deliver power from the Competitive Renewable Energy Zones in west Texas and the Texas panhandle to the Dallas/Fort Worth area and other population centers in Texas. Lone Star will own the transmission lines and associated facilities and operate them after they are placed in service.

Lone Star is subject to regulation by a number of federal, state and other agencies, including, but not limited to, the PUCT, the ERCOT, the NERC and the EPA, as well as certain limited regulations of the FERC. See I. FPL - FPL Regulation for further discussion of FERC, NERC, and EPA regulations and NEE Environmental Matters. The PUCT has jurisdiction over a wide range of Lone Star's business activities, including, among others, rates charged to customers and certain aspects of siting, construction and operation of transmission systems. The PUCT sets rates at a level that allows Lone Star the opportunity to collect from customers total revenues (revenue requirements) equal to Lone Star's cost of providing service, including a reasonable rate of return on invested capital.

In January 2012, Lone Star filed a petition with the PUCT requesting, among other things, interim rates that would take effect when Lone Star's first substation is placed in service and final rates when the transmission lines are energized. The petition also proposes to limit cost recovery to Lone Star's actual capital costs by making a true-up filing within 120 days of energizing the transmission lines. If approved, based on the expected in-service dates, the requested rates would result in annual revenues of approximately $14 million in 2012 and $110 million in 2013. Lone Star's requested rates are based on a proposed regulatory ROE of 11% with a regulatory equity ratio of 52%. Hearings on this rate proceeding are expected during the second quarter of 2012 and a final decision is expected during the third quarter of 2012. The interim rates would be subject to refund pending the final decision on the rate proceeding. The PUCT has the authority to disallow recovery of costs that it considers excessive or imprudently incurred.

NEE ENVIRONMENTAL MATTERS

NEE and FPL are subject to domestic and foreign environmental laws and regulations, including extensive federal, state, and local environmental statutes, rules, and regulations. The U.S. Congress and certain states and regions continue to consider several legislative and regulatory proposals with respect to GHG emissions. The economic and operational impact of climate change legislation on NEE and FPL depends on a variety of factors, including, but not limited to, the allowed emissions, whether emission allowances will be allocated or auctioned, the cost to reduce emissions or buy allowances in the marketplace and the availability of offsets and mitigating factors to moderate the costs of compliance. Based on the most recent reference data available from government sources, NEE is among the lowest emitters, among electric generators, of GHG in the U.S. measured by its rate of emissions expressed as pounds of CO_2 per mwh of generation. However, the legislative and regulatory proposals have differing methods of implementation and the impact on FPL's and NEER's generating units and/or the financial impact (either positive or negative) to NEE and FPL could be material, depending on the eventual structure of any legislation enacted or specific implementation rules adopted.

I. Environmental Regulations

The following is a discussion of certain existing and emerging federal and state initiatives and rules, some of which could potentially have a material effect (either positive or negative) on NEE and its subsidiaries. FPL expects to seek recovery through the environmental clause for compliance costs associated with any new environmental laws and regulations.

- Mercury and Air Toxics Standards (MATS). In December 2011, the EPA issued a final MATS rule as required under the Clean Air Act which requires coal-fired and oil-fired generating units to reduce emissions of hazardous air pollutants. The MATS rule includes a limited use provision which excludes low-capacity generating units from the requirements to add pollution control equipment, under which three oil-fired units at FPL and four oil-fired units at NEER are expected to qualify. Based on the provisions of the rule, four oil-fired units and two coal-fired units at FPL are in the process of adding or could be required to add additional pollution control equipment to meet Maximum Achievable Control Technology standards. A third coal-fired unit at FPL is in the process of adding additional pollution control equipment to meet certain state compliance requirements which would also satisfy the Maximum Achievable Control Technology standards under the MATS rule. Units affected by the rule will

be required to comply by April 2015, with a possible one year extension for compliance if required to install pollution control equipment.

- Clean Air Interstate Rule (CAIR)/Cross-State Air Pollution Rule (CSAPR). The EPA's CAIR requires SO_2 and NOx emissions reductions from electric generating units in specified Eastern states and the District of Columbia, where the emissions from electric generating units are deemed to be transported to downwind states. NEER and FPL began complying with the CAIR on January 1, 2009. In July 2011, the EPA issued the CSAPR, a final rule which was to replace the CAIR beginning in January 2012. The CSAPR would limit emissions of SO_2 and NOx from power plants in 28 eastern states and provides an allocation methodology for emission allowances and reduction limits for SO_2 and NOx beginning in January 2012 and seasonal ozone requirements beginning in May 2012, with a second phase of reductions beginning in January 2014. FPL would only be affected by the seasonal ozone requirements of the rule while NEER would be affected by the annual SO_2 and NOx emissions requirements as well as the seasonal ozone requirements in several states. Several groups have petitioned the EPA to reconsider the CSAPR and in December 2011, the D.C. Circuit issued an order staying implementation of the CSAPR pending resolution of legal challenges to the rule and ordered that the CAIR remain in place while the CSAPR is stayed. The case is scheduled for oral argument in April 2012. The ultimate resolution of the issues surrounding the CSAPR is uncertain at this time.

- Clean Water Act Section 316(b). In March 2011, the EPA issued a proposed rule under Section 316(b) of the Clean Water Act to address the location, design, construction and capacity of intake structures at existing power plants with once-through cooling water systems, with a final rule not expected until the summer of 2012. The proposed rule is intended to require the Best Technology Available to reduce the impact on aquatic organisms from once-through cooling water intake systems. Under the proposed rule, potentially thirteen of FPL's facilities and five of NEER's facilities may be required to add additional controls or make operational changes to comply, the economic and operational impact of which cannot be determined at this time, but could be material. Prior to the passage of a new rule, states are continuing to utilize "Best Professional Judgment" in the application of Section 316(b) compliance requirements.

- Avian/Bat Regulations and Wind Turbine Siting Guidelines. NEER and FPL are subject to numerous environmental regulations and guidelines related to threatened and endangered species and their habitats, as well as avian and bat species, for the siting, construction and ongoing operations of their facilities. The facilities most significantly affected are wind facilities and transmission and distribution lines. The environmental laws include, among others, the Endangered Species Act, the Migratory Bird Treaty Act, and the Bald and Golden Eagle Protection Act which provide for protection of migratory birds, eagles and endangered species of birds and bats and their habitats. Regulations have been adopted under some of these laws that contain provisions that allow the owner/operator of a facility to apply for a permit to undertake specific activities including those associated with certain siting decisions, construction activities and operations. In addition to regulations, voluntary wind turbine siting guidelines, which are expected to be finalized by the U.S. Fish and Wildlife Service by the end of the first quarter of 2012, will set forth siting, monitoring and coordination protocols that are designed to support wind development in the U.S. while also protecting both birds and bats and their habitats. These guidelines will include provisions for specific monitoring and study conditions which will need to be met in order for projects to be in adherence with these voluntary guidelines. Complying with these new environmental regulations and adhering to the provisions set forth in the voluntary wind turbine siting guidelines could result in additional costs at existing and new wind generating facilities and transmission and distribution facilities at NEER and FPL.

- Regulation of GHG Emissions. Pursuant to rules issued by the EPA under the Clean Air Act, new facilities emitting 100,000 tons per year (tpy) or more of GHG and modifications to existing facilities resulting in an increase of GHG emissions of 75,000 tpy or more have to perform a Best Available Control Technology review and, based on that review, may have to reduce emissions by adding additional emissions control equipment or implementing energy efficiency projects. Several petitioners have challenged the EPA's GHG regulations and the case is pending review by the D.C. Circuit, the timing and ultimate outcome of which is uncertain at this time. At FPL, the modernization of the Port Everglades facility, if approved by the FPSC, would be affected by this rule, the impact of which cannot be determined at this time.

II. Other GHG Emissions Reduction Initiatives

NEER's plants operate in certain states and regions that continue to consider and implement regulatory proposals to reduce GHG emissions. RPS, currently in place in approximately 30 states and the District of Columbia, require electricity providers in the state or district to meet a certain percentage of their retail sales with energy from renewable sources. These standards vary, but the majority include requirements to meet 10% to 25% of the electricity providers' retail sales with energy from renewable sources by 2025. NEER's plants operate in 18 states that have a RPS and NEER believes that these standards will create incremental demand for renewable energy in the future.

Other GHG reduction initiatives including, among others, the Regional Greenhouse Gas Initiative and the California Greenhouse Gas Regulation aim to reduce emissions through a variety of programs and under varying timelines. Based on its clean generating portfolio, NEER expects to continue experiencing a positive impact on earnings as a result of these GHG reduction initiatives. Additionally, these initiatives provide NEER opportunities with regards to wind and solar development as well as favorable energy pricing.

WEBSITE ACCESS TO SEC FILINGS

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

EXECUTIVE OFFICERS OF NEE[a]

Name	Age	Position	Effective Date
Christopher A. Bennett	53	Executive Vice President & Chief Strategy, Policy & Business Process Improvement Officer of NEE	February 15, 2008[b]
Paul I. Cutler	52	Treasurer of NEE Treasurer of FPL Assistant Secretary of NEE and FPL	February 19, 2003 February 18, 2003 December 10, 1997
Moray P. Dewhurst	56	Vice Chairman and Chief Financial Officer, and Executive Vice President - Finance of NEE Executive Vice President, Finance and Chief Financial Officer of FPL	October 5, 2011
Shaun J. Francis	40	Executive Vice President, Human Resources of NEE Executive Vice President, Human Resources of FPL	August 16, 2010 January 31, 2011
Chris N. Froggatt	54	Vice President of NEE Controller and Chief Accounting Officer of NEE	October 19, 2009 February 27, 2010
Lewis Hay, III	56	Chief Executive Officer of NEE Chairman of NEE and FPL	June 11, 2001 January 1, 2002
Joseph T. Kelliher	51	Executive Vice President, Federal Regulatory Affairs of NEE	May 18, 2009
Robert L. McGrath	58	Executive Vice President, Engineering, Construction & Corporate Services of NEE and FPL	February 21, 2005[b]
Manoochehr K. Nazar	57	Executive Vice President, Nuclear Division and Chief Nuclear Officer of NEE Executive Vice President, Nuclear Division and Chief Nuclear Officer of FPL	January 1, 2010 January 15, 2010
Armando J. Olivera	62	Chief Executive Officer of FPL	July 17, 2008
Armando Pimentel, Jr.	49	President and Chief Executive Officer of NEER	October 5, 2011
James L. Robo	49	President and Chief Operating Officer of NEE	December 15, 2006
Antonio Rodriguez	69	Executive Vice President, Power Generation Division of NEE Executive Vice President, Power Generation Division of FPL	January 1, 2007[b] July 1, 1999[b]
Charles E. Sieving	39	Executive Vice President & General Counsel of NEE Executive Vice President of FPL	December 1, 2008 January 1, 2009

(a) Information is as of February 27, 2012. Executive officers are elected annually by, and serve at the pleasure of, their respective boards of directors. Except as noted below, each officer has held his present position for five years or more and his employment history is continuous. Mr. Bennett was vice president, business strategy & policy of NEE from July 2007 to February 2008. From September 1995 to June 2007, Mr. Bennett was vice president of Dean & Company, a management consulting and investment firm. Mr. Dewhurst has been vice chairman of NEE since August 2009 and was chief of staff of NEE from August 2009 to October 2011. From July 2001 to May 2008, Mr. Dewhurst was vice president, finance and chief financial officer of NEE and senior vice president, finance and chief financial officer of FPL. Mr. Francis was general manager of human resources for a division of General Electric Company, GE Transportation, a supplier to the railroad, marine, drilling, mining and wind power industries from February 2008 to August 2010. From February 2006 to February 2008, Mr. Francis served as general manager of human resources for a division of General Electric Company, GE Equipment Services, a leader in the transportation industry including rail cars, sea containers, tractor trailers, and truck leasing. Mr. Froggatt was the vice president and treasurer of Pinnacle West Capital Corporation, a public utility holding company, and its major subsidiary, Arizona Public Service Company (APS), a regulated electric utility, from December 2008 to October 2009. From October 2002 to December 2008, Mr. Froggatt was vice president, controller and chief accounting officer of APS. Mr. Hay was also chief executive officer of FPL from January 2002 to July 2008. Mr. Kelliher was chairman of the FERC from July 2005 to January 2009. Mr. Nazar was the chief nuclear officer of NEE from January 2009 to December 2009. Mr. Nazar was senior vice president and chief nuclear officer of FPL from November 2007 to January 2009. From October 2003 to November 2007, Mr. Nazar was senior vice president & chief nuclear officer of American Electric Power Company, Inc., a public utility holding company. Mr. Olivera was also president of FPL from June 2003 to December 2011. Mr. Olivera has announced that he will retire from FPL on May 2, 2012. Mr. Pimentel was chief financial officer of NEE and FPL from May 2008 to October 2011 and executive vice president, finance of NEE and FPL from February 2008 to October 2011. Prior to that, Mr. Pimentel was a partner of Deloitte & Touche LLP, an independent registered public accounting firm, from June 1998 to February 2008. Mr. Sieving was also assistant secretary of NEE from May 2010 to May 2011 and general counsel of FPL from January 2009 to May 2010. Mr. Sieving was executive vice president, general counsel and secretary of PAETEC Holding Corp., a communications services and solutions provider, from February 2007 to November 2008 and was primarily responsible for all legal and regulatory matters.

(b) NEE title changed from vice president to executive vice president effective May 23, 2008. Where applicable, FPL title changed from senior vice president to executive vice president effective July 17, 2008.

Item 1A. Risk Factors

Risks Relating to NEE's and FPL's Business

The business, financial condition, results of operations and prospects of NEE and FPL are subject to a variety of risks, many of which are beyond the control of NEE and FPL. The following is a description of important risks that may adversely affect the business, financial condition, results of operations and prospects of NEE and FPL and may cause actual results of NEE and FPL to differ substantially from those that NEE or FPL currently expects or seeks. In that event, the market price for the securities of NEE or FPL could decline. Accordingly, the risks described below should be carefully considered together with the other information set forth in this report and in future reports that NEE and FPL file with the SEC. The risks described below are not the only risks facing NEE and FPL. Additional risks and uncertainties may also materially adversely affect NEE's or FPL's business, financial condition, results of operations and prospects. Each of NEE and FPL has disclosed the material risks known to it to affect its business at this time. However, there may be further risks and uncertainties that are not presently known or that are not currently believed to be material that may in the future adversely affect the performance or financial condition of NEE and FPL.

Regulatory, Legislative and Legal Risks

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

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

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

FPL is a regulated entity subject to the jurisdiction of the FPSC over a wide range of business activities, including, among other items, the retail rates charged to its customers through base rates and cost recovery clauses, the terms and conditions of its services, procurement of electricity for its customers, issuance of securities, and aspects of the siting and operation of its generating plants and transmission and distribution systems for the sale of electric energy. The FPSC has the authority to disallow recovery by FPL of costs that it considers excessive or imprudently incurred and to determine the level of return that FPL is permitted to earn on its investments. The regulatory process, which may be adversely affected by the political, regulatory and economic environment in Florida and elsewhere, limits FPL's ability to increase earnings and does not provide any assurance as to achievement of authorized or other earnings levels. NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected if any material amount of costs, a return on certain assets or an appropriate return on capital cannot be recovered through base rates, cost recovery clauses, other regulatory mechanisms or otherwise. Lone Star, an indirect wholly-owned subsidiary of NEE that is a regulated electric transmission utility subject to the jurisdiction of the PUCT, is subject to similar risks.

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

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

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

In the event that the FPSC engages in a prudence review of FPL's use of derivative instruments and finds such use to be imprudent, the FPSC could deny cost recovery for such use by FPL. Such an outcome could have a material adverse effect on FPL's business, financial condition, results of operations and prospects.

Any reduction or elimination of existing government support policies, including, but not limited to, tax incentives, RPS or feed-in tariffs, and ultimately any failure to renew or increase these existing support policies, could result in less demand for generation from NEER's renewable energy projects and could have a material adverse effect on NEE's business, financial condition, results of operations and prospects.

NEER depends heavily on government policies that support renewable energy and enhance the economic feasibility of developing and operating wind and solar energy projects in regions in which NEER operates or plans to develop and operate renewable energy facilities. The federal government, a majority of the 50 U.S. states and portions of Canada and Spain provide incentives, such as tax incentives, RPS or feed-in tariffs, that support the sale of energy from renewable energy facilities owned by NEER, such as wind and solar energy facilities. The applicable legislation often grants the relevant state public utility commission the ability to reduce electric supply companies' obligations to meet renewable energy requirements in specified circumstances. Any changes to, or the elimination of, governmental incentives that support renewable energy could result in less demand for generation from NEE's wind and solar energy projects and could have a material adverse effect on NEER's business, financial condition, results of operations and prospects.

NEER also depends heavily on investment cost recovery mechanisms currently available through the American Recovery and Reinvestment Act of 2009 (Recovery Act). The Recovery Act includes, among other things, provisions that allow companies building wind and solar energy facilities the option to choose between investment cost recovery mechanisms that make the development of such facilities economically attractive. Any changes to the Recovery Act that eliminate or reduce support for renewable generation projects could impede NEER's ability to economically develop wind and solar energy projects in the future and could have a material adverse effect on NEER's ability to develop renewable energy projects in the future.

If investments in renewable energy and associated projects are perceived less positively by legislators, regulators or the public, this could result in the non-renewal or elimination of beneficial tax policies, among other policies, that benefit NEER. Any such legislative changes could impede NEER's ability to economically develop wind and solar energy projects in the future and could have a material adverse effect on NEE's business, financial condition, results of operations and prospects.

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

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

FPL has limited competition in the Florida market for retail electricity customers. Any changes in Florida law or regulation which introduce competition in the Florida retail electricity market could have a material adverse effect on FPL's business, financial condition, results of operations and prospects. There can be no assurance that FPL will be able to respond adequately to such regulatory changes, which could have a material adverse effect on FPL's business, financial condition, results of operations and prospects.

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

NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected if the rules implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) broaden the scope of its provisions regarding the regulation of OTC financial derivatives and make them applicable to NEE and FPL.

The Dodd-Frank Act, enacted into law in July 2010, among other things, provides for the regulation of the OTC derivatives market. The Dodd-Frank Act includes provisions that will require certain OTC derivatives, or swaps, to be centrally cleared and executed through an exchange or other approved trading platform. While the legislation is broad and detailed, substantial portions of the legislation require implementing rules to be adopted by federal governmental agencies including, but not limited to, the SEC and the CFTC.

NEE and FPL cannot predict the final rules that will be adopted to implement the OTC derivatives market provisions of the Dodd-

Frank Act. Those rules could negatively affect NEE's and FPL's ability to hedge their commodity and interest rate risks, which could have a material adverse effect on NEE's and FPL's results of operations. NEE or FPL may have portions of their business that may be required to register as swap dealers or major swap participants and submit to extensive regulation if they wish to continue certain aspects of their derivative activities. The rules could also cause NEER to restructure part of its energy marketing and trading operations or to discontinue certain portions of its business. In addition, if the rules require NEE and FPL to post significant amounts of cash collateral with respect to swap transactions, NEE's and FPL's liquidity could be materially adversely affected, and their ability to enter into OTC derivatives to hedge commodity and interest rate risks could be significantly limited. Reporting and compliance requirements of the rules also could significantly increase operating costs and expose NEE and FPL to penalties for non-compliance. The Dodd-Frank Act or other initiatives also could impede the efficient operation of the commodities trading and derivatives markets, which could also materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.

NEE 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.

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

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

Violations of current or future laws, rules and regulations could expose NEE and FPL to regulatory and legal proceedings, disputes with, and legal challenges by, third parties, and potentially significant civil fines, criminal penalties and other sanctions.

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

Federal or state laws or regulations may be adopted that would impose new or additional limits on the emissions of greenhouse gases, including, but not limited to, CO2 and methane, from electric generating units using fossil fuels like coal and natural gas. The potential effects of such greenhouse gas emission limits on NEE's and FPL's electric generating units are subject to significant uncertainties based on, among other things, the timing of the implementation of any new requirements, the required levels of emission reductions, the nature of any market-based or tax-based mechanisms adopted to facilitate reductions, the relative availability of greenhouse gas emission reduction offsets, the development of cost-effective, commercial-scale carbon capture and storage technology and supporting regulations and liability mitigation measures, and the range of available compliance alternatives.

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

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

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

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

NEE and FPL are subject to extensive federal regulation, which imposes significant and increasing compliance costs on their operations. Additionally, any actual or alleged compliance failures could result in significant costs and other potentially adverse effects of regulatory investigations, proceedings, settlements, decisions and claims, including, among other items, potentially significant monetary penalties. As an example, under the Energy Policy Act of 2005, NEE and FPL, as owners and operators of bulk power transmission systems and/or electric generation facilities, are subject to mandatory reliability standards. Compliance

with these mandatory reliability standards may subject NEE and FPL to higher operating costs and may result in increased capital expenditures. If FPL or NEE is found not to be in compliance with these standards, it may incur substantial monetary penalties and other sanctions. Both the costs of regulatory compliance and the costs that may be imposed as a result of any actual or alleged compliance failures could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

Changes in tax laws, as well as judgments and estimates used in the determination of tax-related asset and liability amounts, could adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.

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

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

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

Operational Risks

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

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

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

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

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

NEE's and FPL's electric generation, transmission and distribution facilities, gas infrastructure facilities and other facilities are subject to many operational risks. Operational risks could result in, among other things, lost revenues due to prolonged outages, increased expenses due to monetary penalties or fines for compliance failures, liability to third parties for property and personal injury damage,

a failure to perform under applicable power sales agreements and associated loss of revenues from terminated agreements or liability for liquidated damages under continuing agreements, and replacement equipment costs or an obligation to purchase or generate replacement power at potentially higher prices.

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

- risks associated with facility start-up operations, such as whether the facility will achieve projected operating performance on schedule and otherwise as planned;
- failures in the availability, acquisition or transportation of fuel or other necessary supplies;
- the impact of unusual or adverse weather conditions, including, but not limited to, natural disasters such as hurricanes, floods, earthquakes and droughts;
- performance below expected or contracted levels of output or efficiency;
- breakdown or failure, including, but not limited to, explosions, fires or other major events, of equipment, transmission and distribution lines or pipelines;
- availability of replacement equipment;
- risks of property damage or human injury from energized equipment, hazardous substances or explosions, fires or other events;
- availability of adequate water resources and ability to satisfy water intake and discharge requirements;
- inability to manage properly or mitigate known equipment defects in NEE's and FPL's facilities;
- use of new or unproven technology;
- risks associated with dependence on a specific fuel source, such as commodity price risk and lack of available alternative fuel sources;
- increased competition due to, among other factors, new facilities, excess supply and shifting demand; and
- insufficient insurance, warranties or performance guarantees to cover any or all lost revenues or increased expenses from the foregoing.

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

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

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

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

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

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

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

NEE and FPL are subject to the potentially adverse operating and financial effects of terrorist acts and threats, as well as cyber attacks and other disruptive activities of individuals or groups. NEE's and FPL's generation, transmission and distribution facilities, fuel storage facilities, information technology systems and other infrastructure facilities and systems could be direct targets of, or be indirectly affected by, such activities.

Terrorist acts or other similar events affecting NEE's and FPL's systems and facilities, or those of third parties on which NEE and FPL rely, could harm NEE's and FPL's business, for example, by limiting their ability to generate, purchase or transmit power, by limiting their ability to bill customers and collect and process payments, and by delaying their development and construction of new generating facilities or capital improvements to existing facilities. These events, and governmental actions in response, could result in a material decrease in revenues, significant additional costs (for example, to repair assets, implement additional security requirements or maintain or acquire insurance), and reputational damage, could adversely affect NEE's and FPL's operations (for example, by contributing to disruption of supplies and markets for natural gas, oil and other fuels), and could impair NEE's and FPL's ability to raise capital (for example, by contributing to financial instability and lower economic activity).

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

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

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

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

Due to the potential for significant volatility in market prices for fuel, electricity and renewable and other energy commodities, NEER's inability or failure to hedge effectively its assets or positions against changes in commodity prices, volumes, interest rates, counterparty credit risk or other risk measures could significantly impair NEE's results of operations.

There can be significant volatility in market prices for fuel, electricity and renewable and other energy commodities. NEE's inability to manage properly or hedge the commodity risks within its portfolios, based on factors both from within or wholly or partially outside of NEE's control, may materially adversely affect NEE's business, financial condition, results of operations and prospects.

Sales of power on the spot market or on a short-term contractual basis may cause NEE's results of operations to be volatile.

A portion of NEER's power generation facilities operate wholly or partially without long-term power purchase agreements. Power from these facilities is sold on the spot market or on a short-term contractual basis. Spot market sales are subject to market volatility, and the revenue generated from these sales is subject to fluctuation that may cause NEE's results of operations to be volatile. NEER and NEE may not be able to manage volatility adequately, which could then have a material adverse effect on NEE's business, financial condition, results of operations and prospects.

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

NEE is an active participant in energy markets. The liquidity of regional energy markets is an important factor in the company's ability to manage risks in these operations. Over the past several years, other market participants have ceased or significantly reduced their activities in energy markets as a result of several factors, including, but not limited to, government investigations, changes in market design and deteriorating credit quality. Liquidity in the energy markets can be adversely affected by price volatility, restrictions on the availability of credit and other factors, and any reduction in the liquidity of energy markets could have a material adverse effect on NEE's business, financial condition, results of operations and prospects.

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

NEE and FPL have hedging and trading procedures and associated risk management tools, such as separate but complementary financial, credit, operational, compliance and legal reporting systems, internal controls, management review processes and other mechanisms. NEE and FPL are unable to assure that such procedures and tools will be effective against all potential risks. Additionally, risk management tools and metrics such as daily value at risk, earnings at risk, stop loss limits and liquidity guidelines are based on historical price movements. Due to the inherent uncertainty involved in price movements and potential deviation from historical pricing behavior, NEE and FPL are unable to assure that their risk management tools and metrics will be effective to protect against adverse effects on their business, financial condition, results of operations and prospects. Such adverse effects could be material.

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

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

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

NEE and FPL are exposed to risks associated with the creditworthiness and performance of their customers, hedging counterparties and vendors under contracts for the supply of equipment, materials, fuel and other goods and services required for their business operations and for the construction and operation of, and for capital improvements to, their facilities. Adverse conditions in the energy industry or the general economy, as well as circumstances of individual customers, hedging counterparties and vendors, may affect the ability of some customers, hedging counterparties and vendors to perform as required under their contracts with NEE and FPL.

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

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

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

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

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

NEE's and FPL's business is highly dependent on their ability to process and monitor, on a daily basis, a very large number of

transactions, many of which are highly complex and cross numerous and diverse markets. Due to the size, scope and geographical reach of NEE's and FPL's business, and due to the complexity of the process of power generation, transmission and distribution, the development and maintenance of information technology systems to keep track of and process this information is both critical and extremely challenging. NEE's and FPL's operating systems and facilities may fail to operate properly or become disabled as a result of events that are either within, or wholly or partially outside, their control, such as operator error, severe weather or terrorist activities. Any such failure or disabling event could adversely affect NEE's and FPL's ability to process transactions and provide services, and their financial results and liquidity.

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

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

NEE's and FPL's retail businesses are subject to the risk that sensitive customer data may be compromised, which could result in an adverse impact to their reputation and/or the results of operations of the retail business.

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

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

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

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

NEE and FPL may be adversely affected by negative publicity.

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

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

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

FPL must negotiate franchise agreements with municipalities and counties in Florida to provide electric services within such municipalities and counties, and electricity sales generated pursuant to these agreements represent a very substantial portion of

FPL's revenues. If FPL is unable to maintain, negotiate or renegotiate such franchise agreements on acceptable terms, it could contribute to lower earnings and FPL may not fully realize the anticipated benefits from significant investments and expenditures, which could materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.

Increasing costs associated with health care plans may materially adversely affect NEE's and FPL's results of operations.

The costs of providing health care benefits to employees and retirees have increased substantially in recent years. NEE and FPL anticipate that their employee benefit costs, including, but not limited to, costs related to health care plans for employees and former employees, will continue to rise. The increasing costs and funding requirements associated with NEE's and FPL's health care plans may materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.

NEE's and FPL's business, financial condition, results of operations and prospects could be negatively affected by the lack of a qualified workforce or the loss or retirement of key employees.

NEE and FPL may not be able to service customers, grow their business or generally meet their other business plan goals effectively and profitably if they do not attract and retain a qualified workforce. Additionally, the loss or retirement of key executives and other employees may materially adversely affect service and productivity and contribute to higher training and safety costs.

Over the next several years, a significant portion of NEE's and FPL's workforce, including, but not limited to, many workers with specialized skills maintaining and servicing the nuclear generation facilities and electrical infrastructure, will be eligible to retire. Such highly skilled individuals may not be able to be replaced quickly due to the technically complex work they perform. If a significant amount of such workers retire and are not replaced, the subsequent loss in productivity and increased recruiting and training costs could result in a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

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

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

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

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

Nuclear Generation Risks

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

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

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

Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both private sources and an industry retrospective payment plan. In accordance with this Act, NEE maintains $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 U.S. Under the secondary financial protection system, NEE is subject to retrospective assessments and/or retrospective insurance premiums of up to $940 million ($470 million for FPL), plus any applicable taxes, per incident at any nuclear

reactor in the U.S. or at certain nuclear generation facilities in Europe, regardless of fault or proximity to the incident, payable at a rate not to exceed $140 million ($70 million for FPL) per incident per year. Such assessments, if levied, could materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.

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

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

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

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

The operating licenses for NEE's and FPL's nuclear generation facilities extend through at least 2030. If the facilities cannot be operated for any reason through the life of those operating licenses, NEE or FPL may be required to increase depreciation rates, incur impairment charges and accelerate future decommissioning expenditures, any of which could materially adversely affect their business, financial condition, results of operations and prospects.

Various hazards posed to nuclear generation facilities, along with increased public attention to and awareness of such hazards, could result in increased nuclear licensing or compliance costs which are difficult or impossible to predict and could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

The threat of terrorist activity, as well as recent international events implicating the safety of nuclear facilities, could result in more stringent or complex measures to keep facilities safe from a variety of hazards, including, but not limited to, natural disasters such as earthquakes and tsunamis, as well as terrorist or other criminal threats. This increased focus on safety could result in higher compliance costs which, at present, cannot be assessed with any measure of certainty and which could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

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

NEE's and FPL's nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, including, but not limited to, inspections, repairs and certain other modifications. In addition, outages may be scheduled, often in connection with a refueling outage, to replace equipment, to increase the generation capacity at a particular nuclear unit, or for other purposes, and those planned activities increase the time the unit is not in operation. In the event that a scheduled outage lasts longer than anticipated or in the event of an unplanned outage due to, for example, equipment failure, such outages could materially adversely affect NEE's or FPL's business, financial condition, results of operations and prospects.

Liquidity, Capital Requirements and Common Stock Risks

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

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

Although NEE's competitive energy subsidiaries have used non-recourse or limited-recourse, project-specific financing in the past, market conditions and other factors could adversely affect the future availability of such financing. The inability of NEE's subsidiaries to access the capital and credit markets to provide project-specific financing for electric-generating and other energy facilities on favorable terms, whether because of disruptions or volatility in those markets or otherwise, could necessitate additional capital raising or borrowings by NEE and/or NEECH in the future.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The factors described above, as well as other information set forth in this report, which could materially adversely affect NEE's and FPL's businesses, financial condition, future financial results and/or liquidity should be carefully considered. The risks described above are not the only risks facing NEE and FPL. Additional risks and uncertainties not currently known to NEE or FPL, or that are currently deemed to be immaterial, also may materially adversely affect NEE's or FPL's business, financial condition, results of operations and prospects.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

NEE and its subsidiaries maintain properties which are adequate for their operations. The principal properties of FPL and NEER are described below.

Generating Facilities

FPL

At December 31, 2011, the electric generating, transmission, distribution and general facilities of FPL represented approximately 48%, 12%, 36% and 4%, respectively, of FPL's gross investment in electric utility plant in service. At December 31, 2011, FPL had the following generating facilities:

FPL Facilities	Location	No. of Units	Fuel	Net Capability (mw)[a]	
Fossil					
Combined-cycle					
Fort Myers	Fort Myers, FL	1	Gas	1,432	
Lauderdale	Dania, FL	2	Gas/Oil	884	
Manatee	Parrish, FL	1	Gas	1,111	
Martin	Indiantown, FL	1	Gas/Oil/Solar Thermal	1,132	(b)
Martin	Indiantown, FL	2	Gas	938	
Putnam	Palatka, FL	2	Gas/Oil	498	
Sanford	Lake Monroe, FL	2	Gas	1,912	
Turkey Point	Florida City, FL	1	Gas/Oil	1,148	
West County	West Palm Beach, FL	3	Gas/Oil	3,657	
Steam turbines					
Cutler	Miami, FL	2	Gas	205	
Manatee	Parrish, FL	2	Oil/Gas	1,624	
Martin	Indiantown, FL	2	Oil/Gas	1,652	
Port Everglades	Port Everglades, FL	4	Oil/Gas	1,187	
St. Johns River Power Park	Jacksonville, FL	2	Coal/Petroleum Coke	254	(c)
Sanford	Lake Monroe, FL	1	Oil/Gas	138	
Scherer	Monroe County, GA	1	Coal	672	(d)
Turkey Point	Florida City, FL	2	Oil/Gas	788	
Simple-cycle combustion turbines					
Fort Myers	Fort Myers, FL	2	Gas/Oil	315	
Gas turbines					
Fort Myers	Fort Myers, FL	12	Oil	648	
Lauderdale	Dania, FL	24	Oil/Gas	840	
Port Everglades	Port Everglades, FL	12	Oil/Gas	420	
Nuclear					
St. Lucie	Hutchinson Island, FL	2	Nuclear	1,584	(e)
Turkey Point	Florida City, FL	2	Nuclear	1,386	
Solar PV					
DeSoto	Arcadia, FL	1	Solar PV	25	
Space Coast	Cocoa, FL	1	Solar PV	10	
TOTAL				24,460	(f)

(a) Represents FPL's net ownership interest in plant capability.
(b) The megawatts generated by the 75 mw solar thermal facility replace steam produced by this unit and therefore are not incremental.
(c) Represents FPL's 20% ownership interest in each of SJRPP Units Nos. 1 and 2, which are jointly owned with JEA.
(d) Represents FPL's approximately 76% ownership of Scherer Unit No. 4, which is jointly owned with JEA.
(e) Excludes Orlando Utilities Commission's and the Florida Municipal Power Agency's combined share of approximately 15% of St. Lucie Unit No. 2.
(f) Substantially all of FPL's properties are subject to the lien of FPL's mortgage.

NEER

At December 31, 2011, NEER had the following generating facilities:

NEER Facilities	Location	Geographic Region	No. of Units	Fuel	Net Capability (mw)[a]
Wind					
Ashtabula Wind[b][c]	Barnes County, ND	Midwest	99	Wind	148
Ashtabula Wind II[c]	Griggs & Steele Counties, ND	Midwest	80	Wind	120
Ashtabula Wind III	Barnes County, ND	Midwest	39	Wind	62
Baldwin Wind[b]	Burleigh County, ND	Midwest	64	Wind	102
Butler Ridge Wind[b][c]	Dodge County, WI	Midwest	36	Wind	54
Cabazon[b]	Riverside County, CA	West	53	Wind	40
Callahan Divide[b]	Taylor County, TX	ERCOT	76	Wind	114
Capricorn Ridge	Sterling & Coke Counties, TX	ERCOT	208	Wind	364
Capricorn Ridge Expansion	Sterling & Coke Counties, TX	ERCOT	199	Wind	298
Cerro Gordo[b]	Cerro Gordo County, IA	Midwest	55	Wind	41
Crystal Lake I[b][c]	Hancock County, IA	Midwest	100	Wind	150
Crystal Lake II	Winnebago County, IA	Midwest	80	Wind	200
Crystal Lake III	Winnebago County, IA	Midwest	44	Wind	66
Day County Wind[b]	Day County, SD	Midwest	66	Wind	99
Delaware Mountain	Culberson County, TX	ERCOT	38	Wind	28
Diablo Wind[b]	Alameda County, CA	West	31	Wind	21
Elk City Wind[b]	Roger Mills & Beckham Counties, OK	Other South	43	Wind	99
Elk City Wind II	Roger Mills & Beckham Counties, OK	Other South	66	Wind	101
Endeavor Wind	Osceola County, IA	Midwest	40	Wind	100
Endeavor Wind II	Osceola County, IA	Midwest	20	Wind	50
Ghost Pine Wind	Trochu, Alberta, Canada	West	51	Wind	82
Gray County	Gray County, KS	Other South	170	Wind	112
Green Mountain[b]	Somerset County, PA	Northeast	8	Wind	10
Green Power	Riverside County, CA	West	22	Wind	17
Green Ridge Power	Alameda & Contra Costa Counties, CA	West	803	Wind	87
Hancock County[b]	Hancock County, IA	Midwest	148	Wind	98
High Winds[b]	Solano County, CA	West	90	Wind	162
Horse Hollow Wind[b]	Taylor County, TX	ERCOT	142	Wind	213
Horse Hollow Wind II[b]	Taylor & Nolan Counties, TX	ERCOT	130	Wind	299
Horse Hollow Wind III[b]	Nolan County, TX	ERCOT	149	Wind	224
Indian Mesa	Pecos County, TX	ERCOT	125	Wind	83
King Mountain[b]	Upton County, TX	ERCOT	214	Wind	278
Lake Benton II[b]	Pipestone County, MN	Midwest	137	Wind	103
Langdon Wind[b][c]	Cavalier County, ND	Midwest	79	Wind	118
Langdon Wind II[b][c]	Cavalier County, ND	Midwest	27	Wind	41
Lee / DeKalb Wind	Lee & DeKalb Counties, IL	Midwest	145	Wind	217
Logan Wind[c]	Logan County, CO	West	134	Wind	201
Majestic Wind[b][c]	Carson County, TX	Other South	53	Wind	80
Meyersdale[b]	Somerset County, PA	Northeast	20	Wind	30
Mill Run[b]	Fayette County, PA	Northeast	10	Wind	15
Minco Wind[b]	Grady County, OK	Other South	62	Wind	99
Minco Wind II[b]	Grady & Caddo Counties, OK	Other South	63	Wind	101
Montezuma Wind[b]	Solano County, CA	West	16	Wind	37
Montfort[b]	Iowa County, WI	Midwest	20	Wind	30
Mount Copper[b]	Murdochville, Quebec, Canada	Midwest	30	Wind	54
Mount Miller[b]	Murdochville, Quebec, Canada	Midwest	30	Wind	54
Mountaineer[b]	Preston & Tucker Counties, WV	Northeast	44	Wind	66
Mower County Wind[c]	Mower County, MN	Midwest	43	Wind	99
New Mexico Wind[b]	Quay & Debaca Counties, NM	West	136	Wind	204
North Dakota Wind[b]	LaMoure County, ND	Midwest	41	Wind	62
Northern Colorado[b]	Logan County, CO	West	81	Wind	174
Oklahoma / Sooner Wind[b]	Harper & Woodward Counties, OK	Other South	68	Wind	102
Oliver County Wind I[c]	Oliver County, ND	Midwest	22	Wind	51
Oliver County Wind II[c]	Oliver County, ND	Midwest	32	Wind	48
Peetz Table Wind[c]	Logan County, CO	West	133	Wind	199
Pubnico Point[b]	Yarmouth, Nova Scotia, Canada	Midwest	17	Wind	31
Red Canyon Wind Energy[b]	Borden, Garza & Scurry Counties, TX	ERCOT	56	Wind	84

NEER Facilities	Location	Geographic Region	No. of Units	Fuel	Net Capability (mw)[a]	
Red Mesa Wind	Cibola County, NM	West	64	Wind	102	
Sky River[b]	Kern County, CA	West	342	Wind	77	
Somerset Wind Power[b]	Somerset County, PA	Northeast	6	Wind	9	
South Dakota Wind[b]	Hyde County, SD	Midwest	27	Wind	41	
Southwest Mesa[b]	Upton & Crockett Counties, TX	ERCOT	106	Wind	74	
Stateline[b]	Umatilla County, OR and Walla Walla County, WA	West	454	Wind	300	
Story County Wind[b][c]	Story County, IA	Midwest	100	Wind	150	
Story County Wind II[b]	Story & Hardin Counties, IA	Midwest	100	Wind	150	
Vansycle[b]	Umatilla County, OR	West	38	Wind	25	
Vansycle II	Umatilla County, OR	West	43	Wind	99	
Vasco Winds[c]	Contra Costa County, CA	West	33	Wind	78	
Victory Garden[b]	Kern County, CA	West	96	Wind	22	
Waymart[b]	Wayne County, PA	Northeast	43	Wind	65	
Weatherford Wind[b]	Custer & Washita Counties, OK	Other South	98	Wind	147	
Wessington Springs Wind[b][c]	Jerauld County, SD	Midwest	34	Wind	51	
White Oak[c]	McLean County, IL	Midwest	100	Wind	150	
Wilton Wind[b]	Burleigh County, ND	Midwest	33	Wind	49	
Wilton Wind II[c]	Burleigh County, ND	Midwest	33	Wind	50	
Windpower Partners 1990	Alameda & Contra Costa Counties, CA	West	141	Wind	14	
Windpower Partners 1991	Alameda & Contra Costa Counties, CA	West	162	Wind	16	
Windpower Partners 1991-92	Alameda & Contra Costa Counties, CA	West	223	Wind	22	
Windpower Partners 1992	Alameda & Contra Costa Counties, CA	West	300	Wind	30	
Windpower Partners 1993[c]	Riverside County, CA	West	33	Wind	50	
Windpower Partners 1993	Lincoln County, MN	Midwest	73	Wind	26	
Windpower Partners 1994	Culberson County, TX	ERCOT	107	Wind	39	
Wolf Ridge Wind	Cooke County, TX	ERCOT	75	Wind	112	
Woodward Mountain	Upton & Pecos Counties, TX	ERCOT	242	Wind	160	
Wyoming Wind[b]	Uinta County, WY	West	80	Wind	144	
Investments in joint ventures[d]	Various	West	643	Wind	95	
Total Wind					8,569	
Contracted						
Bayswater[b]	Far Rockaway, NY	Northeast	2	Gas	56	
Duane Arnold	Palo, IA	Midwest	1	Nuclear	431	(e)
Hatch Solar	Hatch, NM	West	1	CPV Solar	5	
Jamaica Bay[b]	Far Rockaway, NY	Northeast	2	Gas/Oil	54	
Marcus Hook 750[b]	Marcus Hook, PA	Northeast	4	Gas	744	
Point Beach	Two Rivers, WI	Midwest	2	Nuclear	1,190	
Investments in joint ventures:						
SEGS III-IX[b]	Kramer Junction & Harper Lake, CA	West	7	Solar	148	
Other	Various	Northeast	4	[f]	158	
Total Contracted					2,786	
Merchant						
Forney	Forney, TX	ERCOT	8	Gas	1,792	
Lamar Power Partners	Paris, TX	ERCOT	6	Gas	1,000	
Maine - Cape, Wyman	Various - ME	Northeast	6	Oil	796	(g)
Maine[b]	Various - ME	Northeast	81	Hydro	359	
Marcus Hook 50	Marcus Hook, PA	Northeast	1	Gas	50	
Paradise Solar	West Deptford, NJ	Northeast	1	Solar PV	5	
Seabrook	Seabrook, NH	Northeast	1	Nuclear	1,100	(h)
Investment in joint ventures	Various	Northeast	4	[f]	150	
Total Merchant					5,252	
TOTAL					16,607	

(a) Represents NEER's net ownership interest in plant capacity.
(b) These generating facilities are encumbered by liens against their assets securing various financings.
(c) NEER owns these wind facilities together with third-party investors with differential membership interests. See Note 1 - Sale of Differential Membership Interests.
(d) Represents plants with no more than 50% ownership using wind technology. Certain facilities, totaling 57 mw, are encumbered by liens against their assets securing a financing.
(e) Excludes Central Iowa Power Cooperative and Cornbelt Power Cooperative's combined share of 30%.
(f) Represents plants with no more than 50% ownership using fuels such as natural gas and waste coal.
(g) Excludes six other energy-related partners' combined share of 16%.
(h) Excludes Massachusetts Municipal Wholesale Electric Company's, Taunton Municipal Lighting Plant's and Hudson Light & Power Department's combined share of 11.77%.

Transmission and Distribution

At December 31, 2011, FPL owned and operated 587 substations and the following electric transmission and distribution lines:

Nominal Voltage	Overhead Lines Pole Miles	Trench and Submarine Cables Miles
500 kv	1,106 [(a)]	—
230 kv	3,038	25
138 kv	1,575	53
115 kv	746	1
69 kv	164	14
Less than 69 kv	42,334	25,111
Total	48,963	25,204

(a) Includes approximately 75 miles owned jointly with JEA.

Character of Ownership

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

Item 3. Legal Proceedings

NEE and FPL are parties to various legal and regulatory proceedings in the ordinary course of their respective businesses. For information regarding legal proceedings that could have a material effect on NEE or FPL, see Note 14 - Legal Proceedings. Such descriptions are incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable

PART II

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

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

	2011			2010		
Quarter	High	Low	Cash Dividends	High	Low	Cash Dividends
First	$ 55.86	$ 51.54	$ 0.55	$ 53.75	$ 45.29	$ 0.50
Second	$ 58.98	$ 54.16	$ 0.55	$ 53.50	$ 47.96	$ 0.50
Third	$ 58.25	$ 49.00	$ 0.55	$ 55.98	$ 48.44	$ 0.50
Fourth	$ 61.20	$ 51.33	$ 0.55	$ 56.26	$ 50.00	$ 0.50

The amount and timing of dividends payable on NEE's common stock are within the sole discretion of NEE's Board of Directors. The Board of Directors reviews the dividend rate at least annually (generally in February) to determine its appropriateness in light of NEE's financial position and results of operations, legislative and regulatory developments affecting the electric utility industry in general and FPL in particular, competitive conditions, change in business mix and any other factors the Board of Directors deems relevant. The ability of NEE to pay dividends on its common stock is dependent upon, among other things, dividends paid to it by its subsidiaries. There are no restrictions in effect that currently limit FPL's ability to pay dividends to NEE. In February 2012, NEE announced that it would increase its quarterly dividend on its common stock from $0.55 to $0.60 per share. See Management's Discussion - Liquidity and Capital Resources - Covenants with respect to dividend restrictions and Note 11 - Common Stock Dividend Restrictions regarding dividends paid by FPL to NEE.

As of the close of business on January 31, 2012, there were 25,588 holders of record of NEE's common stock.

Issuer Purchases of Equity Securities. Information regarding purchases made by NEE of its common stock during the three months ended December 31, 2011 is as follows:

Period	Total Number of Shares Purchased		Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Maximum Number of Shares that May Yet be Purchased Under the Program[(a)]
10/1/2011 - 10/31/11	848	(b)	$ 54.82	—	20,000,000
11/1/2011 - 11/30/11	5,093	(b)	$ 55.65	—	20,000,000
12/1/2011 - 12/31/11	6,725,809	(c)	$ 55.76	6,725,252	13,274,748
Total	6,731,750		$ 55.76	6,725,252	

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

(b) Includes shares of common stock withheld from employees to pay certain withholding taxes upon the vesting of stock awards granted to such employees under the NextEra Energy, Inc. Amended and Restated Long-Term Incentive Plan (former LTIP).

(c) Includes: (1) 557 shares of common stock purchased as a reinvestment of dividends by the trustee of a grantor trust in connection with NEE's obligation under a February 2006 grant under the former LTIP of deferred retirement share awards to an executive officer; and (2) 6,725,252 shares of common stock purchased under an Accelerated Share Repurchase (ASR) agreement (see Note 11 - ASR of NEE Common Stock).

Item 6. Selected Financial Data

	Years Ended December 31,				
	2011	2010	2009	2008	2007
SELECTED DATA OF NEE (millions, except per share amounts):					
Operating revenues	$ 15,341	$ 15,317	$ 15,643	$ 16,410	$ 15,263
Net income[(a)]	$ 1,923	$ 1,957	$ 1,615	$ 1,639	$ 1,312
Earnings per share of common stock - basic	$ 4.62	$ 4.77	$ 3.99	$ 4.10	$ 3.30
Earnings per share of common stock - assuming dilution	$ 4.59	$ 4.74	$ 3.97	$ 4.07	$ 3.27
Dividends paid per share of common stock	$ 2.20	$ 2.00	$ 1.89	$ 1.78	$ 1.64
Total assets	$ 57,188	$ 52,994	$ 48,458	$ 44,821	$ 40,123
Long-term debt, excluding current maturities	$ 20,810	$ 18,013	$ 16,300	$ 13,833	$ 11,280
SELECTED DATA OF FPL (millions):					
Operating revenues	$ 10,613	$ 10,485	$ 11,491	$ 11,649	$ 11,622
Net income	$ 1,068	$ 945	$ 831	$ 789	$ 836
Total assets	$ 31,816	$ 28,698	$ 26,812	$ 26,175	$ 24,044
Long-term debt, excluding current maturities	$ 7,483	$ 6,682	$ 5,794	$ 5,311	$ 4,976
Energy sales (kwh)	106,662	107,978	105,414	105,406	108,636
Energy sales:					
Residential	51.2%	52.2%	51.2%	50.5%	50.8%
Commercial	42.2	41.3	42.7	43.2	42.3
Industrial	2.9	2.9	3.1	3.4	3.5
Interchange power sales	0.9	0.8	1.4	1.6	1.8
Other[(b)]	2.8	2.8	1.6	1.3	1.6
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Approximate 60-minute peak load (mw):[(c)]					
Summer season	21,619	22,256	22,351	21,060	21,962
Winter season	17,934	21,153	24,346	20,031	18,055
Average number of customer accounts (thousands):					
Residential	4,027	4,004	3,984	3,992	3,981
Commercial	508	504	501	501	493
Industrial	9	9	10	13	19
Other	3	3	4	4	4
Total	4,547	4,520	4,499	4,510	4,497
Average price billed to customers (cents per kwh)	9.83	9.34	11.19	10.96	10.63

(a) Includes net unrealized mark-to-market after-tax (gains) losses associated with non-qualifying hedges of $(190) million, $(175) million, $20 million, $(170) million and $86 million and OTTI after-tax losses, net of OTTI reversals of $6 million, $(4) million, $13 million, $76 million and $6 million for the years ended December 31, 2011, 2010, 2009, 2008 and 2007, respectively. Also, 2011 includes a loss on the sale of natural gas-fired generating assets of approximately $98 million. See Note 4 - Nonrecurring Fair Value Measurements.

(b) Includes the net change in unbilled sales.

(c) Winter season includes November and December of the current year and January to March of the following year (for 2011, through February 27, 2012).

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

OVERVIEW

NEE's operating performance is driven primarily by the operations of its two principal subsidiaries, FPL, which serves approximately 4.6 million customer accounts in Florida and is one of the largest rate-regulated electric utilities in the U.S., and NEER, which together with its affiliated entities is the largest generator in the U.S. of renewable energy from the wind and sun. The table below presents NEE's net income and earnings per share by reportable segment - FPL, NEER and Corporate and Other, which is primarily comprised of interest expense, the operating results of FPL FiberNet, Lone Star and other business activities, as well as other income and expense items, including income taxes and eliminating entries (see Note 15 for additional segment information). The

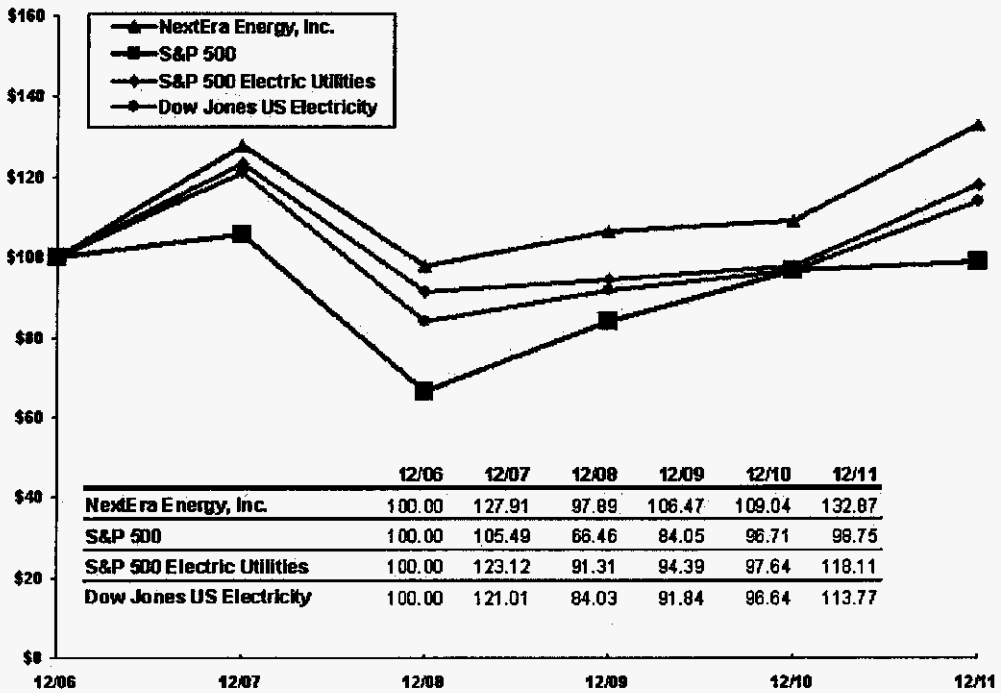
discussion that follows should be read in conjunction with the Notes to the Consolidated Financial Statements contained herein. In the discussion below and in Results of Operations, all comparisons are with the corresponding items in the prior year.

	Net Income			Earnings Per Share, assuming dilution		
	Years Ended December 31,			Years Ended December 31,		
	2011	2010	2009	2011	2010	2009
	(millions)					
FPL	$ 1,068	$ 945	$ 831	$ 2.55	$ 2.29	$ 2.04
NEER[(a)]	774	980	759	1.85	2.37	1.86
Corporate and Other	81	32	25	0.19	0.08	0.07
NEE	$ 1,923	$ 1,957	$ 1,615	$ 4.59	$ 4.74	$ 3.97

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

For the five years ended December 31, 2011, NEE delivered a total shareholder return of approximately 33%, significantly outpacing the S&P 500's 1% decline, the Dow Jones US Electricity's 14% return and the S&P 500 Electric Utilities' 18% return. The historical stock performance of NEE's common stock shown in the performance graph below is not necessarily indicative of future stock price performance.

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN*



	12/06	12/07	12/08	12/09	12/10	12/11
NextEra Energy, Inc.	100.00	127.91	97.89	106.47	109.04	132.87
S&P 500	100.00	105.49	66.46	84.05	96.71	98.75
S&P 500 Electric Utilities	100.00	123.12	91.31	94.39	97.64	118.11
Dow Jones US Electricity	100.00	121.01	84.03	91.84	96.64	113.77

*$100 invested on 12/31/06 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

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Adjusted Earnings

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

Adjusted earnings exclude the unrealized mark-to-market effect of non-qualifying hedges (as described below), OTTI losses on securities held in NEER's nuclear decommissioning funds, net of the reversal of previously recognized OTTI losses on securities sold and losses on securities where price recovery was deemed unlikely (collectively, OTTI reversals) and, in 2011, the after-tax loss on the sale of natural gas-fired generating assets. OTTI reversals are reported in other - net in NEE's consolidated statements of income.

NEE and NEER segregate into two categories unrealized mark-to-market gains and losses on energy derivative transactions which are used to manage commodity price risk. The first category, referred to as trading activities, represents the net unrealized effect of actively traded positions entered into to take advantage of market price movements and, in 2011 and 2010, the impact related to exiting hedged positions on future gas drilling opportunities. The second category, referred to as non-qualifying hedges, represents certain hedging transactions entered into as economic hedges but the transactions do not meet the requirements for hedge accounting or hedge accounting treatment is not elected. Changes in the fair value of those transactions are marked to market and reported in the consolidated statements of income, resulting in earnings volatility because the economic offset to the positions which are required to be marked to market (such as the physical assets from which power is generated) are not marked to market. As a consequence, net income reflects only the movement in one part of economically-linked transactions. For this reason, NEE's management views results expressed excluding the unrealized mark-to-market impact of the non-qualifying hedges as a meaningful measure of current period performance. At FPL, substantially all changes in the fair value of energy derivative transactions are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel clause or the capacity clause. See Note 4 - Nonrecurring Fair Value Measurements.

In 2011, subsidiaries of NEER completed the sales of their ownership interest in five natural gas-fired generating plants with a total generating capacity of approximately 2,700 mw located in California, Virginia, Alabama, South Carolina and Rhode Island. In connection with these sales, a loss of approximately $151 million ($98 million total after-tax with $92 million of this loss recorded by NEER) was recorded in NEE's consolidated statements of income, which due to its nature and significance, was excluded from adjusted earnings. See Note 3.

The following table provides details of the net unrealized after-tax gains and losses from non-qualifying hedges, after-tax OTTI losses, net of reversals and the after-tax loss on the sale of the natural gas-fired generating assets.

	Years Ended December 31,		
	2011	2010	2009
		(millions)	
Net unrealized mark-to-market after-tax gains (losses) from non-qualifying hedge activity[(a)]	$ 190	$ 175	$ (20)
OTTI after-tax losses on securities held in nuclear decommissioning funds, net of OTTI reversals	$ (6)	$ 4	$ (13)
After-tax loss on sale of natural gas-fired assets[(b)]	$ (98)	$ —	$ —

(a) $193 million, $176 million and $(20) million, respectively, is included in NEER's net income; the balance, if any, is included in Corporate and Other.
(b) $92 million is included in NEER's net income; the balance is included in Corporate and Other.

The change in unrealized mark-to-market activity from non-qualifying hedges is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains or losses as the underlying transactions were realized. As a general rule, a gain (loss) in the non-qualifying hedge category is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under GAAP.

2011 Summary

FPL's earned regulatory ROE was 11% in both 2010 and 2011 and FPL expects to earn an 11% regulatory ROE in 2012. FPL's increase in net income in 2011 was primarily driven by investments in plant in service and FPL's ability to use the surplus depreciation credit, as permitted under the 2010 rate agreement, to earn up to FPL's allowed 11% regulatory ROE on its retail rate base, as well as higher cost recovery clause results. The 2010 rate agreement results in retail base rates that remain effectively frozen until the end of 2012. Additionally, cost recovery for FPL's WCEC Unit No. 3 is permitted during the term of the agreement and FPL can vary the amount of surplus depreciation amortized in any one year subject to certain caps, provided its retail regulatory return on equity remains within the allowed range of 9% to 11%.

NEER's earnings declined in 2011 reflecting the loss on sale of natural gas-fired generating assets, lower results from the customer supply and proprietary power and gas trading businesses, extended and unplanned outages at Seabrook and lower deferred tax benefits associated with cash grants (convertible ITCs), partly offset by a higher wind resource and higher gas infrastructure results. In 2011, NEER added 379 mw of wind capacity and secured approximately 1,600 mw of long-term wind power sales agreements. Additionally, in 2011 construction began on the 250 mw Genesis solar project in California and the 550 mw Desert Sunlight solar project in California, in which NEER has a 50% equity investment.

Corporate and Other's earnings in 2011 increased primarily due to state deferred income tax benefits related to state tax law changes and an income tax benefit related to the dissolution of a subsidiary.

NEE and its subsidiaries, including FPL, require funds to support and grow their businesses. These funds are primarily provided by cash flow from operations and short- and long-term borrowings and, from time to time, issuance of equity securities. As of February 9, 2012, NEE's total net available liquidity was approximately $5.1 billion, of which FPL's portion was approximately $2.8 billion.

Outlook

NEE's strategy at both of its major businesses seeks to meet customer needs more economically and reliably than competitors. Meeting customer needs frequently requires the commitment of large capital expenditures to projects that have long lives and such commitments are difficult to reverse once made. At the end of 2011, both FPL and NEER had made commitments to a variety of major capital projects that are expected to be completed over the next several years. While NEE management believes that these projects individually and collectively are attractive investments with the potential to create value for shareholders, there can be no guarantee that all or any of these projects will be successful. Because of their importance, management focuses particular attention on these large projects.

In 2012, NEE expects to focus efforts in particular on the following initiatives:

At FPL:

- Sustaining FPL's customer value proposition. The combination of low bills, good reliability and excellent customer service that FPL currently provides its customers is both an objective of FPL's strategy and an important contributor to its long-term business success. FPL seeks to, at minimum, maintain and ideally improve its overall customer value proposition.
- Major Capital Projects: FPL is currently in a large capital expansion program and its objective is to bring these projects in on schedule and within budget. This program includes:
    - modernizing its Cape Canaveral and Riviera Beach power plants to high-efficiency natural gas-fired 1,200 mw units to be placed in service by 2013 and 2014, respectively,
    - adding a total of approximately 450 mw to 490 mw of capacity at its existing nuclear units at St. Lucie and Turkey Point, to be placed in service by 2013, and
    - petitioning the FPSC in November 2011 to modernize its Port Everglades power plant to a high-efficiency natural gas-fired 1,280 mw unit which, if approved, is expected to be in service in 2016 and cost approximately $1.2 billion.
- Rate Case: In January 2012, FPL filed a formal notification with the FPSC indicating its intent to initiate a base rate proceeding. The notification stated that, based on preliminary estimates, FPL expects to request a base rate increase of approximately $525 million effective January 2013 and an additional base rate increase of approximately $170 million annually commencing when the modernized Cape Canaveral plant becomes operational, which is expected to occur in June 2013.

At NEER:

- Maintaining excellence in day-to-day operations. NEER has developed a track record of generally running its facilities reliably and cost-effectively. The company seeks to, at minimum, maintain and ideally improve its operating performance.
- Wind: Add approximately 1,150 mw to 1,500 mw of new U.S. wind generation in 2012 and 600 mw of new Canadian wind generation between 2012 and 2015, and
- Solar: Add approximately 935 mw of new solar generation during the period 2012 through 2016, including the 250 mw Genesis solar project in California, the 99.8 mw Spain solar project, the 550 mw Desert Sunlight solar project in California, in which NEER has a 50% equity investment, and the 250 mw McCoy solar PV project located in the Mojave Desert near the Genesis and Desert Sunlight solar projects.

At Lone Star, which is in the process of constructing approximately 320 miles of transmission lines and other associated facilities in Texas:

- Construction: Achieve commercial operations by the end of the first quarter of 2013.
- Rate Case: In January 2012, Lone Star filed a petition with the PUCT requesting, among other things, interim rates which would take effect when Lone Star's first substation is placed in service, currently projected to be in 2012, and final rates when the transmission lines are energized. If approved, based on the expected in-service dates, the requested rates would result in annual revenues of approximately $14 million in 2012 and $110 million in 2013.

In addition, NEE and FPL devote effort to numerous other initiatives designed to support their long-term growth and development. There can be no guarantees that NEE or FPL will be successful in attaining their goals with respect to any of these initiatives.

For additional information on certain of the above matters, see Item 1. Business.

RESULTS OF OPERATIONS

NEE's net income for 2011 was $1.92 billion, compared to $1.96 billion in 2010 and $1.61 billion in 2009. The decrease in NEE's 2011 net income was primarily driven by lower earnings at NEER, partly offset by improved results at FPL and income tax benefits at Corporate and Other. The increase in NEE's 2010 net income was primarily driven by improved results at FPL and by net unrealized mark-to-market after-tax gains from non-qualifying hedges at NEER.

NEE's effective income tax rate for all periods presented reflects PTCs for wind projects at NEER and deferred tax benefits associated with convertible ITCs under the Recovery Act. PTCs and deferred tax benefits associated with convertible ITCs can significantly affect NEE's effective income tax rate depending on the amount of pretax income. PTCs can be significantly affected by wind generation and by the expiration of PTCs after ten years of production. See Note 1 - Income Taxes and - Sale of Differential Membership Interests and Note 6.

FPL: Results of Operations

FPL's net income for 2011, 2010 and 2009 was $1,068 million, $945 million and $831 million, respectively, representing an increase in 2011 of $123 million and an increase in 2010 of $114 million. FPL obtains its operating revenues primarily from the sale of electricity to retail customers at rates established by the FPSC through base rates and cost recovery clause mechanisms.

In 2011 and 2010, FPL earned a regulatory ROE of 11%, as permitted by the 2010 rate agreement, and expects to earn an 11% regulatory ROE in 2012. In 2011 and in 2010, growth in earnings for FPL was driven by:

- investment in plant in service and FPL's ability to use the surplus depreciation credit, and
- higher cost recovery clause results,

partly offset for 2010 by,

- lower AFUDC - equity.

FPL's operating revenues consisted of the following:

	Years Ended December 31,		
	2011	2010	2009
	(millions)		
Retail base	$ 4,217	$ 4,190	$ 3,828
Fuel cost recovery	4,416	4,090	5,982
Net deferral of retail fuel revenues	—	—	(356)
Net repayment of previously deferred retail fuel revenues	—	356	—
Other cost recovery clauses and pass-through costs, net of any deferrals	1,751	1,638	1,840
Other, primarily pole attachment rentals, transmission and wholesale sales and customer-related fees	229	211	197
Total	$ 10,613	$ 10,485	$ 11,491

Retail Base

As permitted by the 2010 rate agreement, FPL collected approximately $101 million in retail base revenues through the capacity clause related to the placement in service of WCEC Unit No. 3 in May 2011. In addition, a base rate increase pursuant to an FPSC order which became effective March 1, 2010, increased retail base revenues by approximately $8 million and $68 million in 2011 and 2010, respectively, and retail base revenues increased in 2010 by $196 million resulting from WCEC Unit Nos. 1 and 2 placed in service in 2009.

FPSC Rate Order

Effective March 1, 2010, pursuant to the FPSC rate order, new retail base rates for FPL were established, resulting in an increase in retail base revenues of approximately $75 million on an annualized basis. The FPSC rate order also established a regulatory ROE of 10.0% with a range of plus or minus 100 basis points and an adjusted regulatory equity ratio of 59.1%. It also shifted certain costs from retail base rates to the capacity clause. In addition, the FPSC rate order directed FPL to reduce depreciation expense (surplus depreciation credit) over the 2010 to 2013 period related to a depreciation reserve surplus. Subsequently, the principal parties in FPL's 2009 rate case signed the 2010 rate agreement and, in February 2011, the FPSC issued a final order approving the 2010 rate agreement. Key elements of that rate agreement, which is effective through December 31, 2012, are as follows:

- Subject to the provisions of the 2010 rate agreement, retail base rates are effectively frozen through the end of 2012.
- Incremental cost recovery through FPL's capacity clause for the new combined-cycle natural gas unit at WCEC Unit No. 3, which was placed in service in May 2011, is permitted up to the amount of the projected annual fuel savings for customers during the term of the 2010 rate agreement.
- Future storm restoration costs would be recoverable on an accelerated basis beginning 60 days from the filing of a cost recovery

petition, but capped at an amount that produces a surcharge of no more than $4 for every 1,000 kwh of usage on residential bills during the first 12 months of cost recovery. Any additional costs would be eligible for recovery in subsequent years. If storm restoration costs exceed $800 million in any given calendar year, FPL may request an increase to the $4 surcharge to recover the amount above $800 million.

- If FPL's earned regulatory ROE falls below 9%, FPL may seek retail base rate relief. If FPL's earned regulatory ROE rises above 11%, any party to the 2010 rate agreement may seek a reduction in FPL's retail base rates. In determining the regulatory ROE for all purposes under the 2010 rate agreement, earnings will be calculated on an actual, non-weather-adjusted basis.
- FPL can vary the amount of surplus depreciation credit taken in any calendar year up to a cap in 2010 of $267 million, a cap in subsequent years of $267 million plus the amount of any unused portion from prior years, and a total cap of $776 million (surplus depreciation credit cap) over the course of the 2010 rate agreement, provided that in any year of the 2010 rate agreement, FPL must use at least enough surplus depreciation credit to maintain a 9% earned regulatory ROE but may not use any amount of surplus depreciation credit that would result in an earned regulatory ROE in excess of 11%. In 2010 and 2011, FPL used a total of $191 million of surplus depreciation credit; $585 million of the surplus depreciation credit cap remains available for use in 2012.

Under the terms of the 2005 rate agreement, which was in effect from January 1, 2006 through February 28, 2010, retail base rates did not increase except to allow recovery of the revenue requirements of FPL's three power plants that achieved commercial operation during the term of the 2005 rate agreement: Turkey Point Unit No. 5 in 2007 and WCEC Units Nos. 1 and 2 in 2009. Under the terms of the 2005 rate agreement, FPL's electric property depreciation rates were based upon the comprehensive depreciation studies it filed with the FPSC in March 2005; however, FPL reduced depreciation on its plant in service by $125 million each year as allowed by the 2005 rate agreement. The 2005 rate agreement also provided for a revenue sharing mechanism, whereby revenues from retail base operations in excess of certain thresholds would be shared with customers. During the term of the 2005 rate agreement, FPL's revenues did not exceed the thresholds.

Retail Customer Usage and Growth

For the year ended December 31, 2011, FPL experienced a 2% decrease in average usage per retail customer, reflecting weather and other factors, which decreased retail base revenues by approximately $107 million. For the year ended December 31, 2010, FPL experienced a 1.7% increase in usage per retail customer, reflecting weather and other factors, which increased retail base revenues by approximately $79 million. The usage per retail customer data for the year ended December 31, 2011 includes three extra days of sales after adjusting for a change from a fiscal month to a calendar month. At December 31, 2011, inactive accounts (accounts with installed meters without corresponding customer names) and low-usage customers (customers using less than 200 kwh per month), both measures of empty homes, were approximately 5.8% and 1.6% less, respectively, than they had been at December 31, 2010. Non-weather related usage per retail customer began to decline in the mid-2000s and this decline intensified in the 2007 to 2009 period. The rate of decline in non-weather related usage per retail customer moderated in 2010 and 2011.

For the year ended December 31, 2011, FPL experienced a 0.6% increase in the average number of customer accounts, increasing retail base revenues by approximately $25 million, compared to a 0.5% increase in customer accounts in 2010, which increased 2010 retail base revenues by $19 million. Positive customer account growth is projected to continue in 2012, although the rate of growth is projected to be below FPL's average rate of 1.5% over the last 10 years.

FPL believes that the economic slowdown and the downturn in the housing market that have affected the country and the state of Florida have contributed to the slowdown in customer growth and to the decline in non-weather related usage per retail customer. The unemployment rate in Florida was 9.9% and 12.0% in December 2011 and 2010, respectively; the December 2011 rate is the lowest since April 2009. A portion of the decline in non-weather related usage per retail customer may also be related to federal and state energy efficiency standards. FPL is unable to predict whether or when growth in customers and non-weather related customer usage might return to previous trends.

Cost Recovery Clauses

In 2011, 2010 and 2009, cost recovery clauses contributed $108 million, $75 million, $41 million, respectively, to FPL's net income. The increase in 2011 and 2010 cost recovery clause results is primarily due to a return related to additional solar, environmental and nuclear capacity expenditures. In 2012, it is expected that cost recovery clauses will contribute higher earnings for FPL as a result of additional nuclear capacity expenditures. Fluctuations in fuel cost recovery revenues are primarily driven by changes in fuel and energy charges which are included in fuel, purchased power and interchange expense in the consolidated statements of income, as well as by changes in energy sales. Fluctuations in revenues from other cost recovery clauses and pass-through costs are primarily driven by changes in storm-related surcharges, capacity charges, franchise fee costs, the impact of changes in O&M and depreciation expenses on the underlying cost recovery clause, investment in solar and environmental projects, investment in nuclear capacity until such capacity goes into service, pre-construction costs associated with the development of two additional nuclear units at the Turkey Point site and changes in energy sales. Capacity charges and franchise fee costs are included in fuel, purchased power and interchange and taxes other than income taxes and other, respectively, in the consolidated statements of income.

Risk Management Fuel Procurement Program
FPL uses a risk management fuel procurement program which was approved by the FPSC. The FPSC reviews the program activities and results for prudence on an annual basis as part of its annual review of fuel costs. The program is intended to manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements. The current regulatory asset for the change in fair value of derivative instruments used in the fuel procurement program amounted to approximately $502 million and $236 million at December 31, 2011 and 2010, respectively.

In 2010, pursuant to an FPSC order, FPL was required to refund in the form of a one-time credit to retail customers' bills the 2009 year-end estimated fuel overrecovery; during the first quarter of 2010, approximately $404 million was refunded to retail customers. At December 31, 2009, approximately $356 million of retail fuel revenues were overrecovered, the reversal of which is reflected in the net repayment of previously deferred retail fuel revenues caption included in the table above. The difference between the refund and the December 31, 2009 overrecovery was collected from retail customers in 2011. The increase in fuel revenues in 2011 reflects the absence of the $404 million refund partly offset by approximately $41 million related to lower energy sales and $37 million related to a lower average fuel factor. The decrease in fuel revenues in 2010 reflects the $404 million refund and approximately $1,573 million related to a lower average fuel factor, partly offset by $85 million attributable to higher energy sales. The decrease from December 31, 2010 to December 31, 2011 in deferred clause and franchise expenses and in deferred clause and franchise revenues was approximately $181 million and positively affected NEE's and FPL's cash flows from operating activities for the year ended December 31, 2011.

Other
The decrease in revenues from other cost recovery clauses and pass-through costs in 2010 is primarily due to lower revenues associated with the FPSC's nuclear cost recovery rule and lower revenues related to franchise and revenue taxes, partly offset by higher environmental clause revenues. The decline in 2010 in revenues associated with the nuclear cost recovery rule is primarily due to lower spending related to the development of the two additional nuclear units at the Turkey Point site. The decline in 2010 revenues related to franchise and revenue taxes reflects the decline in fuel revenues. The nuclear cost recovery rule provides for the recovery of prudently incurred pre-construction costs and carrying charges (equal to a pretax AFUDC rate) on construction costs for new nuclear capacity through levelized charges under the capacity clause. The same rule provides for the recovery of construction costs, once property related to the new nuclear capacity goes into service, through a base rate increase effective beginning the following January.

Other Items Impacting FPL Results

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

	Years Ended December 31,		
	2011	2010	2009
		(millions)	
Fuel and energy charges during the period	$ 4,237	$ 4,714	$ 5,425
Net collection of previously deferred retail fuel costs	159	—	256
Net deferral of retail fuel costs	—	(276)	—
Other, primarily capacity charges, net of any capacity deferral	581	544	539
Total	$ 4,977	$ 4,982	$ 6,220

The decrease in fuel and energy charges in 2011 reflects lower fuel and energy prices of $415 million and lower energy sales of $62 million. The decrease in fuel and energy charges in 2010 reflects lower fuel and energy prices of approximately $822 million, partly offset by approximately $111 million attributable to higher energy sales.

O&M Expenses
FPL's O&M expenses increased $79 million in 2011 primarily due to higher cost recovery clause costs which did not significantly affect net income.

FPL's O&M expenses increased $124 million in 2010 reflecting an approximately $20 million charge for workforce reductions and higher nuclear and fossil generation, distribution, transmission and nuclear insurance costs of $34 million, $29 million, $16 million, $8 million and $12 million, respectively, partly offset by lower customer service costs, primarily due to lower uncollectible accounts, of $13 million. The increase in nuclear generation costs is primarily due to higher maintenance costs and reflects a reimbursement in 2009 of prior years' costs of approximately $10 million related to a spent nuclear fuel litigation settlement agreement with the U.S. Government. The increase in fossil generation costs is primarily related to WCEC Units Nos. 1 and 2, which units were placed in service in the second half of 2009, and higher plant overhaul costs. The increase in distribution and transmission costs reflects higher restoration and tree trimming costs. Other changes in O&M expenses were primarily driven by pass-through costs which did not significantly affect net income.

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

	Years Ended December 31,		
	2011	2010	2009
		(millions)	
$125 million annual reduction under the 2005 rate agreement	$ —	$ —	$ (125)
Surplus depreciation credit recorded under the 2010 rate agreement	(187)	(4)	—
Other depreciation and amortization recovered under base rates	944	891	942
Depreciation and amortization recovered under cost recovery clauses and securitized storm-recovery cost amortization	41	121	280
Total	$ 798	$ 1,008	$ 1,097

From 2002 through 2009, FPL recorded the $125 million annual reduction in depreciation and amortization expense that was approved by the FPSC in previous rate orders. Under the terms of the 2010 rate agreement, FPL can vary the amount of surplus depreciation credit taken in any calendar year up to a cap in 2010 of $267 million, a cap in subsequent years of $267 million plus the amount of any unused portion from prior years, and a cap of $776 million (surplus depreciation credit cap) over the 2010 to 2012 period. In any year of the 2010 rate agreement FPL must use at least enough surplus depreciation credit to maintain a 9% earned regulatory ROE but may not use any amount of surplus depreciation credit that would result in an earned regulatory ROE in excess of 11%. As of December 31, 2011, approximately $585 million of the surplus depreciation credit cap remains available for use in 2012. The increase in other depreciation and amortization expense recovered under base rates in 2011 is primarily due to higher plant in service balances. The decline in other depreciation and amortization expense recovered under base rates in 2010 is primarily due to lower depreciation rates as a result of the FPSC rate order, partly offset by higher plant in service balances related to WCEC Units Nos. 1 and 2, which were placed in service in 2009. The decrease in depreciation and amortization recovered under cost recovery clauses and securitized storm-recovery cost amortization in 2011 and 2010 is primarily due to lower depreciation and amortization under the FPSC's nuclear cost recovery rule. See Note 1 - Electric Plant, Depreciation and Amortization.

Taxes Other Than Income Taxes and Other
Taxes other than income taxes and other increased $37 million in 2011 primarily due to higher franchise fees and revenue taxes, both of which are pass-through costs and reflect the increase in revenues from fuel and other cost recovery clauses and pass-through costs. Taxes other than income taxes and other decreased by $71 million in 2010 primarily due to changes in franchise fees and revenue taxes. In addition, taxes other than income taxes and other in 2011 and 2010 reflect higher property taxes of $5 million and $34 million, respectively, primarily due to growth in plant in service balances and, in 2010, a higher average property tax rate, partly offset in 2011 by a lower average property tax rate.

Interest Expense
The increase in interest expense in 2011 is primarily due to higher average interest rates and higher average debt balances. The increase in interest expense in 2010 is primarily due to higher average debt balances, as well as lower AFUDC - debt. Interest expense on storm-recovery bonds, as well as certain other interest expense (collectively, clause interest), are essentially pass-through amounts and do not significantly affect net income, as the clause interest is recovered either under cost recovery clause mechanisms or through a storm-recovery bond surcharge. Clause interest for 2011, 2010 and 2009 amounted to approximately $65 million, $56 million, and $45 million, respectively. The increase in clause interest in 2011 and 2010 is primarily due to higher interest associated with solar, environmental and nuclear capacity expenditures.

AFUDC - Equity
The decrease in AFUDC - equity in 2010 is primarily attributable to WCEC Units Nos. 1 and 2, which units commenced commercial operation in 2009, partly offset by additional AFUDC - equity on WCEC Unit No. 3. The decrease in AFUDC - equity in 2010 also reflects a decline, effective April 1, 2010, in the AFUDC rate from 7.41% to 6.41%, as approved by the FPSC.

NEER: Results of Operations

NEER's net income for 2011, 2010 and 2009 was $774 million, $980 million and $759 million, respectively, resulting in a decrease in 2011 of $206 million and an increase in 2010 of $221 million. The primary drivers, on an after-tax basis, of these changes were as follows:

	Increase (Decrease) From Prior Period	
	Years Ended December 31,	
	2011	2010
	(millions)	
New investments[a]	$ (26)	$ 45
Existing assets[a]	26	54
Gas infrastructure[b]	23	23
Customer supply and proprietary power and gas trading businesses[b]	(92)	(25)
Asset sales	(18)	7
Impairment charges	(20)	(11)
Interest expense, differential membership costs and other	(14)	(85)
Change in unrealized mark-to-market non-qualifying hedge activity[c][d]	17	196
Loss on sale of natural gas-fired generating assets[e]	(92)	—
Change in OTTI losses on securities held in nuclear decommissioning funds, net of OTTI reversals[d]	(10)	17
Net income increase (decrease)	$ (206)	$ 221

(a) Includes PTCs and state ITCs on wind projects and, for new investments, deferred income tax and other benefits associated with convertible ITCs (see Note 1 - Electric Plant, Depreciation and Amortization, Note 1 - Income Taxes, Note 1 - Sale of Differential Membership Interests and Note 6) but does not include allocation of interest expense or corporate general and administrative expenses. Results from new projects are included in new investments during the first twelve months of operation. A project's results are included in existing assets beginning with the thirteenth month of operation.
(b) Does not include allocation of interest expense or corporate general and administrative expenses.
(c) See Note 3 and Overview related to derivative instruments.
(d) See table in Overview for additional detail.
(e) See Note 4 - Nonrecurring Fair Value Measurements and Overview for additional information.

New Investments

Results from new investments for the years ended December 31, 2011, 2010 and 2009 include approximately $1 million, $66 million and $87 million, respectively, of deferred tax benefits associated with convertible ITCs. In addition, an after-tax benefit associated with convertible ITCs of approximately $34 million was recorded in 2011 from the sale of membership interests where the investors elected to receive the convertible ITCs related to the underlying wind projects; the pretax amount of such benefit was recorded in taxes other than income taxes and other in NEE's consolidated statements of income for the year ended December 31, 2011. Results from new investments in 2011 also reflect lower state ITCs partly offset by the addition of approximately 1,130 mw of wind and 5 mw of solar generation during or after 2010. NEER's 2010 results from new investments also reflect the addition of over 2,100 mw of wind generation during or after 2009 and a benefit related to state ITCs.

Existing Assets

In 2011, results from NEER's existing asset portfolio increased $26 million primarily due to:

- lower after-tax depreciation and amortization expense of $44 million due to a change in estimate of the useful lives of certain equipment across the wind portfolio (see Note 1 - Electric Plant, Depreciation and Amortization),
- higher wind results of approximately $35 million due to a higher wind resource partly offset by lower prices,
- a $30 million income tax benefit related to a valuation allowance reversal for certain state ITCs reflecting state tax planning initiatives,
- higher results of $23 million from a natural gas-fired project in California, which was sold in the fourth quarter of 2011, reflecting higher prices under a new long-term contract,

partly offset by,

- lower results at Seabrook of $91 million primarily due to extended and unplanned outages in 2011 and lower priced hedges, and
- the expiration of PTCs ($15 million) on certain projects after ten years of production.

In 2010, results from NEER's existing asset portfolio increased $54 million primarily due to:

- favorable results at Seabrook of approximately $62 million resulting primarily from the absence of an extended outage in 2010,
- favorable generation due to lower curtailments and a higher wind resource across the wind portfolio totaling $46 million,

partly offset by,

- unfavorable market conditions in the ERCOT market affecting NEER's merchant gas assets totaling $30 million, and
- the absence of a tax benefit of $15 million recorded in 2009 related to a change in state tax law that extended the carry forward period of ITCs on certain wind projects.

Gas Infrastructure

The increase in gas infrastructure results in 2011 and 2010 is primarily due to exiting the hedged positions on a number of future gas drilling opportunities.

Customer Supply and Proprietary Power and Gas Trading

Results from the customer supply and proprietary power and gas trading businesses decreased in 2011 by $92 million primarily due to lower full requirements results, lower power and gas trading results, lower results from the retail electricity provider reflecting the adverse effects of purchasing power at high prices during a period of hot weather in Texas in August 2011 and the absence of a gain on the sale of a power supply contract realized in 2010. In 2010, results from the customer supply and proprietary power and gas trading businesses decreased by $25 million, primarily due to lower power and gas trading results, partly offset by the gain from the sale of the power supply contract.

Asset Sales

Asset sales in 2011 include an after-tax loss of $92 million realized on the sale of natural gas-fired generating assets, which due to its nature and significance was excluded from adjusted earnings (see Overview). Asset sales in 2010 include an after-tax gain of approximately $6 million on the sale of a coal-fired project and an after-tax gain on a waste-to-energy project of approximately $12 million recorded in 2010 after the expiration of an option for the buyer to sell the project back to NEER. Asset sales in 2009 include after-tax gains of $3 million for the sale of wind development rights, $6 million for the sale of a 50 mw wind project and $2 million for the sale of an interest in the waste-to-energy project.

Impairment Charges

In 2011, NEER recorded impairment charges primarily to write down the value of certain wind and oil-fired generation assets deemed to be unrecoverable. As a result of a fair value analysis, 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 or $31 million after-tax. See Note 4 - Nonrecurring Fair Value Measurements. In 2010, NEER recorded impairment charges of $19 million or $11 million after-tax to write down the value of certain assets associated with the plans to repower two California wind facilities. These impairment charges are reported as a separate line item in NEE's consolidated statements of income.

Interest Expense, Differential Membership Costs and Other

In both 2011 and 2010, interest expense, differential membership costs and other reflects higher interest and other costs due to growth of the business and, for 2010, also reflects the absence of an $18 million income tax benefit recorded in 2009 due to a reduction of previously deferred income taxes resulting from an additional equity investment in Canadian operations.

Other Factors

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

Operating Revenues

Operating revenues for the year ended December 31, 2011 decreased $134 million primarily due to:

- lower revenues at PMI, reflecting lower trading and full requirements activity, and the existing asset portfolio, primarily due to the extended and unplanned outages at Seabrook and unfavorable market conditions in the NEPOOL and ERCOT regions (collectively, approximately $763 million),

partly offset by,

- unrealized mark-to-market gains of $414 million from non-qualifying hedges compared to $75 million of losses on such hedges in 2010, and
- higher revenues from project additions of $132 million.

Operating revenues for the year ended December 31, 2010 increased $639 million primarily due to:

- higher revenues at PMI and NEER's retail electricity provider (collectively, approximately $242 million),
- higher revenues in the existing asset portfolio of $206 million primarily due to the absence of an extended outage in 2010 at Seabrook,
- higher revenues from project additions of $143 million,

- higher gas infrastructure revenues of $31 million,
- favorable generation due to lower curtailments and a higher wind resource across the wind portfolio, and
- losses of $75 million on unrealized mark-to-market non-qualifying hedge activity compared to $88 million of such losses in 2009.

Operating Expenses
Operating expenses for the year ended December 31, 2011 decreased $53 million primarily due to:

- lower fuel costs of approximately $445 million, and
- higher benefits associated with differential membership interests of $102 million,

partly offset by,

- $95 million of unrealized mark-to-market losses from non-qualifying hedges compared to $364 million of gains on such hedges in 2010, and
- higher impairment charges of $32 million.

Operating expenses for the year ended December 31, 2010 increased $262 million primarily due to:

- higher fuel costs of approximately $366 million,
- higher other operating expenses of $130 million due to higher maintenance activities, impairment charges associated with the plans to repower two California wind facilities and additional wells in gas infrastructure,
- higher costs for project additions of approximately $85 million,

partly offset by,

- $364 million of unrealized mark-to-market gains from non-qualifying hedges compared to $60 million of such gains in 2009.

Interest Expense
NEER's interest expense for the years ended December 31, 2011 and 2010 increased $15 million and $55 million, respectively, primarily due to increased borrowings to support the growth of the business, partly offset by lower average interest rates and, in 2011, higher interest capitalized on construction projects.

Gains on Disposal of Assets - net
Gains on disposal of assets - net in NEE's consolidated statements of income for the year ended December 31, 2011, 2010 and 2009 primarily reflect gains on sales of securities held in NEER's nuclear decommissioning funds and, in 2010, also reflect a pretax gain of $18 million on the sale of the waste-to-energy project.

Tax Credits and Benefits
PTCs from NEER's wind projects are reflected in NEER's earnings. PTCs are recognized as wind energy is generated and sold based on a per kwh rate prescribed in applicable federal and state statutes, and were approximately $271 million, $307 million and $255 million for the years ended December 31, 2011, 2010 and 2009, respectively. In addition, NEE's effective income tax rate for the years ended December 31, 2011, 2010 and 2009 was affected by deferred tax benefits associated with convertible ITCs of $2 million, $68 million and $88 million, respectively. See Note 6.

Corporate and Other: Results of Operations

Corporate and Other is primarily comprised of interest expense, the operating results of FPL FiberNet, Lone Star and other business activities, as well as corporate interest income and expenses. Corporate and Other allocates non-utility interest expense and shared service costs to NEER. Interest expense is allocated based on a deemed capital structure of 70% debt and, for purposes of allocating non-utility interest expense, the deferred credit associated with differential membership interests sold by NEER's subsidiaries is included with debt. Each subsidiary's income taxes are calculated based on the "separate return method," except that tax benefits that could not be used on a separate return basis, but are used on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated income tax benefits or expenses are recorded at Corporate and Other. The major components of Corporate and Other's results, on an after-tax basis, are as follows:

	Years Ended December 31,		
	2011	2010	2009
	(millions)		
Interest expense, net of allocations to NEER	$ (72)	$ (63)	$ (43)
Interest income	32	43	34
Federal and state income tax benefits	91	35	—
Other	30	17	34
Net income	$ 81	$ 32	$ 25

The increase in interest expense in 2011 and 2010 reflects additional debt outstanding, partly offset by lower average interest rates and, in 2010, a higher allocation of interest costs to NEER. The decline in interest income in 2011 is primarily due to lower interest recorded on unrecognized tax benefits, reflecting the settlement with the Internal Revenue Service in 2011. See Note 6 - Unrecognized Tax Benefits. The increase in interest income in 2010 is primarily due to earnings on an energy-related loan made to a third party by a NEECH subsidiary. The federal and state income tax benefits reflect consolidating income tax adjustments and include the following the items:

- in 2011, a state deferred income tax benefit of approximately $64 million, net of federal income taxes, related to state tax law changes,
- in 2011, an income tax benefit of $41 million related to the dissolution of a subsidiary,
- in 2011, a $6 million expense associated with the loss on sale of natural gas-fired generating assets, and
- in 2010, an income tax benefit of $24 million related to employee benefits.

Other includes all other corporate income and expenses, as well as other business activities. The decline in other in 2010 is primarily due to an $11 million after-tax loss on the sale of assets held under leveraged leases; the pretax amount ($17 million) of such loss is reflected in other - net in NEE's consolidated statements of income.

LIQUIDITY AND CAPITAL RESOURCES

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

Cash Flows

Sources and uses of NEE's and FPL's cash for the years ended December 31, 2011, 2010 and 2009 were as follows:

	NEE			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2011	2010	2009	2011	2010	2009
	(millions)					
Sources of cash:						
Cash flows from operating activities	$ 4,074	$ 3,834	$ 4,463	$ 2,245	$ 1,934	$ 2,871
Long-term borrowings, net of loan proceeds restricted for construction	3,375	3,724	3,220	840	924	516
Proceeds from the sale of differential membership interests, net of payments to investors	366	261	—	—	—	—
Sale of natural gas-fired generating assets	1,204	—	—	—	—	—
Capital contribution from NEE	—	—	—	410	660	—
Cash grants under the Recovery Act	624	588	100	218	161	—
Issuances of common stock - net	48	308	198	—	—	—
Net increase in short-term debt	460	—	154	229	—	45
Other sources	205	76	102	89	65	76
Total sources of cash	10,356	8,791	8,237	4,031	3,744	3,508
Uses of cash:						
Capital expenditures and independent power and other investments and nuclear fuel purchases	(6,628)	(5,846)	(6,006)	(3,502)	(2,706)	(2,717)
Retirements of long-term debt	(2,121)	(769)	(1,635)	(45)	(42)	(263)
Net decrease in short-term debt	—	(1,130)	—	—	(717)	—
Dividends	(920)	(823)	(766)	(400)	(250)	(485)
Repurchases of common stock	(375)	—	—	—	—	—
Other uses	(237)	(159)	(127)	(68)	(92)	(80)
Total uses of cash	(10,281)	(8,727)	(8,534)	(4,015)	(3,807)	(3,545)
Net increase (decrease) in cash and cash equivalents	$ 75	$ 64	$ (297)	$ 16	$ (63)	$ (37)

NEE's primary capital requirements are for expanding and enhancing FPL's electric system and generating facilities to continue to provide reliable service to meet customer electricity demands and for NEER's investments in independent power and other projects. The following table provides a summary of the major capital investments for the years ended December 31, 2011, 2010 and 2009.

	Years Ended December 31,		
	2011	2010	2009
	(millions)		
FPL:			
Generation:			
New	$ 1,424	$ 1,112	$ 1,185
Existing	907	636	734
Transmission and distribution	880	606	633
Nuclear fuel	365	101	195
General and other	213	101	102
Other, primarily the exclusion of AFUDC - equity and change in accrued property additions	(287)	150	(132)
Total	$ 3,502	$ 2,706	$ 2,717
NEER:			
Wind	953	1,950	2,625
Solar	594	185	40
Nuclear, including nuclear fuel	727	510	455
Other	500	427	115
Total	2,774	3,072	3,235
Corporate and Other	352	68	54
Total capital expenditures and independent power and other investments and nuclear fuel purchases	$ 6,628	$ 5,846	$ 6,006

In February 2012, an indirect wholly-owned subsidiary of NEER issued Class B membership interests to two third-party investors for approximately $225 million. The NEER subsidiary has ownership interests in a wind generation facility with generating capacity totaling approximately 662 mw located in Texas.

Liquidity

On February 9, 2012, FPL and NEECH refinanced a portion of their bank revolving line of credit facilities. The table below provides the components of FPL's and NEECH's estimated total net available liquidity as of that date.

				Maturity Date	
	FPL	NEECH	Total	FPL	NEECH
	(millions)				
Bank revolving line of credit facilities[a]	$ 3,018	$ 4,579	$ 7,597	(b)	(b)
Less letters of credit[c]	(80)	(1,484)	(1,564)		
	2,938	3,095	6,033		
Revolving credit facility	235	—	235	2014	
Less borrowings	—	—	—		
	235	—	235		
Subtotal	3,173	3,095	6,268		
Cash and cash equivalents[c]	26	400	426		
Less commercial paper[c]	(412)	(1,188)	(1,600)		
Net available liquidity	$ 2,787	$ 2,307	$ 5,094		

(a) Provide for the funding of loans up to $7,597 million ($3,018 million for FPL) and the issuance of letters of credit up to $4,097 million ($1,568 million for FPL). The entire amount of the credit facilities is available for general corporate purposes, including to provide back-up liquidity for FPL's and NEECH's commercial paper programs and other short-term borrowings and to provide additional liquidity in the event of a loss to the companies' or their subsidiaries' operating facilities (including, in the case of FPL, a transmission and distribution property loss). FPL's bank revolving line of credit facilities are also available to support the purchase of $633 million of pollution control, solid waste disposal and industrial development revenue bonds (tax exempt bonds) in the event they are tendered by individual bond holders and not remarketed prior to maturity.

(b) Approximately $4 million and $1,114 million of FPL's bank revolving line of credit facilities expire in 2012 and 2013, respectively. Approximately $10 million and $1,469 million of NEECH's bank revolving line of credit facilities expire in 2012 and 2013, respectively. The remaining portion of bank revolving line of credit facilities for FPL and NEECH expires in 2017.

(c) As of January 31, 2012.

As of February 27, 2012, 62 banks participate in FPL's and NEECH's bank revolving line of credit facilities and FPL's revolving credit facility, with no one bank providing more than 5% of the combined bank revolving line of credit facilities and FPL's revolving credit facility. European banks provide approximately 35% of the combined bank revolving line of credit facilities and FPL's revolving credit facility. Pursuant to a 1998 guarantee agreement, NEE guarantees the payment of NEECH's debt obligations under the bank revolving line of credit facilities. In order for FPL or NEECH to borrow or to have letters of credit issued under the terms of their respective bank revolving line of credit facilities and FPL's revolving credit facility, FPL, in the case of FPL, and NEE, in the case of the NEECH, are required, among other things, to maintain a ratio of funded debt to total capitalization that does not exceed a stated ratio. The FPL and NEECH bank revolving line of credit facilities and FPL revolving credit facility also contain default and related acceleration provisions relating to, among other things, failure of FPL and NEE, as the case may be, to maintain the respective ratio of funded debt to total capitalization at or below the specified ratio. At December 31, 2011, each of NEE and FPL was in compliance with its required ratio.

Additionally, at December 31, 2011, certain subsidiaries of NEE had credit or loan facilities with available liquidity as follows:

	Original Amount	Amount Remaining Available at December 31, 2011	Rate	Maturity Date	Related Project Use
		(millions)			
NEECH and NEER:					
Canadian bank revolving credit agreements[(a)]	C$300	$121	Variable	2013	Canadian renewable generating assets
Revolving loan agreement[(a)]	€170	$175	Variable	2014	Construction of Spain solar project
NEER:					
Senior secured limited-recourse loan agreement[(b)(c)]	€589	$485	Variable	2030	Construction of Spain solar project
Term loan facility[(b)(c)]	$150	$150	Variable	2019	Construction of Genesis solar project
Lone Star:					
Senior secured limited-recourse loan agreement[(b)(d)]	$387	$279	Variable	2016	Construction of Lone Star transmission line and substations

(a) Includes as a precondition to borrowing or issuing letters of credit as well as default and related acceleration provisions that require NEE's ratio of funded debt to total capitalization to not exceed a stated ratio. Payment obligations are guaranteed by NEE pursuant to the 1998 guarantee agreement with NEECH.

(b) Includes default and related acceleration provisions for, among other things, failure to comply with certain covenants, including requirements that construction of the project must be completed by a certain date.

(c) Borrowings are preconditioned on equity being contributed by the project's parent, and are drawn on a pro-rata basis with those equity contributions. The total equity funding commitment and, until certain conditions or obligations related to the project are met, certain obligations, including all or a portion of the debt payment obligations, are guaranteed by NEECH, which guarantee obligations are in turn guaranteed by NEE. The related NEECH guarantee contains default and acceleration provisions relating to, among other things, NEE's ratio of funded debt to total capitalization exceeding a specified ratio.

(d) Borrowings are preconditioned on equity being contributed by Lone Star's parent, and are drawn on a pro-rata basis with those equity contributions. The total equity funding commitment has been guaranteed by NEECH, which guarantee obligations are in turn guaranteed by NEE. The related NEECH guarantee contains default provisions and related provisions for acceleration of the unfunded equity commitment relating to, among other things, NEE's ratio of funded debt to total capitalization exceeding a specified ratio.

Storm Restoration Costs

At December 31, 2011, FPL had the capacity to absorb up to approximately $202 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC or filing a petition with the FPSC. See Note 1 – Revenue and Rates.

Dodd-Frank Act

The Dodd-Frank Act, enacted into law in July 2010, among other things, provides for the regulation of the OTC derivatives market. The Dodd-Frank Act includes provisions that will require certain OTC derivatives, or swaps, to be centrally cleared and executed through an exchange or other approved trading platform. While the legislation is broad and detailed, substantial portions of the legislation require implementing rules to be adopted by federal governmental agencies including, but not limited to, the SEC and the CFTC. While some provisions of the statute related to OTC derivatives are currently in effect or have been finalized, the majority of the rules are expected to be finalized and implemented in 2012. NEE and FPL cannot predict the impact of the final rules that will be adopted to implement the OTC derivative-related provisions of the Dodd-Frank Act. Those rules could negatively affect NEE's and FPL's ability to hedge their commodity and interest rate risks, which could have a material effect on NEE's and FPL's risk exposure and financial results. The rules also could cause NEER to decide to restructure part of its energy marketing and trading operations or to discontinue certain portions of that business. In addition, if the rules require NEE and FPL to post significant amounts of cash collateral with respect to swap transactions, NEE's and FPL's liquidity could be materially affected, and their ability to enter into OTC derivatives

to hedge commodity and interest rate risks could be significantly limited. Reporting and compliance requirements of the rules also could significantly increase operating costs and expose NEE and FPL to penalties for any failure to comply with the new requirements. The financial and operational impact of the final rules cannot be determined at this time, but could be material.

Capital Support

Letters of Credit, Surety Bonds and Guarantees
NEE and FPL obtain letters of credit and surety bonds, and issue guarantees to facilitate commercial transactions with third parties and financings. Letters of credit, surety bonds and guarantees support, among other things, the buying and selling of wholesale energy commodities, debt and related reserves, nuclear activities, capital expenditures for wind and solar development and other contractual agreements.

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

In addition, NEE has guaranteed certain payment obligations of NEECH, including most of its debt and all of its debentures and commercial paper issuances, as well as most of its payment guarantees and indemnifications, and NEECH has guaranteed certain debt and other obligations of NEER and its subsidiaries. See Note 14 - Commitments.

At December 31, 2011, NEE had approximately $1.4 billion of standby letters of credit ($40 million for FPL), approximately $160 million of surety bonds ($56 million for FPL) and approximately $14.5 billion notional amount of guarantees and indemnifications ($25 million for FPL), of which approximately $9.2 billion ($45 million for FPL) letters of credit, guarantees and indemnifications have expiration dates within the next five years. An aggregate of approximately $1.3 billion ($34 million for FPL) of the standby letters of credit at December 31, 2011 were issued under FPL's and NEECH's credit facilities.

Each of NEE and FPL believe it is unlikely that it would incur any liabilities associated with these letters of credit, surety bonds, guarantees and indemnifications. Accordingly, at December 31, 2011, NEE and FPL did not have any liabilities recorded for these letters of credit, surety bonds, guarantees and indemnifications.

Shelf Registration
In August 2009, NEE, NEECH, FPL and certain affiliated trusts filed a shelf registration statement with the SEC for an unspecified amount of securities which became effective upon filing. The amount of securities issuable by the companies is established from time to time by their respective boards of directors. As of February 27, 2012, securities that may be issued under the registration statement include, depending on the registrant, senior debt securities, subordinated debt securities, junior subordinated debentures, first mortgage bonds, preferred trust securities, common stock, preferred stock, stock purchase contracts, stock purchase units, warrants and guarantees related to certain of those securities. As of February 27, 2012, NEE and NEECH had approximately $2.3 billion (issuable by either or both of them up to such aggregate amount) of board-authorized available capacity, and FPL had $750 million of board-authorized available capacity.

Contractual Obligations and Estimated Planned Capital Expenditures

NEE's and FPL's commitments at December 31, 2011 were as follows:

	2012	2013	2014	2015	2016	Thereafter	Total
				(millions)			
Long-term debt, including interest:[a]							
FPL	$ 428	$ 818	$ 409	$ 410	$ 411	$ 13,476 [b]	$ 15,952
NEER	729	958	986	707	677	4,317	8,374
Corporate and Other	739	1,697	1,531	1,610	405	12,580	18,562
Purchase obligations:							
FPL[c]	5,985	3,810	2,900	2,545	2,295	9,415	26,950
NEER[d]	1,970	475	140	110	100	520	3,315
Corporate and Other[e]	250	15	—	—	—	—	265
Asset retirement activities:[f]							
FPL[g]	—	—	—	—	—	7,106	7,106
NEER[h]	2	—	—	—	—	11,564	11,566
Other Commitments:							
NEER[i]	142	76	78	103	115	557	1,071
Total	$ 10,245	$ 7,849	$ 6,044	$ 5,485	$ 4,003	$ 59,535	$ 93,161

(a) Includes principal, interest and interest rate swaps. Variable rate interest was computed using December 31, 2011 rates.
(b) Includes $633 million of tax exempt bonds that permit individual bond holders to tender the bonds for purchase at any time prior to maturity. In the event bonds are tendered for purchase, they would be remarketed by a designated remarketing agent in accordance with the related indenture. If the remarketing is unsuccessful, FPL would be required to purchase the tax exempt bonds. As of December 31, 2011, all tax exempt bonds tendered for purchase have been successfully remarketed. FPL's bank revolving line of credit facilities are available to support the purchase of tax exempt bonds.
(c) Represents required capacity and minimum charges under long-term purchased power and fuel contracts (see Note 14 - Contracts), and projected capital expenditures through 2016 (see Note 14 - Commitments).
(d) Represents firm commitments primarily in connection with construction activities and fuel-related contracts. See Note 14 - Commitments and Contracts.
(e) Represents firm commitments primarily for development and construction activities relating to Lone Star's transmission line and other associated facilities.
(f) Represents expected cash payments adjusted for inflation for estimated costs to perform asset retirement activities.
(g) At December 31, 2011, FPL had approximately $2,612 million in restricted funds for the payment of future expenditures to decommission FPL's nuclear units, which are included in NEE's and FPL's special use funds. See Note 13.
(h) At December 31, 2011, NEER's 88.23% portion of Seabrook's and 70% portion of Duane Arnold's and its Point Beach's restricted funds for the payment of future expenditures to decommission its nuclear units totaled approximately $1,130 million and are included in NEE's special use funds. See Note 13.
(i) Represents estimated cash distributions related to membership interests and payments related to the acquisition of certain development rights. For further discussion of membership interests, see Note 1 - Sale of Differential Membership Interests.

Credit Ratings

NEE's and FPL's liquidity, ability to access credit and capital markets, cost of borrowings and collateral posting requirements under certain agreements are dependent on their credit ratings. At February 27, 2012, Moody's Investors Service, Inc. (Moody's), Standard & Poor's Ratings Services (S&P) and Fitch Ratings (Fitch) had assigned the following credit ratings to NEE, FPL and NEECH:

	Moody's[a]	S&P[a]	Fitch[a]
NEE:[b]			
Corporate credit rating	Baa1	A-	A-
FPL:[b]			
Corporate credit rating	A2	A-	A
First mortgage bonds	Aa3	A	AA-
Pollution control, solid waste disposal and industrial development revenue bonds	VMIG-1	A	A+
Commercial paper	P-1	A-2	F1
NEECH:[b]			
Corporate credit rating	Baa1	A-	A-
Debentures	Baa1	BBB+	A-
Junior subordinated debentures	Baa2	BBB	BBB
Commercial paper	P-2	A-2	F1

(a) A security rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organization.
(b) The outlook indicated by each of Moody's, S&P and Fitch is stable.

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

Commitment fees and interest rates on loans under these credit facilities' agreements are tied to credit ratings. A ratings downgrade also could reduce the accessibility and increase the cost of commercial paper and other short-term debt issuances and additional or replacement credit facilities. In addition, a ratings downgrade could result in the requirement that NEE subsidiaries, including FPL, post collateral under certain agreements, including those related to fuel procurement, power sales and purchases, nuclear decommissioning funding, debt-related reserves and trading activities. FPL's and NEECH's credit facilities are available to support these potential requirements.

Covenants

NEE's charter does not limit the dividends that may be paid on its common stock. As a practical matter, the ability of NEE to pay dividends on its common stock is dependent upon, among other things, dividends paid to it by its subsidiaries. For example, FPL pays dividends to NEE in a manner consistent with FPL's long-term targeted capital structure. However, the mortgage securing FPL's first mortgage bonds contains provisions which, under certain conditions, restrict the payment of dividends to NEE and the issuance of additional first mortgage bonds. Additionally, in some circumstances, the mortgage restricts the amount of retained earnings that FPL can use to pay cash dividends on its common stock. The restricted amount may change based on factors set out in the mortgage. Other than this restriction on the payment of common stock dividends, the mortgage does not restrict FPL's use of retained earnings. As of December 31, 2011, no retained earnings were restricted by these provisions of the mortgage and in light of FPL's current financial condition and level of earnings, management does not expect that planned financing activities or dividends would be affected by these limitations.

FPL may issue first mortgage bonds under its mortgage subject to its meeting an adjusted net earnings test set forth in the mortgage, which generally requires adjusted net earnings to be at least twice the annual interest requirements on, or at least 10% of the aggregate principal amount of, FPL's first mortgage bonds including those to be issued and any other non-junior FPL indebtedness. As of December 31, 2011, coverage for the 12 months ended December 31, 2011 would have been approximately 6.5 times the annual interest requirements and approximately 3.6 times the aggregate principal requirements. New first mortgage bonds are also limited to an amount equal to the sum of 60% of unfunded property additions after adjustments to offset property retirements, the amount of retired first mortgage bonds or qualified lien bonds and the amount of cash on deposit with the mortgage trustee. As of December 31, 2011, FPL could have issued in excess of $8.9 billion of additional first mortgage bonds based on the unfunded property additions and in excess of $5.8 billion based on retired first mortgage bonds. As of December 31, 2011, no cash was deposited with the mortgage trustee for these purposes.

In September 2006, NEE and NEECH executed a Replacement Capital Covenant (September 2006 RCC) in connection with NEECH's offering of $350 million principal amount of Series A Enhanced Junior Subordinated Debentures due 2066 and $350 million principal amount of Series B Enhanced Junior Subordinated Debentures due 2066 (collectively, Series A and Series B junior subordinated debentures). The September 2006 RCC is for the benefit of persons that buy, hold or sell a specified series of long-term indebtedness (covered debt) of NEECH (other than the Series A and Series B junior subordinated debentures) or, in certain cases, of NEE. FPL Group Capital Trust I's 5 7/8% Preferred Trust Securities have been initially designated as the covered debt under the September 2006 RCC. The September 2006 RCC provides that NEECH may redeem, and NEE or NEECH may purchase, any Series A and Series B junior subordinated debentures on or before October 1, 2036, only to the extent that the redemption or purchase price does not exceed a specified amount of proceeds from the sale of qualifying securities, subject to certain limitations described in the September 2006 RCC. Qualifying securities are securities that have equity-like characteristics that are the same as, or more equity-like than, the Series A and Series B junior subordinated debentures at the time of redemption or purchase, which are sold within 180 days prior to the date of the redemption or repurchase of the Series A and Series B junior subordinated debentures.

In June 2007, NEE and NEECH executed a Replacement Capital Covenant (June 2007 RCC) in connection with NEECH's offering of $400 million principal amount of its Series C Junior Subordinated Debentures due 2067 (Series C junior subordinated debentures). The June 2007 RCC is for the benefit of persons that buy, hold or sell a specified series of covered debt of NEECH (other than the Series C junior subordinated debentures) or, in certain cases, of NEE. FPL Group Capital Trust I's 5 7/8% Preferred Trust Securities have been initially designated as the covered debt under the June 2007 RCC. The June 2007 RCC provides that NEECH may redeem or purchase, or satisfy, discharge or defease (collectively, defease), and NEE and any majority-owned subsidiary of NEE or NEECH may purchase, any Series C junior subordinated debentures on or before June 15, 2037, only to the extent that the principal amount defeased or the applicable redemption or purchase price does not exceed a specified amount raised from the issuance, during the 180 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Series C junior subordinated debentures at the time of redemption, purchase or defeasance, subject to certain limitations described in the June 2007 RCC.

In September 2007, NEE and NEECH executed a Replacement Capital Covenant (September 2007 RCC) in connection with NEECH's offering of $250 million principal amount of its Series D Junior Subordinated Debentures due 2067 and $350 million principal amount of Series E Junior Subordinated Debentures due 2067 (collectively, Series D and Series E junior subordinated debentures). The September 2007 RCC is for the benefit of persons that buy, hold or sell a specified series of covered debt of NEECH (other than the

Series D and Series E junior subordinated debentures) or, in certain cases, of NEE. FPL Group Capital Trust I's 5 7/8% Preferred Trust Securities have been initially designated as the covered debt under the September 2007 RCC. The September 2007 RCC provides that NEECH may redeem, purchase, or defease, and NEE and any majority-owned subsidiary of NEE or NEECH may purchase, any Series D and Series E junior subordinated debentures on or before September 1, 2037, only to the extent that the principal amount defeased or the applicable redemption or purchase price does not exceed a specified amount raised from the issuance, during the 180 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Series D and Series E junior subordinated debentures at the time of redemption, purchase or defeasance, subject to certain limitations described in the September 2007 RCC.

In March 2009, NEE and NEECH executed a Replacement Capital Covenant (March 2009 RCC) in connection with NEECH's offering of $375 million principal amount of its Series F Junior Subordinated Debentures due 2069. The March 2009 RCC is for the benefit of persons that buy, hold or sell a specified series of covered debt of NEECH (other than the Series F junior subordinated debentures) or, in certain cases, of NEE. FPL Group Capital Trust I's 5 7/8% Preferred Trust Securities have been initially designated as the covered debt under the March 2009 RCC. The March 2009 RCC provides that NEECH may redeem, purchase, or defease, and NEE and any majority-owned subsidiary of NEE or NEECH may purchase, any Series F junior subordinated debentures on or before March 1, 2039, only to the extent that the principal amount defeased or the applicable redemption or purchase price does not exceed a specified amount raised from the issuance, during the 180 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Series F junior subordinated debentures at the time of redemption, purchase or defeasance, subject to certain limitations described in the March 2009 RCC.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

NEE and FPL consider the following policies to be the most critical in understanding the judgments that are involved in preparing their consolidated financial statements:

Accounting for Derivatives and Hedging Activities

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

Nature of Accounting Estimates

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

Assumptions and Accounting Approach

NEE's and FPL's derivative instruments, when required to be marked to market, are recorded on the balance sheet at fair value. Fair values for some of the longer-term contracts where liquid markets are not available are derived through internally developed models which estimate the fair value of a contract by calculating the present value of the difference between the contract price and the forward prices. Forward prices represent the price at which a buyer or seller could contract today to purchase or sell a commodity at a future date. The near-term forward market for electricity is generally liquid and therefore the prices in the early years of the forward curves reflect observable market quotes. However, in the later years, the market is much less liquid and forward price curves must be developed using factors including the forward prices for the commodities used as fuel to generate electricity, the expected system heat rate (which measures the efficiency of power plants in converting fuel to electricity) in the region where the purchase or sale takes place, and a fundamental forecast of expected spot prices based on modeled supply and demand in the region. NEE estimates the fair value of interest rate and foreign currency derivatives using a discounted cash flows valuation

technique based on the net amount of estimated future cash inflows and outflows related to the derivative agreements. The assumptions in these models are critical since any changes therein could have a significant impact on the fair value of the derivative.

At FPL, substantially all changes in the fair value of energy derivative transactions are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel clause or the capacity clause. See Note 3.

In NEE's non-rate regulated operations, predominantly NEER, all changes in the derivatives' fair value for power purchases and sales and trading activities are recognized on a net basis in operating revenues; fuel purchases and sales are recognized on a net basis in fuel, purchased power and interchange expense; and the equity method investees' related activity is recognized in equity in earnings of equity method investees in NEE's consolidated statements of income, unless the criteria for hedge accounting are met and the company elects to account for the derivative as a hedge.

For those transactions accounted for as cash flow hedges, much of the effects of changes in fair value are reflected in OCI, a component of common shareholders' equity, rather than being recognized in current earnings. For those transactions accounted for as fair value hedges, the effects of changes in fair value are reflected in current earnings offset by changes in the fair value of the item being hedged.

Certain hedging transactions at NEER are entered into as economic hedges but the transactions do not meet the requirements for hedge accounting or hedge accounting treatment is not elected. Changes in the fair value of those transactions are marked to market and reported in the consolidated statements of income, resulting in earnings volatility. These changes in fair value are captured in the non-qualifying hedge category in computing adjusted earnings. This could be significant to NEER's results because the economic offset to the positions which are required to be marked to market (such as the physical assets from which power is generated) are not marked to market. As a consequence, net income reflects only the movement in one part of economically-linked transactions. For this reason, NEE's management views results expressed excluding the unrealized mark-to-market impact of the non-qualifying hedges as a meaningful measure of current period performance. For additional information regarding derivative instruments, see Note 3, Overview and Energy Marketing and Trading and Market Risk Sensitivity.

Accounting for Pensions and Other Postretirement Benefits

NEE sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of NEE and its subsidiaries. NEE also has a supplemental executive retirement plan (SERP) which includes a non-qualified supplemental defined benefit pension component that provides benefits to a select group of management and highly compensated employees. The impact of the SERP component is included within the pension plan as discussed below. Management believes that, based on actuarial assumptions and the well-funded status of the pension plan, NEE will not be required to make any cash contributions to the qualified pension plan in the near future.

In addition to pension benefits, NEE sponsors a contributory postretirement plan for health care and life insurance benefits (other benefits plan) for retirees of NEE and its subsidiaries meeting certain eligibility requirements. The qualified pension plan has a fully funded trust dedicated to providing the benefits under the plan. The other benefits plan has a partially funded trust dedicated to providing benefits related to life insurance. NEE allocates net periodic benefit income or cost associated with the pension and other benefits plans to its subsidiaries annually using specific criteria.

Nature of Accounting Estimates

For the pension plan, the benefit obligation is the actuarial present value as of the December 31 measurement date, of all benefits attributed by the pension benefit formula to employee service rendered to that date. The amount of benefit to be paid depends on a number of future events incorporated into the pension benefit formula, including estimates of the average life of employees/ survivors and average years of service rendered. The projected benefit obligation is measured based on assumptions concerning future interest rates and future employee compensation levels. For the other benefits plan, the benefit obligation is the actuarial present value as of the December 31 measurement date of all future benefits attributed under the terms of the other benefits plan to employee service rendered to that date. NEE derives pension income and the cost of the other benefits plan from actuarial calculations based on each plan's provisions and management's assumptions regarding discount rate, rate of increase in compensation levels and expected long-term rate of return on plan assets and, in the case of the other benefits plan, health care cost trend rates.

Assumptions and Accounting Approach

NEE's regulatory assets and liabilities are established in association with accounting guidance which requires recognition of the funded status of benefit plans in the balance sheet, with changes in the funded status recognized in comprehensive income within shareholders' equity in the year in which the changes occur. Since NEE is the plan sponsor, and its subsidiaries do not have separate rights to the plan assets or direct obligations to their employees, this accounting guidance is reflected at NEE and not allocated to the subsidiaries. The portion of previously unrecognized actuarial gains and losses, prior service costs or credits and transition obligations that are estimated to be allocable to FPL as net periodic benefit (income) cost in future periods and that otherwise would be recorded in AOCI are classified as regulatory assets and liabilities at NEE in accordance with regulatory

treatment.

Pension income and the cost of the other benefits plan are included in O&M expenses, and are calculated using a number of actuarial assumptions. Those assumptions include:

- an expected long-term rate of return on qualified plan assets of 7.75% for all years for the pension plan and 8.00% for all years for the other benefits plan,
- assumed increases in salary of 4.00% for all years,
- weighted-average discount rates of 5.00%, 5.50%, and 6.90% for the pension plan and 5.25%, 5.50%, and 6.90% for the other benefits plan for the years ended December 31, 2011, 2010 and 2009, respectively, and
- health care cost trend rates (as related to other benefits) for those under age 65 of 7.60% for medical and 8.20% for prescription drug benefits and for those age 65 and over of 7.25% for medical and 7.75% for prescription drug benefits. These rates are assumed to decrease over the next 7 years for medical benefits and 9 years for prescription drug benefits to the ultimate trend rate of 5.50% and remain at that level thereafter. The ultimate trend rate is assumed to be reached in 2018 for medical benefits and 2020 for prescription drug benefits.

In developing these assumptions, NEE evaluated input from its actuaries and consultants, as well as information available in the marketplace. For the expected long-term rate of return on fund assets, NEE considered different models, capital market return assumptions and historical returns for a portfolio with an equity/bond asset mix similar to its funds, as well as its funds' historical compounded returns. NEE also considered input, including other qualitative and quantitative factors, from its actuaries and consultants as well as information available in the marketplace. NEE believes that 7.75% and 8.00% are reasonable long-term rates of return on its pension plan and other benefits plan assets, respectively. NEE will continue to evaluate all of its actuarial assumptions, including its expected rate of return, at least annually, and will adjust them as necessary.

NEE bases its determination of pension and other benefits plan expense or income on a market-related valuation of assets, as prescribed by accounting guidance. This market-related valuation reduces year-to-year volatility and recognizes investment gains or losses over a five-year period following the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return realized on those assets. Since the market-related value of assets recognizes gains or losses over a five-year period, the future value of assets will be affected as previously deferred gains or losses are recognized. Such gains and losses together with other differences between actual results and the estimates used in the actuarial valuations are deferred and recognized in determining pension income and other benefits plan expense only to the extent they exceed 10% of the greater of projected benefit obligations or the market-related value of assets.

The following table illustrates the effect on net periodic benefit income of changing the critical actuarial assumptions discussed above, while holding all other assumptions constant:

		Increase (Decrease) in 2011 Net Periodic Benefit Income	
	Change in Assumption	NEE	FPL
Expected long-term rate of return	(0.5)%	$ (16)	$ (11)
Discount rate	(0.5)%	$ 2	$ 1
Salary increase	0.5 %	$ (2)	$ (1)
Health care cost trend rate[(a)]	1.0 %	$ —	$ —

(a) Assumed health care cost trend rates can have a significant effect on the amounts reported for postretirement plans providing health care benefits. However, this effect is somewhat mitigated by the retiree cost sharing structure incorporated in NEE's other benefits plan.

See Note 2.

Carrying Value of Long-Lived Assets

NEE evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Nature of Accounting Estimates

The amount of future net cash flows, the timing of the cash flows and the determination of an appropriate interest rate all involve estimates and judgments about future events. In particular, the aggregate amount of cash flows determines whether an impairment exists, and the timing of the cash flows is critical in determining fair value. Because each assessment is based on the facts and circumstances associated with each long-lived asset, the effects of changes in assumptions cannot be generalized.

Assumptions and Accounting Approach

An impairment loss is required to be recognized if the carrying value of the asset exceeds the undiscounted future net cash flows associated with that asset. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset's fair value. In most instances, the fair value is determined by discounting estimated future cash flows using an appropriate interest rate. See Note 4 - Nonrecurring Fair Value Measurements.

Nuclear Decommissioning and Fossil/Solar Dismantlement

The components of NEE's and FPL's decommissioning of nuclear plants, dismantlement of plants and other accrued asset removal costs are as follows:

	FPL						NEER		NEE	
	Nuclear Decommissioning		Fossil/Solar Dismantlement		Interim Removal Costs and Other					
	December 31,		December 31,		December 31,		December 31,		December 31,	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
					(millions)					
AROs	$ 1,114	$ 1,057	$ 27	$ 23	$ 3	$ 3	$ 467	$ 556	$ 1,611	$ 1,639
Less capitalized ARO asset net of accumulated depreciation	—	—	7	4	—	—	—	—	7	4
Accrued asset removal costs[a]	216	207	337	336	1,644	1,701	—	—	2,197	2,244
Asset retirement obligation regulatory expense difference[a]	1,618	1,571	23	22	(1)	(1)	—	—	1,640	1,592
Accrued decommissioning, dismantlement and other accrued asset removal costs	$ 2,948 [b]	$ 2,835 [b]	$ 380 [b]	$ 377 [b]	$ 1,646 [b]	$ 1,703 [b]	$ 467	$ 556	$ 5,441	$ 5,471

(a) Regulatory liability on NEE's and FPL's consolidated balance sheets.
(b) Represents total amount accrued for ratemaking purposes.

Nature of Accounting Estimates

The calculation of the future cost of retiring long-lived assets, including nuclear decommissioning and fossil and solar dismantlement costs, involves estimating the amount and timing of future expenditures and making judgments concerning whether or not such costs are considered a legal obligation. Estimating the amount and timing of future expenditures includes, among other things, making projections of when assets will be retired and ultimately decommissioned and how costs will escalate with inflation. In addition, NEE and FPL also make interest rate and rate of return projections on their investments in determining recommended funding requirements for nuclear decommissioning costs. Periodically, NEE and FPL are required to update these estimates and projections which can affect the annual expense amounts recognized, the liabilities recorded and the annual funding requirements for nuclear decommissioning costs. For example, an increase of 0.25% in the assumed escalation rates would increase NEE's and FPL's asset retirement obligations and conditional asset retirement obligations (collectively, AROs) as of December 31, 2011 by $126 million and $87 million, respectively.

Assumptions and Accounting Approach

NEE and FPL each account for AROs under accounting guidance that requires a liability for the fair value of an ARO to be recognized in the period in which it is incurred if it can be reasonably estimated, with the offsetting associated asset retirement costs capitalized as part of the carrying amount of the long-lived assets.

FPL - For ratemaking purposes, FPL accrues and funds for nuclear plant decommissioning costs over the expected service life of each unit based on studies that are filed with the FPSC at least every five years. The studies reflect, among other things, the expiration dates of the operating licenses for FPL's nuclear units. The most recent studies, filed in 2010, indicate that FPL's portion of the future cost of decommissioning its four nuclear units, including spent fuel storage above what is expected to be refunded by the DOE under the spent fuel settlement agreement, is approximately $6.2 billion, or $2.3 billion expressed in 2011 dollars.

FPL accrues the cost of dismantling its fossil and solar plants over the expected service life of each unit based on studies filed with the FPSC. Unlike nuclear decommissioning, dismantlement costs are not funded. The most recent studies became effective January 1, 2010. At December 31, 2011, FPL's portion of the ultimate cost to dismantle its fossil and solar units is approximately $860 million, or $421 million expressed in 2011 dollars. The majority of the dismantlement costs are not considered AROs. FPL accrues for interim removal costs over the life of the related assets based on depreciation studies approved by the FPSC. Any differences between the ARO amount recorded and the amount recorded for ratemaking purposes are reported as a regulatory liability in accordance with regulatory accounting.

NEER - NEER records a liability for the present value of its expected decommissioning costs which is determined using various internal and external data and applying a probability percentage to a variety of scenarios regarding the life of the plant and timing of decommissioning. The liability is being accreted using the interest method through the date decommissioning activities are expected to be complete. At December 31, 2011, the ARO for nuclear decommissioning of NEER's nuclear plants totaled approximately $383 million. NEER's portion of the ultimate cost of decommissioning its nuclear plants, including costs associated with spent fuel storage above what is expected to be refunded by the DOE under the spent fuel settlement agreement, is estimated to be approximately $11.4 billion, or $1.9 billion expressed in 2011 dollars.

See Note 1 - Asset Retirement Obligations, Note 1 - Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs and Note 13.

Regulatory Accounting

NEE's and FPL's regulatory assets and liabilities are as follows:

	NEE		FPL	
	December 31,		December 31,	
	2011	2010	2011	2010
Regulatory assets:	(millions)			
Current:				
Deferred clause and franchise expenses	$ 112	$ 368	$ 112	$ 368
Derivatives	$ 502	$ 236	$ 502	$ 236
Other	$ 84	$ 82	$ 80	$ 76
Noncurrent:				
Securitized storm-recovery costs	$ 517	$ 581	$ 517	$ 581
Other	$ 621	$ 329	$ 395	$ 293
Regulatory liabilities:				
Current, included in other current liabilities	$ 21	$ 52	$ 24	$ 47
Noncurrent:				
Accrued asset removal costs	$ 2,197	$ 2,244	$ 2,197	$ 2,244
Asset retirement obligation regulatory expense difference	$ 1,640	$ 1,592	$ 1,640	$ 1,592
Other	$ 419	$ 423	$ 416	$ 377

Nature of Accounting Estimates

Regulatory assets and liabilities represent probable future revenues that will be recovered from or refunded to customers through the ratemaking process. All regulatory assets and liabilities are included in rate base or otherwise earn (pay) a return on investment during the recovery period.

Assumptions and Accounting Approach

Accounting guidance allows regulators to create assets and impose liabilities that would not be recorded by non-rate regulated entities. If FPL were no longer subject to cost-based rate regulation, the existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. In addition, the FPSC has the authority to disallow recovery of costs that it considers excessive or imprudently incurred. Such costs may include, among others, fuel and O&M expenses, the cost of replacing power lost when fossil and nuclear units are unavailable, storm restoration costs and costs associated with the construction or acquisition of new facilities. The continued applicability of regulatory accounting is assessed at each reporting period. See Note 1 for a discussion of NEE's and FPL's other significant accounting policies.

Energy Marketing and Trading and Market Risk Sensitivity

NEE and FPL are exposed to risks associated with adverse changes in commodity prices, interest rates, equity prices and currency exchange rates. Financial instruments and positions affecting the financial statements of NEE and FPL described below are held primarily for purposes other than trading. Market risk is measured as the potential loss in fair value resulting from hypothetical reasonably possible changes in commodity prices, interest rates, equity prices or currency exchange rates over the next year. Management has established risk management policies to monitor and manage such market risks, as well as credit risks.

Commodity Price Risk

NEE and FPL use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity. In addition, NEE, through NEER, uses derivatives to optimize the value of power generation assets and engages in power and gas marketing and trading activities to take advantage of expected future favorable price movements. See Critical Accounting Policies and Estimates and Note 3.

During 2010 and 2011, the changes in the fair value of NEE's consolidated subsidiaries' energy contract derivative instruments were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	NEE Total
			(millions)		
Fair value of contracts outstanding at December 31, 2009	$ 39	$ 126	$ 131	$ (64)	$ 232
Reclassification to realized at settlement of contracts	(98)	(126)	(102)	492	166
Inception value of new contracts	108	(45)	-	-	63
Effective portion of changes in fair value recorded in OCI	-	-	20	-	20
Ineffective portion of changes in fair value recorded in earnings	-	1	-	-	1
Changes in fair value excluding reclassification to realized	76	457	-	(664)	(131)
Fair value of contracts outstanding at December 31, 2010	125	413	49	(236)	351
Reclassification to realized at settlement of contracts	2	(96)	(41)	381	246
Inception value of new contracts and contracts sold	11	(11)	—	—	—
Changes in fair value excluding reclassification to realized	72	403	—	(646)	(171)
Fair value of contracts outstanding at December 31, 2011	210	709	8	(501)	426
Net option premium payments (receipts)	(195)	11	—	—	(184)
Net margin cash collateral paid (received)					(24)
Total mark-to-market energy contract net assets (liabilities) at December 31, 2011	$ 15	$ 720	$ 8	$ (501)	$ 218

NEE's total energy contract net assets (liabilities) at December 31, 2011 shown above are included on the consolidated balance sheets as follows:

	December 31, 2011
	(millions)
Current derivative assets	$ 589
Noncurrent derivative assets	931
Current derivative liabilities	(1,024)
Noncurrent derivative liabilities	(278)
NEE's total mark-to-market energy contract net assets	$ 218

The sources of fair value estimates and maturity of energy contract derivative instruments at December 31, 2011 were as follows:

	Maturity						
	2012	2013	2014	2015	2016	Thereafter	Total
	(millions)						
Trading:							
Quoted prices in active markets for identical assets	$ (49)	$ (73)	$ 4	$ —	$ —	$ —	$ (118)
Significant other observable inputs	(150)	19	4	10	—	33	(84)
Significant unobservable inputs	129	55	9	11	2	11	217
Total	(70)	1	17	21	2	44	15
Owned Assets - Non-Qualifying:							
Quoted prices in active markets for identical assets	(24)	(6)	(3)	(4)	—	—	(37)
Significant other observable inputs	160	82	93	85	—	72	492
Significant unobservable inputs	(14)	25	38	40	—	176	265
Total	122	101	128	121	—	248	720
Owned Assets - OCI:							
Quoted prices in active markets for identical assets	15	—	—	—	—	—	15
Significant other observable inputs	(7)	—	—	—	—	—	(7)
Significant unobservable inputs	—	—	—	—	—	—	—
Total	8	—	—	—	—	—	8
Owned Assets - FPL Cost Recovery Clauses:							
Quoted prices in active markets for identical assets	—	—	—	—	—	—	—
Significant other observable inputs	(505)	—	—	—	—	—	(505)
Significant unobservable inputs	3	1	—	—	—	—	4
Total	(502)	1	—	—	—	—	(501)
Total sources of fair value	$ (442)	$ 103	$ 145	$ 142	$ 2	$ 292	$ 242

With respect to commodities, NEE's Exposure Management Committee (EMC), which is comprised of certain members of senior management, and NEE's chief executive officer are responsible for the overall approval of market risk management policies and the delegation of approval and authorization levels. The EMC and NEE's chief executive officer receive periodic updates on market positions and related exposures, credit exposures and overall risk management activities.

NEE uses a value-at-risk (VaR) model to measure commodity price market risk in its trading and mark-to-market portfolios. The VaR is the estimated nominal loss of market value based on a one-day holding period at a 95% confidence level using historical simulation methodology. As of December 31, 2011 and 2010, the VaR figures are as follows:

	Trading			Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses[a]			Total		
	FPL	NEER	NEE	FPL	NEER	NEE	FPL	NEER	NEE
	(millions)								
December 31, 2010	$ —	$ 3	$ 3	$ 51	$ 21	$ 35	$ 51	$ 23	$ 36
December 31, 2011	$ —	$ 2	$ 2	$ 38	$ 50	$ 25	$ 38	$ 50	$ 26
Average for the period ended December 31, 2011	$ —	$ 3	$ 3	$ 46	$ 43	$ 37	$ 46	$ 43	$ 37

(a) Non-qualifying hedges are employed to reduce the market risk exposure to physical assets or contracts which are not marked to market. The VaR figures for the non-qualifying hedges and hedges in OCI and FPL cost recovery clauses category do not represent the economic exposure to commodity price movements.

Interest Rate Risk

NEE and FPL are exposed to risk resulting from changes in interest rates as a result of their respective issuances of debt, investments in special use funds and other investments. NEE and FPL manage their respective interest rate exposure by monitoring current interest rates, entering into interest rate swaps and using a combination of fixed rate and variable rate debt. Interest rate swaps are used to mitigate and adjust interest rate exposure when deemed appropriate based upon market conditions or when required by financing agreements.

The following are estimates of the fair value of NEE's and FPL's financial instruments:

	December 31, 2011		December 31, 2010	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
NEE:				
Fixed income securities:				
Special use funds	$ 1,897	$ 1,897 [a]	$ 1,701	$ 1,701 [a]
Other investments:				
Debt securities	$ 89	$ 89 [a]	$ 114	$ 114 [a]
Notes receivable	$ 503	$ 535 [b]	$ 525	$ 583 [b]
Long-term debt, including current maturities	$ 21,614	$ 23,699 [c]	$ 19,929	$ 20,756 [c]
Interest rate swaps - net unrealized losses	$ (283)	$ (283) [d]	$ (16)	$ (16) [d]
FPL:				
Fixed income securities - special use funds	$ 1,499	$ 1,499 [a]	$ 1,375	$ 1,375 [a]
Long-term debt, including current maturities	$ 7,533	$ 9,078 [c]	$ 6,727	$ 7,236 [c]

(a) Based on quoted market prices for these or similar issues.
(b) Based on market prices provided by external sources.
(c) Provided by external sources based on market prices indicative of market conditions.
(d) Modeled internally based on market values using discounted cash flow analysis and credit valuation adjustment.

The special use funds of NEE and FPL consist of restricted funds set aside to cover the cost of storm damage for FPL and for the decommissioning of NEE's and FPL's nuclear power plants. A portion of these funds is invested in fixed income debt securities primarily carried at estimated fair value. At FPL, changes in fair value, including any OTTI losses, result in a corresponding adjustment to the related liability accounts based on current regulatory treatment. The changes in fair value of NEE's non-rate regulated operations result in a corresponding adjustment to OCI, except for impairments deemed to be other than temporary, including any credit losses, which are reported in current period earnings. Because the funds set aside by FPL for storm damage could be needed at any time, the related investments are generally more liquid and, therefore, are less sensitive to changes in interest rates. The nuclear decommissioning funds, in contrast, are generally invested in longer-term securities, as decommissioning activities are not scheduled to begin until at least 2030 (2032 at FPL).

At December 31, 2011, the estimated fair value for NEE's interest rate swaps was as follows:

Notional Amount	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value
(millions)					(millions)
Fair value hedges - NEECH:					
$250	May 2010	November 2013	Variable [a]	2.55%	$ 6
$400	August 2010	September 2015	Variable [b]	2.60%	11
$250	August 2011	June 2013	Variable [c]	5.35%	(1)
$500	August 2011	December 2015	Variable [d]	7.875%	(2)
$500	August 2011	March 2019	Variable [e]	6.00%	6
$400	August 2011	June 2021	Variable [f]	4.50%	12
Total fair value hedges					32
Cash flow hedges:					
NEER:					
$32	December 2003	December 2017	4.245%	Variable [g]	(3)
$10	April 2004	December 2017	3.845%	Variable [g]	(1)
$130	December 2005	November 2019	4.905%	Variable [g]	(14)
$336	January 2007	January 2022	5.390%	Variable [h]	(40)
$292	January 2009	December 2016	2.680%	Variable [g]	(17)
$124	January 2009[i]	December 2023	3.725%	Variable [g]	(3)
$78	January 2009	December 2023	2.578%	Variable [j]	(3)
$17	March 2009	December 2016	2.655%	Variable [g]	(1)
$7	March 2009[i]	December 2023	3.960%	Variable [g]	—
$282	May 2009	May 2017	3.015%	Variable [g]	(20)
$106	May 2009[i]	May 2024	4.663%	Variable [g]	(4)
$239	April 2010	January 2027	4.040%	Variable [h]	(37)
$275	October 2010	September 2028	2.822%	Variable [g]	(18)
$255	April 2011	December 2013	2.733%	Variable [k]	(18)
$764	April 2011[i]	June 2018	4.042%	Variable [l]	(54)
$632	April 2011[i]	December 2030	4.694%	Variable [l]	(53)
$70	August 2011	January 2016	(m)	Variable [g]	—
$216	December 2011	December 2029	2.275%	Variable [g]	(5)
NEECH:					
$250	October 2010[i]	June 2023	3.479%	Variable [g]	(24)
Total cash flow hedges					(315)
Total interest rate swaps					$ (283)

(a) Three-month London InterBank Offered Rate (LIBOR) plus 0.4726%.
(b) Three-month LIBOR plus 0.7980%.
(c) Three-month LIBOR plus 4.8275%.
(d) Three-month LIBOR plus 6.675%.
(e) Three-month LIBOR plus 3.945%.
(f) Three-month LIBOR plus 2.05%.
(g) Three-month LIBOR.
(h) Six-month LIBOR.
(i) Exchange of payments does not begin until December 2016, December 2016, May 2017, December 2013, June 2018 and June 2013, respectively.
(j) Three-month Banker's Acceptance Rate.
(k) One-month Euro Interbank Offered Rate (Euribor).
(l) Six-month Euribor.
(m) Rate varies over time from 0.4914% to 3.0048%.

Based upon a hypothetical 10% decrease in interest rates, which is a reasonable near-term market change, the net fair value of NEE's net liabilities would increase by approximately $1,012 million ($421 million for FPL) at December 31, 2011.

Equity Price Risk

NEE and FPL are exposed to risk resulting from changes in prices for equity securities. For example, NEE's nuclear decommissioning reserve funds include marketable equity securities primarily carried at their market value of approximately $1,970 million and $2,041 million ($1,238 million and $1,262 million for FPL) at December 31, 2011 and 2010, respectively. At December 31, 2011, a hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $183 million ($116 million for FPL) reduction in fair value. For FPL, a corresponding adjustment would be made to the related liability accounts based on current regulatory treatment, and for NEE's non-rate regulated operations, a corresponding adjustment would be made to OCI to the extent the market value of the securities exceeded amortized cost and to OTTI loss to the extent the market value is below amortized cost.

Currency Exchange Rate Risk

At December 31, 2011, with respect to certain debt issuances and borrowings, NEECH has two cross currency swaps to hedge against currency movements with respect to both interest and principal payments. At December 31, 2011 and 2010, the fair value of cross currency swaps was approximately $18 million and $44 million, respectively.

Credit Risk

NEE and its subsidiaries are also exposed to credit risk through their energy marketing and trading operations. Credit risk is the risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligation. NEE manages counterparty credit risk for its subsidiaries with energy marketing and trading operations through established policies, including counterparty credit limits, and in some cases credit enhancements, such as cash prepayments, letters of credit, cash and other collateral and guarantees.

Credit risk is also managed through the use of master netting agreements. NEE's credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis. For all derivative and contractual transactions, NEE's energy marketing and trading operations, which includes FPL's energy marketing and trading division, are exposed to losses in the event of nonperformance by counterparties to these transactions. Some relevant considerations when assessing NEE's energy marketing and trading operations' credit risk exposure include the following:

- Operations are primarily concentrated in the energy industry.
- Trade receivables and other financial instruments are predominately with energy, utility and financial services related companies, as well as municipalities, cooperatives and other trading companies in the U.S.
- Overall credit risk is managed through established credit policies and is overseen by the EMC.
- Prospective and existing customers are reviewed for creditworthiness based upon established standards, with customers not meeting minimum standards providing various credit enhancements or secured payment terms, such as letters of credit or the posting of margin cash collateral.
- Master netting agreements are used to offset cash and non-cash gains and losses arising from derivative instruments with the same counterparty. NEE's policy is to have master netting agreements in place with significant counterparties.

Based on NEE's policies and risk exposures related to credit, NEE and FPL do not anticipate a material adverse effect on their financial statements as a result of counterparty nonperformance. As of December 31, 2011, approximately 97% of NEE's and 100% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have investment grade credit ratings.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

Item 8. Financial Statements and Supplementary Data

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

NextEra Energy, Inc.'s (NEE) and Florida Power & Light Company's (FPL) management are responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The consolidated financial statements, which in part are based on informed judgments and estimates made by management, have been prepared in conformity with generally accepted accounting principles applied on a consistent basis.

To aid in carrying out this responsibility, we, along with all other members of management, maintain a system of internal accounting control which is established after weighing the cost of such controls against the benefits derived. In the opinion of management, the overall system of internal accounting control provides reasonable assurance that the assets of NEE and FPL and their subsidiaries are safeguarded and that transactions are executed in accordance with management's authorization and are properly recorded for the preparation of financial statements. In addition, management believes the overall system of internal accounting control provides reasonable assurance that material errors or irregularities would be prevented or detected on a timely basis by employees in the normal course of their duties. Any system of internal accounting control, no matter how well designed, has inherent limitations, including the possibility that controls can be circumvented or overridden and misstatements due to error or fraud may occur and not be detected. Also, because of changes in conditions, internal control effectiveness may vary over time. Accordingly, even an effective system of internal control will provide only reasonable assurance with respect to financial statement preparation and reporting.

The system of internal accounting control is supported by written policies and guidelines, the selection and training of qualified employees, an organizational structure that provides an appropriate division of responsibility and a program of internal auditing. NEE's written policies include a Code of Business Conduct & Ethics that states management's policy on conflicts of interest and ethical conduct. Compliance with the Code of Business Conduct & Ethics is confirmed annually by key personnel.

The Board of Directors pursues its oversight responsibility for financial reporting and accounting through its Audit Committee. This Committee, which is comprised entirely of independent directors, meets regularly with management, the internal auditors and the independent auditors to make inquiries as to the manner in which the responsibilities of each are being discharged. The independent auditors and the internal audit staff have free access to the Committee without management's presence to discuss auditing, internal accounting control and financial reporting matters.

Management assessed the effectiveness of NEE's and FPL's internal control over financial reporting as of December 31, 2011, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the Internal Control - Integrated Framework. Based on this assessment, management believes that NEE's and FPL's internal control over financial reporting was effective as of December 31, 2011.

NEE's and FPL's independent registered public accounting firm, Deloitte & Touche LLP, is engaged to express an opinion on NEE's and FPL's consolidated financial statements and an opinion on NEE's and FPL's internal control over financial reporting. Their reports are based on procedures believed by them to provide a reasonable basis to support such opinions. These reports appear on the following pages.

LEWIS HAY, III

Lewis Hay, III
Chairman and Chief Executive Officer of NEE and
Chairman of the Board of FPL

MORAY P. DEWHURST

Moray P. Dewhurst
Vice Chairman and Chief Financial Officer,
and Executive Vice President - Finance of NEE and
FPL

ARMANDO J. OLIVERA

Armando J. Olivera
Chief Executive Officer of FPL

CHRIS N. FROGGATT

Chris N. Froggatt
Vice President, Controller and Chief Accounting Officer
of NEE

KIMBERLY OUSDAHL

Kimberly Ousdahl
Vice President, Controller and Chief Accounting Officer
of FPL

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
NextEra Energy, Inc. and Florida Power & Light Company:

We have audited the internal control over financial reporting of NextEra Energy, Inc. and subsidiaries (NextEra Energy) and Florida Power & Light Company and subsidiaries (FPL) as of December 31, 2011, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. NextEra Energy's and FPL's management are responsible for maintaining effective internal control over financial reporting and for their assessments of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on NextEra Energy's and FPL's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audits included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, NextEra Energy and FPL maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2011 of NextEra Energy and FPL and our report dated February 27, 2012 expressed an unqualified opinion on those financial statements.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 27, 2012

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
NextEra Energy, Inc. and Florida Power & Light Company:

We have audited the accompanying consolidated balance sheets of NextEra Energy, Inc. and subsidiaries (NextEra Energy) and the separate consolidated balance sheets of Florida Power & Light Company and subsidiaries (FPL) as of December 31, 2011 and 2010, and the related consolidated statements of income, NextEra Energy's common shareholders' equity, FPL's common shareholder's equity and cash flows for each of the three years in the period ended December 31, 2011. These financial statements are the responsibility of NextEra Energy's and FPL's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of NextEra Energy and FPL at December 31, 2011 and 2010, and the respective results of their operations and their cash flows for each of the three years in the period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), NextEra Energy's and FPL's internal control over financial reporting as of December 31, 2011, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2012 expressed an unqualified opinion on NextEra Energy's and FPL's internal control over financial reporting.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 27, 2012

NEXTERA ENERGY, INC.
CONSOLIDATED STATEMENTS OF INCOME
(millions, except per share amounts)

	Years Ended December 31,		
	2011	2010	2009
OPERATING REVENUES	$ 15,341	$ 15,317	$ 15,643
OPERATING EXPENSES			
Fuel, purchased power and interchange	6,256	6,242	7,405
Other operations and maintenance	3,002	2,877	2,649
Impairment charges	51	19	—
Depreciation and amortization	1,567	1,788	1,765
Taxes other than income taxes and other	1,087	1,148	1,230
Total operating expenses	11,963	12,074	13,049
OPERATING INCOME	3,378	3,243	2,594
OTHER INCOME (DEDUCTIONS)			
Interest expense	(1,035)	(979)	(849)
Loss on sale of natural gas-fired generating assets	(151)	—	—
Equity in earnings of equity method investees	55	58	52
Allowance for equity funds used during construction	39	37	53
Interest income	79	91	78
Gains on disposal of assets - net	85	67	60
Other than temporary impairment losses on securities held in nuclear decommissioning funds	(36)	(16)	(58)
Other - net	38	(12)	12
Total other deductions - net	(926)	(754)	(652)
INCOME BEFORE INCOME TAXES	2,452	2,489	1,942
INCOME TAXES	529	532	327
NET INCOME	$ 1,923	$ 1,957	$ 1,615
Earnings per share of common stock:			
Basic	$ 4.62	$ 4.77	$ 3.99
Assuming dilution	$ 4.59	$ 4.74	$ 3.97
Dividends per share of common stock	$ 2.20	$ 2.00	$ 1.89
Weighted-average number of common shares outstanding:			
Basic	416.6	410.3	404.4
Assuming dilution	419.0	413.0	407.2

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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

	December 31,	
	2011	2010
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 50,768	$ 48,841
Nuclear fuel	1,795	1,539
Construction work in progress	4,989	3,841
Less accumulated depreciation and amortization	(15,062)	(15,146)
Total property, plant and equipment - net ($3,063 and $2,398 related to VIEs, respectively)	42,490	39,075
CURRENT ASSETS		
Cash and cash equivalents	377	302
Customer receivables, net of allowances of $11 and $20, respectively	1,372	1,509
Other receivables	430	1,073
Materials, supplies and fossil fuel inventory	1,074	857
Regulatory assets:		
Deferred clause and franchise expenses	112	368
Derivatives	502	236
Other	84	82
Derivatives	611	506
Other	310	325
Total current assets	4,872	5,258
OTHER ASSETS		
Special use funds	3,867	3,742
Other investments	907	971
Prepaid benefit costs	1,021	1,259
Regulatory assets:		
Securitized storm-recovery costs ($317 and $356 related to a VIE, respectively)	517	581
Other	621	329
Derivatives	973	589
Other	1,920	1,190
Total other assets	9,826	8,661
TOTAL ASSETS	$ 57,188	$ 52,994
CAPITALIZATION		
Common stock ($0.01 par value, authorized shares - 800; outstanding shares - 416 and 421, respectively)	$ 4	$ 4
Additional paid-in capital	5,217	5,418
Retained earnings	9,876	8,873
Accumulated other comprehensive (loss) income	(154)	166
Total common shareholders' equity	14,943	14,461
Long-term debt ($1,364 and $1,338 related to VIEs, respectively)	20,810	18,013
Total capitalization	35,753	32,474
CURRENT LIABILITIES		
Commercial paper	1,349	889
Current maturities of long-term debt	808	1,920
Accounts payable	1,191	1,124
Customer deposits	547	634
Accrued interest and taxes	464	462
Derivatives	1,090	536
Accrued construction-related expenditures	518	371
Other	752	968
Total current liabilities	6,719	6,904
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,611	1,639
Accumulated deferred income taxes	5,681	5,109
Regulatory liabilities:		
Accrued asset removal costs	2,197	2,244
Asset retirement obligation regulatory expense difference	1,640	1,592
Other	419	423
Derivatives	541	243
Deferral related to differential membership interests - VIEs	1,203	949
Other	1,424	1,417
Total other liabilities and deferred credits	14,716	13,616
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 57,188	$ 52,994

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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

	Years Ended December 31,		
	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 1,923	$ 1,957	$ 1,615
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,567	1,788	1,765
Nuclear fuel amortization	277	285	239
Loss on sale of natural gas-fired generating assets	151	—	—
Impairment charges	51	19	—
Unrealized (gains) losses on marked to market energy contracts	(271)	(386)	59
Deferred income taxes	553	511	273
Cost recovery clauses and franchise fees	181	(629)	624
Changes in prepaid option premiums and derivative settlements	(11)	86	(11)
Equity in earnings of equity method investees	(55)	(58)	(52)
Distributions of earnings from equity method investees	95	74	69
Allowance for equity funds used during construction	(39)	(37)	(53)
Gains on disposal of assets - net	(85)	(67)	(60)
Other than temporary impairment losses on securities held in nuclear decommissioning funds	36	16	58
Other - net	203	38	119
Changes in operating assets and liabilities:			
Customer receivables	93	(73)	18
Other receivables	56	(29)	(13)
Materials, supplies and fossil fuel inventory	(308)	22	85
Other current assets	(22)	(52)	9
Other assets	(103)	42	(103)
Accounts payable	(97)	179	(86)
Customer deposits	(87)	21	38
Margin cash collateral	81	61	(110)
Income taxes	62	56	8
Interest and other taxes	12	(3)	22
Other current liabilities	3	76	(45)
Other liabilities	(192)	(63)	(5)
Net cash provided by operating activities	4,074	3,834	4,463
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures of FPL	(3,137)	(2,605)	(2,522)
Independent power and other investments of NEER	(2,601)	(2,899)	(3,068)
Cash grants under the American Recovery and Reinvestment Act of 2009	624	588	100
Funds received from a spent fuel settlement	73	44	86
Nuclear fuel purchases	(538)	(274)	(362)
Other capital expenditures	(352)	(68)	(54)
Sale of natural gas-fired generating assets	1,204	—	—
Loan proceeds restricted for construction	(565)	—	—
Proceeds from sale or maturity of securities in special use funds	4,348	6,726	4,592
Purchases of securities in special use funds	(4,440)	(6,835)	(4,710)
Proceeds from sale or maturity of other securities	488	721	773
Purchases of other securities	(515)	(714)	(782)
Other - net	132	32	12
Net cash used in investing activities	(5,279)	(5,284)	(5,935)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt	3,940	3,724	3,220
Retirements of long-term debt	(2,121)	(769)	(1,635)
Proceeds from sale of differential membership interests	466	261	—
Payments to differential membership investors	(100)	—	—
Net change in short-term debt	460	(1,130)	154
Issuances of common stock - net	48	308	198
Repurchases of common stock	(375)	—	—
Dividends on common stock	(920)	(823)	(766)
Other - net	(118)	(57)	4
Net cash provided by financing activities	1,280	1,514	1,175
Net increase (decrease) in cash and cash equivalents	75	64	(297)
Cash and cash equivalents at beginning of year	302	238	535
Cash and cash equivalents at end of year	$ 377	$ 302	$ 238
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest (net of amount capitalized)	$ 978	$ 916	$ 805
Cash (received) paid for income taxes - net	$ (95)	$ 20	$ 61
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Assumption of debt in connection with the purchase of independent power projects	$ —	$ 35	$ —
Accrued property additions	$ 909	$ 545	$ 683
Sale of natural gas-fired generating assets through assumption of debt by buyer	$ 158	$ —	$ —

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

NEXTERA ENERGY, INC.
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY
(millions)

	Common Stock		Additional Paid-In Capital	Unearned ESOP Compensation	Accumulated Other Comprehensive Income (Loss)[a]	Retained Earnings	Common Shareholders' Equity
	Shares	Aggregate Par Value					
Balances, December 31, 2008	409	$ 4	$ 4,905	$ (100)	$ (13)	$ 6,885	$ 11,681
Net income	—	—	—	—	—	1,615	
Issuances of common stock, net of issuance cost of approximately $2	4	—	204	4	—	—	
Exercise of stock options and other incentive plan activity	1	—	56	—	—	—	
Dividends on common stock	—	—	—	—	—	(766)	
Earned compensation under ESOP	—	—	30	11	—	—	
Other comprehensive income	—	—	—	—	165	—	
Defined benefit pension and other benefits plans	—	—	—	—	22	—	
Premium on publicly-traded equity units known as Corporate Units	—	—	(47)	—	—	—	
Issuance costs on publicly-traded equity units known as Corporate Units	—	—	(8)	—	—	—	
Implementation of new accounting rules	—	—	—	—	(5)	5	
Balances, December 31, 2009	414 [b]	4	5,140	(85)	169	7,739	$ 12,967
Net income	—	—	—	—	—	1,957	
Issuances of common stock, net of issuance cost of approximately $2	6	—	279	5	—	—	
Exercise of stock options and other incentive plan activity	1	—	107	—	—	—	
Dividends on common stock	—	—	—	—	—	(823)	
Earned compensation under ESOP	—	—	26	11	—	—	
Other comprehensive loss	—	—	—	—	(5)	—	
Defined benefit pension and other benefits plans	—	—	—	—	2	—	
Premium on publicly-traded equity units known as Corporate Units	—	—	(59)	—	—	—	
Issuance costs on publicly-traded equity units known as Corporate Units	—	—	(6)	—	—	—	
Balances, December 31, 2010	421 [b]	4	5,487	(69)	166	8,873	$ 14,461
Net income	—	—	—	—	—	1,923	
Issuances of common stock, net of issuance cost of less than $1	1	—	59	5	—	—	
Repurchases of common stock	(7)	—	(375)	—	—	—	
Exercise of stock options and other incentive plan activity	1	—	68	—	—	—	
Dividends on common stock	—	—	—	—	—	(920)	
Earned compensation under ESOP	—	—	31	11	—	—	
Other comprehensive loss	—	—	—	—	(275)	—	
Defined benefit pension and other benefits plans	—	—	—	—	(45)	—	
Balances, December 31, 2011	416 [b]	$ 4	$ 5,270	$ (53)	$ (154)	$ 9,876	$ 14,943

(a) Comprehensive income, which includes net income and other comprehensive income (loss), totaled approximately $1,603 million, $1,954 million and $1,802 million for 2011, 2010 and 2009, respectively.

(b) Outstanding and unallocated shares held by the Employee Stock Ownership Plan (ESOP) Trust totaled approximately 4 million, 5 million and 6 million at December 31, 2011, 2010 and 2009, respectively; the original number of shares purchased and held by the ESOP Trust was approximately 25 million shares.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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

	Years Ended December 31,		
	2011	2010	2009
OPERATING REVENUES	$ 10,613	$ 10,485	$ 11,491
OPERATING EXPENSES			
Fuel, purchased power and interchange	4,977	4,982	6,220
Other operations and maintenance	1,699	1,620	1,496
Depreciation and amortization	798	1,008	1,097
Taxes other than income taxes and other	1,063	1,026	1,097
Total operating expenses	8,537	8,636	9,910
OPERATING INCOME	2,076	1,849	1,581
OTHER INCOME (DEDUCTIONS)			
Interest expense	(387)	(361)	(318)
Allowance for equity funds used during construction	35	36	53
Other - net	(2)	1	(12)
Total other deductions - net	(354)	(324)	(277)
INCOME BEFORE INCOME TAXES	1,722	1,525	1,304
INCOME TAXES	654	580	473
NET INCOME	$ 1,068	$ 945	$ 831

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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

	December 31,	
	2011	2010
ELECTRIC UTILITY PLANT		
Plant in service	$ 31,564	$ 29,519
Nuclear fuel	1,005	729
Construction work in progress	2,601	2,175
Less accumulated depreciation and amortization	(10,916)	(10,871)
Electric utility plant - net	24,254	21,552
CURRENT ASSETS		
Cash and cash equivalents	36	20
Customer receivables, net of allowances of $8 and $17, respectively	682	710
Other receivables	312	395
Materials, supplies and fossil fuel inventory	759	505
Regulatory assets:		
Deferred clause and franchise expenses	112	368
Derivatives	502	236
Other	80	76
Other	166	145
Total current assets	2,649	2,455
OTHER ASSETS		
Special use funds	2,737	2,637
Prepaid benefit costs	1,088	1,035
Regulatory assets:		
Securitized storm-recovery costs ($317 and $356 related to a VIE, respectively)	517	581
Other	395	293
Other	176	145
Total other assets	4,913	4,691
TOTAL ASSETS	$ 31,816	$ 28,698
CAPITALIZATION		
Common stock (no par value, 1,000 shares authorized, issued and outstanding)	$ 1,373	$ 1,373
Additional paid-in capital	5,464	5,054
Retained earnings	4,013	3,364
Total common shareholder's equity	10,850	9,791
Long-term debt ($437 and $486 related to a VIE, respectively)	7,483	6,682
Total capitalization	18,333	16,473
CURRENT LIABILITIES		
Commercial paper	330	101
Current maturities of long-term debt	50	45
Accounts payable	678	554
Customer deposits	541	628
Accrued interest and taxes	221	311
Derivatives	512	245
Accrued construction-related expenditures	261	183
Other	373	441
Total current liabilities	2,966	2,508
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,144	1,083
Accumulated deferred income taxes	4,593	3,835
Regulatory liabilities:		
Accrued asset removal costs	2,197	2,244
Asset retirement obligation regulatory expense difference	1,640	1,592
Other	416	377
Other	527	586
Total other liabilities and deferred credits	10,517	9,717
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 31,816	$ 28,698

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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

	Years Ended December 31,		
	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 1,068	$ 945	$ 831
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	798	1,008	1,097
Nuclear fuel amortization	147	137	127
Deferred income taxes	675	419	391
Cost recovery clauses and franchise fees	181	(629)	624
Allowance for equity funds used during construction	(35)	(36)	(53)
Other - net	73	16	75
Changes in operating assets and liabilities:			
Customer receivables	28	127	(42)
Other receivables	37	(43)	42
Materials, supplies and fossil fuel inventory	(254)	23	34
Other current assets	(20)	(25)	6
Other assets	(52)	40	(62)
Accounts payable	(49)	51	(91)
Customer deposits	(88)	22	37
Income taxes	(215)	(129)	(132)
Interest and other taxes	(21)	7	10
Other current liabilities	32	22	(33)
Other liabilities	(60)	(21)	10
Net cash provided by operating activities	2,245	1,934	2,871
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(3,137)	(2,605)	(2,522)
Cash grants under the American Recovery and Reinvestment Act of 2009	218	161	—
Funds received from a spent fuel settlement	57	32	71
Nuclear fuel purchases	(365)	(101)	(195)
Proceeds from sale or maturity of securities in special use funds	2,988	5,079	3,270
Purchases of securities in special use funds	(3,052)	(5,160)	(3,349)
Other - net	32	33	(1)
Net cash used in investing activities	(3,259)	(2,561)	(2,726)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt	840	924	516
Retirements of long-term debt	(45)	(42)	(263)
Net change in short-term debt	229	(717)	45
Capital contribution from NEE	410	660	—
Dividends to NEE	(400)	(250)	(485)
Other - net	(4)	(11)	5
Net cash provided by (used in) financing activities	1,030	564	(182)
Net increase (decrease) in cash and cash equivalents	16	(63)	(37)
Cash and cash equivalents at beginning of year	20	83	120
Cash and cash equivalents at end of year	$ 36	$ 20	$ 83
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest (net of amount capitalized)	$ 389	$ 321	$ 305
Cash paid for income taxes - net	$ 194	$ 291	$ 232
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Accrued property additions	$ 526	$ 275	$ 418

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDER'S EQUITY[a]
(millions)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Common Shareholder's Equity
Balances, December 31, 2008	$ 1,373	$ 4,393	$ 2,323	$ 8,089
Net income	—	—	831	
Dividends to NEE	—	—	(485)	
Other	—	—	1	
Balances, December 31, 2009	1,373	4,393	2,670	$ 8,436
Net income	—	—	945	
Capital contributions from NEE	—	660	—	
Dividends to NEE	—	—	(250)	
Other	—	1	(1)	
Balances, December 31, 2010	1,373	5,054	3,364	$ 9,791
Net income	—	—	1,068	
Capital contributions from NEE	—	410	—	
Dividends to NEE	—	—	(419)	
Balances, December 31, 2011	$ 1,373	$ 5,464	$ 4,013	$ 10,850

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

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

1. Summary of Significant Accounting and Reporting Policies

Basis of Presentation - The operations of NextEra Energy, Inc. (NEE) are conducted primarily through its wholly-owned subsidiary Florida Power & Light Company (FPL) and its wholly-owned indirect subsidiary NextEra Energy Resources, LLC (NEER). FPL, a rate-regulated electric utility, supplies electric service to approximately 4.6 million customer accounts throughout most of the east and lower west coasts of Florida. NEER invests in independent power projects through both controlled and consolidated entities and non-controlling ownership interests in joint ventures essentially all of which are accounted for under the equity method.

The consolidated financial statements of NEE and FPL include the accounts of their respective majority-owned and controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Certain amounts included in prior years' consolidated financial statements have been reclassified to conform to the current year's presentation. The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Regulation - FPL is subject to regulation by the Florida Public Service Commission (FPSC) and the Federal Energy Regulatory Commission (FERC). Its rates are designed to recover the cost of providing electric service to its customers including a reasonable rate of return on invested capital. As a result of this cost-based regulation, FPL follows the accounting guidance that allows regulators to create assets and impose liabilities that would not be recorded by non-rate regulated entities. Regulatory assets and liabilities represent probable future revenues that will be recovered from or refunded to customers through the ratemaking process.

Cost recovery clauses, which are designed to permit full recovery of certain costs and provide a return on certain assets allowed to be recovered through the various clauses, include substantially all fuel, purchased power and interchange expenses, conservation and certain environmental-related expenses, certain revenue taxes and franchise fees. Beginning in 2009, pre-construction costs and carrying charges on construction costs for FPL's planned two additional nuclear units at Turkey Point and carrying charges on construction costs for FPL's approximately 450 megawatt (mw) to 490 mw of additional capacity at St. Lucie and Turkey Point are also recoverable through a cost recovery clause. Also beginning in 2009, costs incurred for FPL's three solar generating facilities are recoverable through a cost recovery clause. In accordance with the 2010 rate agreement, cost recovery for FPL's West County Energy Center (WCEC) Unit No. 3, which was placed in service in May 2011, is permitted up to the amount of the projected annual fuel savings for customers during the term of the 2010 rate agreement through a cost recovery clause and is reported as retail base revenues. See Revenues and Rates below. Revenues from cost recovery clauses are recorded when billed; FPL achieves matching of costs and related revenues by deferring the net underrecovery or overrecovery. Any underrecovered costs or overrecovered revenues are collected from or returned to customers in subsequent periods.

If FPL were no longer subject to cost-based rate regulation, the existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. In addition, the FPSC has the authority to disallow recovery of costs that it considers excessive or imprudently incurred. The continued applicability of regulatory accounting is assessed at each reporting period.

Revenues and Rates - FPL's retail and wholesale utility rate schedules are approved by the FPSC and the FERC, respectively. FPL records unbilled base revenues for the estimated amount of energy delivered to customers but not yet billed. Unbilled base revenues are included in customer receivables on NEE's and FPL's consolidated balance sheets and amounted to approximately $160 million and $148 million at December 31, 2011 and 2010, respectively. FPL's operating revenues also include amounts resulting from cost recovery clauses (see Regulation above), franchise fees, gross receipts taxes and surcharges related to storm-recovery bonds (see Note 9 - FPL). Franchise fees and gross receipts taxes are imposed on FPL; however, the FPSC allows FPL to include in the amounts charged to customers the amount of the gross receipts tax for all customers and the franchise amount for those customers located in the jurisdiction that imposes the fee. Accordingly, franchise fees and gross receipts taxes are reported gross in operating revenues and taxes other than income taxes and other in NEE's and FPL's consolidated statements of income and were approximately $716 million, $687 million and $791 million in 2011, 2010 and 2009, respectively. The revenues from the surcharges related to storm-recovery bonds included in operating revenues in NEE's and FPL's consolidated statements of income were approximately $100 million, $101 million and $91 million in 2011, 2010 and 2009, respectively. FPL also collects municipal utility taxes which are reported gross in customer receivables and accounts payable on NEE's and FPL's consolidated balance sheets.

Effective March 1, 2010, pursuant to an FPSC final order (FPSC rate order) new retail base rates for FPL were established, resulting in an increase in retail base revenues of approximately $75 million on an annualized basis. The FPSC rate order also established a regulatory return on common equity (ROE) of 10.0% with a range of plus or minus 100 basis points and an adjusted regulatory equity ratio of 59.1%. It also shifted certain costs from retail base rates to the capacity cost recovery clause (capacity clause). In addition, the FPSC rate order directed FPL to reduce depreciation expense (surplus depreciation credit) over the 2010 to 2013 period related to a depreciation reserve surplus of approximately $895 million. In February 2011, the FPSC issued a final order approving a stipulation and settlement agreement between FPL and principal parties in FPL's 2009 rate case regarding FPL's base rates (2010 rate agreement), which enables FPL to earn a regulatory ROE of up to 11% per year over the term of the 2010 rate

agreement. Key elements of the 2010 rate agreement, which is effective through December 31, 2012, are as follows:

- Subject to the provisions of the 2010 rate agreement, retail base rates are effectively frozen through the end of 2012.
- Incremental cost recovery through FPL's capacity clause for WCEC Unit No. 3, which was placed in service in May 2011, is permitted up to the amount of the projected annual fuel savings for customers during the term of the 2010 rate agreement.
- Future storm restoration costs would be recoverable on an accelerated basis beginning 60 days from the filing of a cost recovery petition, but capped at an amount that produces a surcharge of no more than $4 for every 1,000 kilowatt-hours (kwh) of usage on residential bills during the first 12 months of cost recovery. Any additional costs would be eligible for recovery in subsequent years. If storm restoration costs exceed $800 million in any given calendar year, FPL may request an increase to the $4 surcharge to recover the amount above $800 million.
- If FPL's earned regulatory ROE falls below 9%, FPL may seek retail base rate relief. If FPL's earned regulatory ROE rises above 11%, any party to the 2010 rate agreement may seek a reduction in FPL's retail base rates. In determining the regulatory ROE for all purposes under the 2010 rate agreement, earnings will be calculated on an actual, non-weather-adjusted basis.
- FPL can vary the amount of surplus depreciation credit taken in any calendar year up to a cap in 2010 of $267 million, a cap in subsequent years of $267 million plus the amount of any unused portion from prior years, and a total cap of $776 million (surplus depreciation credit cap) over the course of the 2010 rate agreement, provided that in any year of the 2010 rate agreement FPL must use at least enough surplus depreciation credit to maintain a 9% earned regulatory ROE but may not use any amount of surplus depreciation credit that would result in an earned regulatory ROE in excess of 11%.

Under the terms of a rate agreement approved in 2005 (2005 rate agreement), which was in effect from January 1, 2006 through February 28, 2010, retail base rates did not increase except to allow recovery of the revenue requirements of FPL's three power plants that achieved commercial operation during the term of the 2005 rate agreement: Turkey Point Unit No. 5 in 2007 and WCEC Units Nos. 1 and 2 in 2009. Under the terms of the 2005 rate agreement, FPL's electric property depreciation rates were based upon the comprehensive depreciation studies it filed with the FPSC in March 2005; however, FPL reduced depreciation on its plant in service by $125 million each year as allowed by the 2005 rate agreement. The 2005 rate agreement also provided for a revenue sharing mechanism, whereby revenues from retail base operations in excess of certain thresholds would be shared with customers. During the term of the 2005 rate agreement, FPL's revenues did not exceed the thresholds.

In January 2012, FPL filed a formal notification with the FPSC indicating its intent to initiate a base rate proceeding. The notification stated that, based on preliminary estimates, FPL expects to request a base rate increase of approximately $525 million effective January 2013 and an additional base rate increase of approximately $170 million annually commencing when the modernized Cape Canaveral plant becomes operational, which is expected to occur in June 2013. FPL expects to propose an allowed regulatory ROE of 11.25% with a 0.25% ROE adder, which is included in the base rate increase FPL expects to request, if FPL maintains the lowest typical residential customer bill among all the electric utilities in Florida. FPL expects to file its formal request to initiate a base rate proceeding before the end of the first quarter of 2012. A final FPSC decision regarding FPL's base rates is expected in the fourth quarter of 2012 in time for new rates to be effective January 1, 2013.

NEER's revenue is recorded on the basis of commodities delivered, contracts settled or services rendered, and includes estimated amounts yet to be billed to customers. Certain commodity contracts for the purchase and sale of power that meet the definition of a derivative are recorded at fair value with subsequent changes in fair value recognized as revenue, unless hedge accounting is applied. See Energy Trading and Note 3.

Electric Plant, Depreciation and Amortization - The cost of additions to units of property of FPL and NEER is added to electric utility plant. In accordance with regulatory accounting, the cost of FPL's units of utility property retired, less estimated net salvage value, is charged to accumulated depreciation. Maintenance and repairs of property as well as replacements and renewals of items determined to be less than units of utility property are charged to other operations and maintenance (O&M) expenses. At December 31, 2011, the electric generating, transmission, distribution and general facilities of FPL represented approximately 48%, 12%, 36% and 4%, respectively, of FPL's gross investment in electric utility plant in service. Substantially all of FPL's properties are subject to the lien of FPL's mortgage, which secures most debt securities issued by FPL. A number of NEER's generating facilities are encumbered by liens securing various financings. The net book value of NEER's assets serving as collateral was approximately $8 billion at December 31, 2011. The American Recovery and Reinvestment Act of 2009, as amended (Recovery Act), provided for an option to elect a cash grant (convertible investment tax credits (ITCs)) for certain renewable energy property (renewable property). Convertible ITCs are recorded as a reduction in property, plant and equipment on NEE's and FPL's consolidated balance sheets and were approximately $1.2 billion ($186 million at FPL) and $1.0 billion ($186 million at FPL) at December 31, 2011 and 2010, respectively, and are amortized as a reduction to depreciation and amortization expense over the estimated life of the related property. At December 31, 2011 and 2010, approximately $95 million (none at FPL) and $429 million ($124 million at FPL), respectively, of such convertible ITCs are included in other receivables on NEE's and FPL's consolidated balance sheets.

Depreciation of FPL's electric property is primarily provided on a straight-line average remaining life basis. FPL includes in depreciation expense a provision for fossil plant dismantlement, interim asset removal costs, accretion related to asset retirement obligations (see Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs), storm recovery amortization and amortization of pre-construction costs associated with planned nuclear units recovered through a cost

recovery clause. For substantially all of FPL's property, depreciation studies are performed and filed with the FPSC at least every four years. As part of the FPSC rate order, the FPSC approved new depreciation rates which became effective January 1, 2010. In addition, in accordance with the 2010 rate agreement, FPL can vary the amount of surplus depreciation credit taken in any calendar year up to a maximum of $267 million (with any unused portion of the maximum rolling over to and available in subsequent years), provided its regulatory ROE remains within the range of 9% to 11%; FPL may use up to a maximum of $776 million in surplus depreciation credit over the course of the 2010 rate agreement. FPL recognized approximately $187 million and $4 million of the surplus depreciation credit cap in 2011 and 2010, respectively. Under the terms of the 2005 rate agreement, FPL's electric property depreciation rates were based upon the comprehensive depreciation studies it filed with the FPSC in March 2005; however FPL reduced depreciation by $125 million annually as was allowed by the 2005 rate agreement. The weighted annual composite depreciation rate for FPL's electric plant in service, including capitalized software, but excluding the effects of decommissioning, dismantlement and the depreciation adjustments discussed above, was approximately 3.2%, 3.2% and 3.6% for 2011, 2010 and 2009, respectively.

NEER's electric plants in service less salvage value, if any, are depreciated primarily using the straight-line method over their estimated useful lives. NEER's effective depreciation rates, excluding decommissioning, were 4.0%, 4.4% and 4.2% for 2011, 2010 and 2009, respectively. NEER reviews the estimated useful lives of its fixed assets on an ongoing basis. In 2011, this review indicated that the actual lives of certain equipment at NEER's wind plants are expected to be longer than the previously estimated useful lives used for depreciation purposes. As a result, effective January 1, 2011, NEER 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 $75 million, increase net income by $44 million and increase basic and diluted earnings per share by approximately $0.11 for the year ended December 31, 2011.

Nuclear Fuel - FPL and NEER have several contracts for the supply of uranium, conversion, enrichment and fabrication of nuclear fuel. See Note 14 - Contracts. FPL's and NEER's nuclear fuel costs are charged to fuel expense on a unit of production method.

Construction Activity - Allowance for funds used during construction (AFUDC) is a non-cash item which represents the allowed cost of capital, including an ROE, used to finance FPL construction projects. The portion of AFUDC attributable to borrowed funds is recorded as a reduction of interest expense and the remainder is recorded as other income. FPSC rules limit the recording of AFUDC to projects that have an estimated cost in excess of 0.5% of a utility's plant in service balance and require more than one year to complete. FPSC rules allow construction projects below the 0.5% threshold as a component of rate base. During 2011, AFUDC was capitalized at a rate of 6.41% and amounted to approximately $50 million. During the period January 2010 through March 2010 and during April 2010 through December 2010, AFUDC was capitalized at a rate of 7.41% and 6.41%, respectively, and amounted to approximately $50 million for the year. During 2009, AFUDC was capitalized at a rate of 7.41%, and amounted to approximately $74 million. See Note 14 - Commitments.

FPL's construction work in progress includes construction materials, progress payments on major equipment contracts, third-party engineering costs, AFUDC and other costs directly associated with the construction of various projects. Upon completion of the projects, these costs are transferred to electric utility plant in service. Capitalized costs associated with construction activities are charged to O&M expenses when recoverability is no longer probable. See Regulation above for information on recovery of costs associated with new nuclear capacity and solar generating facilities.

NEER capitalizes project development costs once it is probable that such costs will be realized through the ultimate construction of a power plant or sale of development rights. At December 31, 2011 and 2010, NEER's capitalized development costs totaled approximately $89 million and $99 million, respectively, which are included in other assets on NEE's consolidated balance sheets. These costs include land rights and other third-party costs directly associated with the development of a new project. Upon commencement of construction, these costs either are transferred to construction work in progress or remain in other assets, depending upon the nature of the cost. Capitalized development costs are charged to O&M expenses when it is probable that these costs are not realizable.

NEER's construction work in progress includes construction materials, prepayments on turbine generators and other equipment, third-party engineering costs, capitalized interest and other costs directly associated with the construction and development of various projects. Interest capitalized on construction projects amounted to approximately $104 million, $71 million and $85 million during 2011, 2010 and 2009, respectively. Interest expense allocated from NextEra Energy Capital Holdings, Inc. (NEECH) to NEER is based on a deemed capital structure of 70% debt. Upon commencement of plant operation, costs associated with construction work in progress are transferred to electric utility plant in service and other property.

Asset Retirement Obligations - NEE and FPL each account for asset retirement obligations and conditional asset retirement obligations (collectively, AROs) under accounting guidance that requires a liability for the fair value of an ARO to be recognized in the period in which it is incurred if it can be reasonably estimated, with the offsetting associated asset retirement costs capitalized as part of the carrying amount of the long-lived assets. The asset retirement cost is subsequently allocated to expense using a systematic and rational method over the asset's estimated useful life. Changes in the ARO resulting from the passage of time are

recognized as an increase in the carrying amount of the liability and as accretion expense, which is included in depreciation and amortization expense in the consolidated statements of income. Changes resulting from revisions to the timing or amount of the original estimate of cash flows are recognized as an increase or a decrease in the asset retirement cost, or income when asset retirement cost is depleted, in the case of NEE's non-rate regulated operations, and ARO and regulatory liability, in the case of FPL. See Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs below and Note 13.

Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs - For ratemaking purposes, FPL accrues for the cost of end of life retirement and disposal of its nuclear, fossil and solar plants over the expected service life of each unit based on nuclear decommissioning and fossil and solar dismantlement studies periodically filed with the FPSC. In addition, FPL accrues for interim removal costs over the life of the related assets based on depreciation studies approved by the FPSC. As approved by the FPSC, FPL previously suspended its annual decommissioning accrual. For financial reporting purposes, FPL recognizes decommissioning and dismantlement liabilities in accordance with accounting guidance that requires a liability for the fair value of an ARO to be recognized in the period in which it is incurred. Any differences between expense recognized for financial reporting purposes and the amount recoverable through rates are reported as a regulatory liability in accordance with regulatory accounting. See Electric Plant, Depreciation and Amortization, Asset Retirement Obligations and Note 13.

Nuclear decommissioning studies are performed at least every five years and are submitted to the FPSC for approval. FPL filed updated nuclear decommissioning studies with the FPSC in December 2010. These studies reflect FPL's current plans, under the operating licenses, for prompt dismantlement of Turkey Point Units Nos. 3 and 4 following the end of plant operation with decommissioning activities commencing in 2032 and 2033, respectively, and provide for St. Lucie Unit No. 1 to be mothballed beginning in 2036 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 in 2043. These studies also assume that FPL will be storing spent fuel on site pending removal to a U.S. government facility. The studies indicate FPL's portion of the ultimate costs of decommissioning its four nuclear units, including costs associated with spent fuel storage above what is expected to be refunded by the U.S. Department of Energy (DOE) under a spent fuel settlement agreement, to be approximately $6.2 billion. FPL's portion of the ultimate cost of decommissioning its four units, expressed in 2011 dollars, is estimated by the studies to aggregate $2.3 billion.

Restricted funds for the payment of future expenditures to decommission FPL's nuclear units are included in nuclear decommissioning reserve funds, which are included in special use funds on NEE's and FPL's consolidated balance sheets. Marketable securities held in the decommissioning funds are primarily classified as available for sale and carried at fair value with market adjustments, including any other than temporary impairment losses, resulting in a corresponding adjustment to the related regulatory liability accounts consistent with regulatory treatment. See Note 5. Contributions to the funds have been suspended since 2005. Fund earnings, net of taxes, are reinvested in the funds. Earnings are recognized as income/loss and then recorded to reflect a corresponding increase/decrease in the related regulatory liability accounts. As a result, there is no effect on net income. During 2011, 2010 and 2009, fund earnings on decommissioning funds were approximately $66 million, $76 million and $81 million, respectively. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Fossil and solar plant dismantlement studies are performed at least every four years and are submitted to the FPSC for approval. FPL's latest fossil and solar plant dismantlement studies became effective January 1, 2010 and resulted in an increase in the annual expense from $15 million to $18 million which is recorded in depreciation and amortization expense in NEE's and FPL's consolidated statements of income. At December 31, 2011, FPL's portion of the ultimate cost to dismantle its fossil and solar units is approximately $860 million, or $421 million expressed in 2011 dollars.

NEER records nuclear decommissioning liabilities for Seabrook Station (Seabrook), Duane Arnold Energy Center (Duane Arnold) and Point Beach Nuclear Power Plant (Point Beach) in accordance with accounting guidance that requires a liability for the fair value of an ARO to be recognized in the period in which it is incurred. The liability is being accreted using the interest method through the date decommissioning activities are expected to be complete. See Note 13. At December 31, 2011 and 2010, NEER's ARO related to nuclear decommissioning totaled approximately $383 million and $478 million, respectively, and was determined using various internal and external data and applying a probability percentage to a variety of scenarios regarding the life of the plant and timing of decommissioning. NEER's portion of the ultimate cost of decommissioning its nuclear plants, including costs associated with spent fuel storage above what is expected to be refunded by the DOE under a spent fuel settlement agreement, is estimated to be approximately $11.4 billion, or $1.9 billion expressed in 2011 dollars.

Seabrook files a comprehensive nuclear decommissioning study with the New Hampshire Nuclear Decommissioning Financing Committee (NDFC) every four years; the most recent study was filed in 2011 and the final order on the proposed decommissioning funding plan is pending NDFC approval. Seabrook's decommissioning funding plan is also subject to annual review by the NDFC, and in January 2012, the NDFC issued an interim order suspending Seabrook's decommissioning funding requirements pending the NDFC's final order. Currently, there are no ongoing decommissioning funding requirements for Duane Arnold and Point Beach, however, the U.S. Nuclear Regulatory Commission (NRC) has the authority to require additional funding in the future. NEER's portion of Seabrook's, Duane Arnold's and Point Beach's restricted funds for the payment of future expenditures to decommission these plants is included in nuclear decommissioning reserve funds, which are included in special use funds on NEE's consolidated

balance sheets. Marketable securities held in the decommissioning funds are primarily classified as available for sale and carried at fair value. Market adjustments result in a corresponding adjustment to other comprehensive income (OCI), except for unrealized losses associated with marketable securities considered to be other than temporary, including any credit losses, which are recognized as other than temporary impairment losses on securities held in nuclear decommissioning funds in NEE's consolidated statements of income. Fund earnings are recognized in income and are reinvested in the funds either on a pretax or after-tax basis. See Note 5. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Major Maintenance Costs - FPL uses the accrue-in-advance method for recognizing costs associated with planned major nuclear maintenance, in accordance with regulatory treatment, and records the related accrual as a regulatory liability. FPL expenses costs associated with planned fossil maintenance as incurred. FPL's estimated nuclear maintenance costs for each nuclear unit's next planned outage are accrued over the period from the end of the last outage to the end of the next planned outage. Any difference between the estimated and actual costs is included in O&M expenses when known. The accrued liability for nuclear maintenance costs at December 31, 2011 and 2010 totaled approximately $49 million and $58 million, respectively, and is included in regulatory liabilities - other. For the years ended December 31, 2011, 2010 and 2009, FPL recognized approximately $97 million, $100 million and $84 million, respectively, in nuclear maintenance costs which are included in O&M expenses in NEE's and FPL's consolidated statements of income.

NEER uses the deferral method to account for certain planned major maintenance costs. NEER's major maintenance costs for its nuclear generating units and combustion turbines are capitalized and amortized on a unit of production method over the period from the end of the last outage to the beginning of the next planned outage. NEER's capitalized major maintenance costs, net of accumulated amortization, totaled approximately $133 million and $95 million at December 31, 2011 and 2010, respectively, and are included in other assets. For the years ended December 31, 2011, 2010 and 2009, NEER recognized approximately $77 million, $88 million and $73 million in major maintenance costs which are included in O&M expenses in NEE's consolidated statements of income.

Cash Equivalents - Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less.

Restricted Cash - At December 31, 2011 and 2010, NEE had approximately $88 million ($37 million for FPL) and $111 million ($39 million for FPL), respectively, of restricted cash included in other current assets on NEE's and FPL's consolidated balance sheets, which was restricted primarily for margin cash collateral and debt service payments. Where offsetting positions exist, restricted cash related to margin cash collateral is netted against derivative instruments. See Note 3. In addition, NEE had approximately $565 million of noncurrent restricted cash at December 31, 2011 related to loan proceeds held for construction at NEER, which was included in other assets on NEE's consolidated balance sheets.

Allowance for Doubtful Accounts - FPL maintains an accumulated provision for uncollectible customer accounts receivable that is estimated using a percentage, derived from historical revenue and write-off trends, of the previous five months of revenue. Additional amounts are included in the provision to address specific items that are not considered in the calculation described above. NEER regularly reviews collectibility of its receivables and establishes a provision for losses estimated as a percentage of accounts receivable based on the historical bad debt write-off trends for its retail electricity provider operations and, when necessary, using the specific identification method for all other receivables.

Inventory - FPL values materials, supplies and fossil fuel inventory using a weighted-average cost method. NEER's materials, supplies and fossil fuel inventories are carried at the lower of weighted-average cost or market, unless evidence indicates that the weighted-average cost (even if in excess of market) will be recovered with a normal profit upon sale in the ordinary course of business.

Energy Trading - NEE provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in power and gas marketing and trading activities to optimize the value of electricity and fuel contracts and generating facilities, as well as to take advantage of expected favorable commodity price movements. Trading contracts that meet the definition of a derivative are accounted for at fair value and realized gains and losses from all trading contracts, including those where physical delivery is required, are recorded net for all periods presented. See Note 3.

Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve - In connection with the 2007 storm-recovery bond financing (see Note 9 - FPL), the net proceeds to FPL from the sale of the storm-recovery property were used primarily to reimburse FPL for its estimated net of tax deficiency in its storm and property insurance reserve (storm reserve) and provide for a storm and property insurance reserve fund (storm fund). Upon the issuance of the storm-recovery bonds, the storm reserve deficiency was reclassified to securitized storm-recovery costs and is recorded as a regulatory asset on NEE's and FPL's consolidated balance sheets. As storm-recovery charges are billed to customers, the securitized storm-recovery costs are amortized and included in depreciation and amortization in NEE's and FPL's consolidated statements of income. Marketable securities held in the storm fund are classified as available for sale and are carried at fair value with market adjustments, including any other than temporary impairment losses, resulting in a corresponding adjustment to the storm reserve. Fund earnings, net of taxes, are reinvested in the fund. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes. The storm fund is

included in special use funds on NEE's and FPL's consolidated balance sheets and was approximately $125 million at both December 31, 2011 and 2010. See Note 5.

The storm reserve that was reestablished in an FPSC financing order related to the issuance of the storm-recovery bonds is not reflected on NEE's and FPL's consolidated balance sheets as of December 31, 2011 or 2010 because the associated regulatory asset does not meet the specific recognition criteria under the accounting guidance for certain regulated entities. As a result, the storm reserve will be recognized as a regulatory liability as the storm-recovery charges are billed to customers and charged to depreciation and amortization in NEE's and FPL's consolidated statements of income. Although NEE's and FPL's consolidated balance sheets as of December 31, 2011 reflect a storm reserve of approximately $54 million (included in regulatory liabilities - other on NEE's and FPL's consolidated balance sheets), FPL had the capacity to absorb up to approximately $202 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC or filing a petition with the FPSC.

Impairment of Long-Lived Assets - NEE evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is required to be recognized if the carrying value of the asset exceeds the undiscounted future net cash flows associated with that asset. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset's fair value. In most instances, the fair value is determined by discounting estimated future cash flows using an appropriate interest rate. See Note 4 - Nonrecurring Fair Value Measurements.

Goodwill and Other Intangible Assets - NEE's goodwill and other intangible assets are as follows:

	Weighted-Average Useful Lives	December 31,	
		2011	2010
	(years)	(millions)	
Goodwill:			
Merchant reporting unit		$ 72	$ 72
Wind reporting unit		50	45
Fiber-optic telecommunications reporting unit		25	—
Total goodwill		$ 147	$ 117
Other intangible assets:			
Purchased power agreements	19	$ 70	$ 87
Customer lists	7	45	34
Other, primarily land and transmission rights, permits and licenses	29	231	249
Total		346	370
Less accumulated amortization		88	93
Total other intangible assets - net		$ 258	$ 277

NEE's goodwill relates to various acquisitions which were accounted for using the purchase method of accounting. Other intangible assets are amortized, primarily on a straight-line basis, over their estimated useful lives. For the years ended December 31, 2011, 2010 and 2009, amortization expense was approximately $14 million, $18 million and $14 million, respectively, and is expected to be approximately $12 million, $9 million, $8 million, $7 million and $5 million for 2012, 2013, 2014, 2015 and 2016, respectively.

Goodwill and other intangible assets are included in other assets on NEE's consolidated balance sheets. Goodwill is assessed for impairment at least annually by applying a fair value-based analysis. Other intangible assets are periodically reviewed when impairment indicators are present to assess recoverability from future operations using undiscounted future cash flows.

Pension and Other Postretirement Plans - NEE allocates net periodic pension benefit income to its subsidiaries based on the pensionable earnings of the subsidiaries' employees; net periodic supplemental executive retirement plan (SERP) benefit costs to its subsidiaries based upon actuarial calculations by participant; and postretirement health care and life insurance benefits (other benefits) net periodic benefit costs to its subsidiaries based upon the number of eligible employees at each subsidiary.

NEE's regulatory assets and liabilities are established in association with accounting guidance which requires recognition of the funded status of benefit plans in the balance sheet, with changes in the funded status recognized in comprehensive income within shareholders' equity in the year in which the changes occur. Since NEE is the plan sponsor, and its subsidiaries do not have separate rights to the plan assets or direct obligations to their employees, this accounting guidance is reflected at NEE and not allocated to the subsidiaries. The portion of previously unrecognized actuarial gains and losses, prior service costs or credits and

transition obligations that are estimated to be allocable to FPL as net periodic benefit (income) cost in future periods and that otherwise would be recorded in accumulated other comprehensive income (AOCI) are classified as regulatory assets and liabilities at NEE in accordance with regulatory treatment.

Stock-Based Compensation - NEE accounts for stock-based payment transactions based on grant-date fair value. Compensation costs for awards with graded vesting are recognized on a straight-line basis over the requisite service period for the entire award. See Note 11 - Stock-Based Compensation.

Retirement of Long-Term Debt - Gains and losses that result from differences in FPL's reacquisition cost and the book value of long-term debt which is retired are deferred as a regulatory asset or liability and amortized to interest expense ratably over the remaining life of the original issue, which is consistent with its treatment in the ratemaking process. NEECH and NEER recognize such differences as other income (deductions) at the time of retirement.

Income Taxes - Deferred income taxes are provided on all significant temporary differences between the financial statement and tax bases of assets and liabilities. In connection with the tax sharing agreement between NEE and its subsidiaries, the income tax provision at each subsidiary reflects the use of the "separate return method," except that tax benefits that could not be used on a separate return basis, but are used on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated income tax benefits or expenses are recorded at the corporate level. Included in other regulatory assets and other regulatory liabilities on NEE's and FPL's consolidated balance sheets is the revenue equivalent of the difference in accumulated deferred income taxes computed under accounting rules, as compared to regulatory accounting rules. The net regulatory asset totaled $171 million and $151 million at December 31, 2011 and 2010, respectively, and is being amortized in accordance with the regulatory treatment over the estimated lives of the assets or liabilities for which the deferred tax amount was initially recognized.

NEER recognizes ITCs as a reduction to income tax expense when the related energy property is placed into service. Production tax credits (PTCs) are recognized as wind energy is generated and sold based on a per kwh rate prescribed in applicable federal and state statutes and are recorded as a reduction of current income taxes payable, unless limited by tax law in which instance they are recorded as deferred tax assets. NEE and FPL record a deferred income tax benefit created by the convertible ITCs on the difference between the financial statement and tax bases of renewable property. For NEER, this deferred income tax benefit is recorded in income tax expense in the year that the renewable property is placed in service. For FPL, this deferred income tax benefit is offset by a regulatory liability, which is amortized as a reduction of depreciation expense over the approximate lives of the related renewable property in accordance with the regulatory treatment. At December 31, 2011 and 2010, the net deferred income tax benefits associated with the convertible ITCs were approximately $56 million and $58 million, respectively, and are included in other regulatory assets and regulatory liabilities on NEE's and FPL's consolidated balance sheets.

A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets when it is more likely than not that such assets will not be realized. NEE recognizes interest income (expense) related to unrecognized tax benefits (liabilities) in interest income and interest expense, respectively, net of the amount deferred at FPL. At FPL, the offset to accrued interest receivable (payable) on income taxes is classified as a regulatory liability (regulatory asset) which will be amortized to income (expense) over a five-year period upon settlement in accordance with regulatory treatment. All tax positions taken by NEE in its income tax returns that are recognized in the financial statements must satisfy a more-likely-than-not threshold. See Note 6.

Sale of Differential Membership Interests - Certain indirect wholly-owned subsidiaries of NEER sold their Class B membership interest in entities that have ownership interests in wind facilities, with generating capacity totaling approximately 1,916 mw at December 31, 2011, to third-party investors. In exchange for the cash received, the holders of the Class B membership interests will receive a portion of the economic attributes of the facilities, including tax attributes, for a variable period. The transactions are not treated as a sale under the accounting rules and the proceeds received are deferred and recorded in deferral related to differential membership interests on NEE's consolidated balance sheets. The deferred amount is being recognized as an adjustment to taxes other than income taxes and other in NEE's consolidated statements of income as the Class B members receive their portion of the economic attributes. NEE continues to operate and manage the wind facilities, and consolidates the entities that own the wind facilities.

Guarantees - NEE's and FPL's payment guarantees and related contracts provided to unconsolidated entities entered into after December 31, 2002, for which it or a subsidiary is the guarantor, are recorded at fair value. See Note 14 - Commitments.

Variable Interest Entities (VIEs) - An entity is considered to be a VIE when its total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support, or its equity investors, as a group, lack the characteristics of having a controlling financial interest. A reporting company is required to consolidate a VIE as its primary beneficiary when it has both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, and the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. NEE and FPL evaluate whether an entity is a VIE whenever reconsideration events as defined by the accounting guidance occur. See Note 9.

2. Employee Retirement Benefits

Employee Benefit Plans and Other Postretirement Plan - NEE sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of NEE and its subsidiaries. NEE also has a SERP, which includes a non-qualified supplemental defined benefit pension component that provides benefits to a select group of management and highly compensated employees. The impact of this SERP component is included within pension benefits in the following tables, and was not material to NEE's financial statements for the years ended December 31, 2011, 2010 and 2009. In addition to pension benefits, NEE sponsors a contributory postretirement plan for other benefits for retirees of NEE and its subsidiaries meeting certain eligibility requirements.

Plan Assets, Benefit Obligations and Funded Status - The changes in assets and benefit obligations of the plans and the plans' funded status are as follows:

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
	(millions)			
Change in plan assets:				
Fair value of plan assets at January 1	$ 3,233	$ 3,028	$ 32	$ 32
Actual return on plan assets	(3)	380	(2)	2
Employer contributions[a]	1	3	29	28
Transfers[b]	—	(29)	—	—
Participant contributions	—	—	8	9
Benefit payments[a]	(109)	(149)	(39)	(39)
Fair value of plan assets at December 31	$ 3,122	$ 3,233	$ 28	$ 32
Change in benefit obligation:				
Obligation at January 1	$ 1,994	$ 1,866	$ 417	$ 430
Service cost	64	59	6	6
Interest cost	98	102	21	23
Participant contributions	—	—	8	9
Plan amendments	22	1	17	—
Special termination benefits	—	13	—	—
Actuarial losses (gains) - net	54	102	(3)	(12)
Benefit payments[a]	(109)	(149)	(39)	(39)
Obligation at December 31[c]	$ 2,123	$ 1,994	$ 427	$ 417
Funded status:				
Prepaid (accrued) benefit cost at NEE at December 31	$ 999	$ 1,239	$ (399)	$ (385)
Prepaid (accrued) benefit cost at FPL at December 31	$ 1,080	$ 1,027	$ (273)	$ (279)

(a) Employer contributions and benefit payments include only those amounts contributed directly to, or paid directly from, plan assets. FPL's portion of contributions related to SERP benefits was $1 million for 2011 and for 2010. FPL's portion of contributions related to other benefits was $27 million and $26 million for 2011 and 2010, respectively.

(b) Represents amounts that were transferred from the qualified pension plan as reimbursement for eligible retiree medical expenses paid by NEE pursuant to the provisions of the Internal Revenue Code.

(c) NEE's accumulated pension benefit obligation, which includes no assumption about future salary levels, for its pension plans at December 31, 2011 and 2010 was $2,068 million and $1,935 million, respectively.

NEE's and FPL's prepaid (accrued) benefit cost shown above are included on the consolidated balance sheets as follows:

	NEE				FPL			
	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	2011	2010	2011	2010	2011	2010	2011	2010
	(millions)							
Prepaid benefit costs	$ 1,021	$ 1,259	$ —	$ —	$ 1,088	$ 1,035	$ —	$ —
Accrued benefit cost included in other current liabilities	(4)	(3)	(26)	(27)	(2)	(2)	(22)	(23)
Accrued benefit cost included in other liabilities	(18)	(17)	(373)	(358)	(6)	(6)	(251)	(256)
Prepaid (accrued) benefit cost at December 31	$ 999	$ 1,239	$ (399)	$ (385)	$ 1,080	$ 1,027	$ (273)	$ (279)

NEE's unrecognized amounts included in accumulated other comprehensive income (loss) yet to be recognized as components of prepaid (accrued) benefit cost are as follows:

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
	(millions)			
Components of AOCI:				
Unrecognized prior service benefit (cost) (net of $3, $2 and $2 tax benefits, respectively)	$ (5)	$ (4)	$ (3)	$ —
Unrecognized transition obligation (net of $1 tax benefit)	—	—	—	(1)
Unrecognized gain (loss) (net of $24 tax benefit, $5 tax expense, $3 tax benefit and $5 tax benefit, respectively)	(37)	8	(1)	(4)
Total	$ (42)	$ 4	$ (4)	$ (5)

NEE's unrecognized amounts included in regulatory assets (liabilities) yet to be recognized as components of net prepaid (accrued) benefit cost are as follows:

	Regulatory Assets (Liabilities) (Pension)		Regulatory Assets (SERP and Other)	
	2011	2010	2011	2010
	(millions)			
Unrecognized prior service cost	$ 16	$ 13	$ 13	$ 1
Unrecognized transition obligation	—	—	2	4
Unrecognized (gain) loss	153	(64)	44	37
Total	$ 169	$ (51)	$ 59	$ 42

The following table provides the weighted-average assumptions used to determine benefit obligations for the plans. These rates are used in determining net periodic benefit cost in the following year.

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Discount rate	4.65%	5.00%	4.75%	5.25%
Salary increase	4.00%	4.00%	4.00%	4.00%

The projected 2012 trend assumption used to measure the expected cost of health care benefits covered by the plans for those under age 65 is 7.30% for medical and 7.90% for prescription drug benefits and for those age 65 and over is 7.00% for medical and 7.50% for prescription drug benefits. These rates are assumed to decrease over the next 6 years for medical benefits and 8 years for prescription drug benefits to the ultimate trend rate of 5.50% and remain at that level thereafter. The ultimate trend rate is assumed to be reached in 2018 for medical benefits and 2020 for prescription drug benefits. Assumed health care cost trend rates have an effect on the amounts reported for postretirement plans providing health care benefits. An increase or decrease of one percentage point in assumed health care cost trend rates would have a corresponding effect on the other benefits accumulated obligation of approximately $2 million at December 31, 2011.

NEE's investment policy for the pension plan recognizes the benefit of protecting the plan's funded status, thereby avoiding the necessity of future employer contributions. Its broad objectives are to achieve a high rate of total return with a prudent level of risk taking while maintaining sufficient liquidity and diversification to avoid large losses and preserve capital over the long term.

The NEE pension plan fund's current asset allocation is a mix of 43.5% equity investments, 43.5% fixed income investments, 10% convertible securities and 3% alternative investments. The fund's investment strategy emphasizes traditional investments, broadly diversified across the global equity and fixed income markets, using a combination of different investment styles and vehicles. The pension fund's equity allocation includes direct equity holdings and assets classified as equity commingled vehicles. Similarly, its fixed income allocation includes direct debt security holdings and assets classified as debt security commingled vehicles. These equity and debt security commingled vehicles include common and collective trusts, pooled separate accounts, registered investment companies or other forms of pooled investment arrangements. The pension fund's convertible security allocation is principally direct holdings of convertible securities and includes a convertible security oriented limited partnership. The pension fund's alternative investments allocation consists of absolute return oriented limited partnerships that use a broad range of investment strategies on a global basis.

With regard to its other benefits plan, NEE's policy is to fund claims as incurred during the year through NEE contributions, participant contributions and plan assets. The other benefits plan's assets are invested with a focus on assuring the availability of funds to pay benefits while maintaining sufficient diversification to avoid large losses and preserve capital. The other benefits plan's fund has a strategic asset allocation that targets a mix of 60% equity investments and 40% fixed income investments. The fund's investment strategy consists of traditional investments, diversified across the global equity and fixed income markets. The fund's equity investments are comprised of assets classified as equity commingled vehicles. Similarly, its fixed income investments are comprised of assets classified as debt security commingled vehicles. These equity and debt commingled vehicles include common and collective trusts, pooled separate accounts, registered investment companies or other forms of pooled investment arrangements.

The fair value measurements of NEE's pension plan assets by fair value hierarchy level are as follows:

	December 31, 2011[a]			
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(millions)			
Equity securities[b]	$ 750	$ 5	$ 1	$ 756
Equity commingled vehicles[c]	—	568	—	568
U.S. Government and municipal bonds	84	51	—	135
Corporate debt securities[d]	—	325	—	325
Asset-backed securities	—	318	—	318
Debt security commingled vehicles[e]	—	586	—	586
Convertible securities	—	265	—	265
Limited partnerships[f]	—	63	106	169
Total	$ 834	$ 2,181	$ 107	$ 3,122

(a) *See Note 4 for discussion of fair value measurement techniques.*
(b) Includes foreign investments of $258 million.
(c) Includes foreign investments of $185 million.
(d) Includes foreign investments of $58 million.
(e) Includes foreign investments of $61 million and $85 million of short-term commingled vehicles.
(f) Includes alternative investments of $94 million, of which $31 million were foreign investments. Fair values have been estimated using net asset value per share of the investments. These investments primarily have a one- to three-year lockup and are redeemable on either a quarterly or annual basis with a 30 to 90 day redemption notification requirement and have unfunded commitments of $24 million.

	December 31, 2010[a]			
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(millions)			
Equity securities[b]	$ 800	$ 6	$ —	$ 806
Equity commingled vehicles[c]	—	669	11	680
U.S. Government and municipal bonds	60	35	—	95
Corporate debt securities[d]	—	335	—	335
Asset-backed securities	—	263	—	263
Debt security commingled vehicles[e]	—	744	—	744
Convertible securities	—	310	—	310
Total	$ 860	$ 2,362	$ 11	$ 3,233

(a) See Note 4 for discussion of fair value measurement techniques.
(b) Includes foreign investments of $293 million.
(c) Includes foreign investments of $219 million.
(d) Includes foreign investments of $47 million.
(e) Includes foreign investments of $56 million and $206 million of short-term commingled vehicles.

The fair value measurements, all of which were Level 2, of NEE's other benefits plan assets at December 31, 2011 and 2010 were approximately $17 million and $20 million of equity commingled vehicles (of which $4 million and $5 million were foreign investments) and $11 million and $12 million of debt security commingled vehicles, respectively.

Expected Cash Flows - NEE anticipates paying approximately $26 million for eligible retiree medical expenses on behalf of the other benefits plan during 2012.

The following table provides information about benefit payments expected to be paid by the plans, net of government drug subsidy, for each of the following calendar years:

	Pension Benefits	Other Benefits
	(millions)	
2012	$ 162	$ 33
2013	$ 162	$ 36
2014	$ 162	$ 36
2015	$ 162	$ 30
2016	$ 167	$ 30
2017 - 2021	$ 850	$ 144

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

	Pension Benefits			Other Benefits		
	2011	2010	2009	2011	2010	2009
	(millions)					
Service cost	$ 64	$ 59	$ 51	$ 6	$ 6	$ 5
Interest cost	98	102	109	21	23	24
Expected return on plan assets	(238)	(241)	(239)	(2)	(2)	(3)
Amortization of transition obligation	—	—	—	3	3	4
Amortization of prior service benefit	(3)	(3)	(3)	—	—	—
Amortization of gains	—	1	(23)	—	—	—
SERP settlements	—	1	—	—	—	—
Special termination benefits	—	13	—	—	—	—
Net periodic benefit (income) cost at NEE	$ (79)	$ (68)	$ (105)	$ 28	$ 30	$ 30
Net periodic benefit (income) cost at FPL	$ (51)	$ (42)	$ (73)	$ 21	$ 23	$ 23

Other Comprehensive Income - The components of net periodic benefit income (cost) recognized in OCI for the plans are as follows:

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
	(millions)			
Prior service cost (net of $2 tax benefit)	$ —	$ —	$ (3)	$ —
Net gains (losses) (net of $32 tax benefit, none, $2 tax expense and $1 tax expense, respectively)	(45)	1	3	2
Amortization of prior service benefit	(1)	(1)	—	—
Amortization of transition obligation	—	—	1	—
Total	$ (46)	$ —	$ 1	$ 2

Regulatory Assets (Liabilities) - The components of net periodic benefit (income) cost recognized during the year in regulatory assets (liabilities) for the plans are as follows:

	Regulatory Assets (Liabilities) (Pension)		Regulatory Assets (SERP and Other)	
	2011	2010	2011	2010
	(millions)			
Prior service cost	$ 1	$ 1	$ 12	$ —
Unrecognized (gains) losses	217	(35)	7	(9)
Amortization of prior service benefit	2	2	—	—
Amortization of transition obligation	—	—	(2)	(2)
Total	$ 220	$ (32)	$ 17	$ (11)

The weighted-average assumptions used to determine net periodic benefit (income) cost for the plans are as follows:

	Pension Benefits			Other Benefits		
	2011	2010	2009	2011	2010	2009
Discount rate	5.00%	5.50%	6.90%	5.25%	5.50%	6.90%
Salary increase	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Expected long-term rate of return[a]	7.75%	7.75%	7.75%	8.00%	8.00%	8.00%

(a) In developing the expected long-term rate of return on assets assumption for its plans, NEE evaluated input, including other qualitative and quantitative factors, from its actuaries and consultants, as well as information available in the marketplace. NEE considered different models, capital market return assumptions and historical returns for a portfolio with an equity/bond asset mix similar to its funds. NEE also considered its funds' historical compounded returns.

Assumed health care cost trend rates have an effect on the amounts reported for postretirement plans providing health care benefits. An increase or decrease of one percentage point in assumed health care cost trend rates would have a corresponding effect on the total service and interest cost recognized at December 31, 2011 by less than $1 million.

Employee Contribution Plans - NEE offers employee retirement savings plans which allow eligible participants to contribute a percentage of qualified compensation through payroll deductions. NEE makes matching contributions to participants' accounts. Defined contribution expense pursuant to these plans was approximately $42 million, $34 million and $38 million for NEE ($28 million, $26 million and $28 million for FPL) for the years ended December 31, 2011, 2010 and 2009, respectively. See Note 11 - Employee Stock Ownership Plan.

3. Derivative Instruments

NEE and FPL use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate and foreign currency exchange rate risk associated with outstanding and forecasted debt issuances, and to optimize the value of NEER's power generation assets.

With respect to commodities related to NEE's competitive energy business, NEER employs risk management procedures to conduct its activities related to optimizing the value of its power generation assets, providing full energy and capacity requirements services primarily to distribution utilities, and engaging in power and gas marketing and trading activities to take advantage of expected future favorable price movements and changes in the expected volatility of prices in the energy markets. These risk management activities involve the use of derivative instruments executed within prescribed limits to manage the risk associated with fluctuating commodity prices. Transactions in derivative instruments are executed on recognized exchanges or via the over-the-counter markets, depending on the most favorable credit terms and market execution factors. For NEER's power generation assets, derivative instruments are used to hedge the commodity price risk associated with the fuel requirements of the assets, where applicable, as well as to hedge all or a portion of the expected energy output of these assets. These hedges protect NEER against adverse changes in the wholesale forward commodity markets associated with its generation assets. With regard to full energy and capacity requirements services, NEER is required to vary the quantity of energy and related services based on the load demands of the customer served by the distribution utility. For this type of transaction, derivative instruments are used to hedge the anticipated electricity quantities required to serve these customers and protect against unfavorable changes in the forward energy markets. Additionally, NEER takes positions in the energy markets based on differences between actual forward market levels and management's view of fundamental market conditions. NEER uses derivative instruments to realize value from these market dislocations, subject to strict risk management limits around market, operational and credit exposure.

Derivative instruments, when required to be marked to market, are recorded on NEE's and FPL's consolidated balance sheets as either an asset or liability measured at fair value. At FPL, substantially all changes in the derivatives' fair value are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel and purchased power cost recovery clause (fuel clause) or the capacity clause. For NEE's non-rate regulated operations, predominantly NEER, 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 NEE's consolidated statements of income. Settlement gains and losses are included within the line items in the consolidated statements of income to which they relate. For commodity derivatives, NEE believes that, where offsetting positions exist at the same location for the same time, the transactions are considered to have been netted and therefore physical delivery has been deemed not to have occurred for financial reporting purposes. Transactions for which physical delivery is deemed not to have occurred are presented on a net basis in the consolidated statements of income. Settlements related to derivative instruments are primarily recognized in net cash provided by operating activities in NEE's and FPL's consolidated statements of cash flows.

While most of NEE's derivatives are entered into for the purpose of managing commodity price risk, reducing the impact of volatility in interest rates on outstanding and forecasted debt issuances and managing foreign currency risk, hedge accounting is only applied where specific criteria are met and it is practicable to do so. In order to apply hedge accounting, the transaction must be designated as a hedge and it must be highly effective in offsetting the hedged risk. Additionally, for hedges of forecasted transactions, the forecasted transactions must be probable. For interest rate swaps and foreign currency derivative instruments, generally NEE assesses a hedging instrument's effectiveness by using nonstatistical methods including dollar value comparisons of the change in the fair value of the derivative to the change in the fair value or cash flows of the hedged item. Hedge effectiveness is tested at the inception of the hedge and on at least a quarterly basis throughout its life. The effective portion of the gain or loss on a derivative instrument designated as a cash flow hedge is reported as a component of OCI and is reclassified into earnings in the period(s) during which the transaction being hedged affects earnings or when it becomes probable that a forecasted transaction being hedged would not occur. See Note 7. The ineffective portion of net unrealized gains (losses) on these hedges is reported in earnings in the current period. At December 31, 2011, NEE's 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.

In 2011, subsidiaries of NEER sold their ownership interest in five natural gas-fired generating plants. See Note 4 - Nonrecurring Fair Value Measurements. Certain of the plants had hedged their exposure to interest rate and commodity price fluctuations by entering into derivative contracts. Because the plants were sold to a third party, it became no longer probable that the future hedged transactions would occur. Therefore, NEE was required to reclassify any gains or losses in AOCI related to those hedges to earnings. During the year ended December 31, 2011, NEE reclassified approximately $21 million of net losses to earnings, with $30 million of losses recorded in loss on sale of natural gas-fired generating assets and $9 million of gains recorded in other - net.

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

	NEE		FPL	
	December 31,		December 31,	
	2011	2010	2011	2010
	(millions)			
Current derivative assets[a]	$ 611	$ 506	$ 10 [b]	$ 8 [b]
Noncurrent derivative assets[c]	973	589	2 [d]	1 [d]
Current derivative liabilities[e]	(1,090)	(536)	(512)	(245)
Noncurrent derivative liabilities[f]	(541)	(243)	(1) [g]	—
Total mark-to-market derivative instrument assets (liabilities)	$ (47)	$ 316	$ (501)	$ (236)

(a) At December 31, 2011 and 2010, NEE's balances reflect the netting of approximately $106 million and $23 million (none at FPL), respectively, in margin cash collateral received from counterparties.
(b) Included in current other assets on FPL's consolidated balance sheets.
(c) At December 31, 2011 and 2010, NEE's balances reflect the netting of approximately $109 million and $43 million (none at FPL), respectively, in margin cash collateral received from counterparties.
(d) Included in noncurrent other assets on FPL's consolidated balance sheets.
(e) At December 31, 2011 and 2010, NEE's balances reflect the netting of approximately $112 million and $23 million (none at FPL), respectively, in margin cash collateral provided to counterparties.
(f) At December 31, 2011 and 2010, NEE's balances reflect the netting of approximately $79 million and $72 million (none at FPL) in margin cash collateral provided to counterparties.
(g) Included in noncurrent other liabilities on FPL's consolidated balance sheets.

At December 31, 2011 and December 31, 2010, NEE had approximately $22 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 current other liabilities on NEE's consolidated balance sheets. Additionally, at December 31, 2011 and December 31, 2010, NEE had approximately $50 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 current other assets on NEE's consolidated balance sheets.

As discussed above, NEE uses derivative instruments to, among other things, manage its commodity price risk, interest rate risk and foreign currency exchange rate risk. The table above presents NEE's and FPL's net derivative positions at December 31, 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 NEE's derivatives designated as hedging instruments for accounting purposes (none at FPL) are presented below as gross asset and liability values, as required by disclosure rules.

	December 31, 2011		December 31, 2010	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(millions)			
Interest rate swaps:				
Current derivative assets	$ 22	$ —	$ 16	$ —
Current derivative liabilities	—	60	—	64
Noncurrent derivative assets	15	—	91	—
Noncurrent derivative liabilities	—	260	—	59
Foreign currency swaps:				
Current derivative assets	—	—	24	—
Current derivative liabilities	—	3	—	4
Noncurrent derivative assets	—	—	11	—
Noncurrent derivative liabilities	—	3	—	—
Total	$ 37	$ 326	$ 142	$ 127

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

	Year Ended December 31, 2011				Year Ended December 31, 2010				Year Ended December 31, 2009			
	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swaps	Total	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swaps	Total	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swap	Total
	(millions)											
Gains (losses) recognized in OCI	$ —	$ (383)	$ (17)	$(400)	$ 20	$ (52)	$ 24	$ (8)	$ 197	$ 28	$ 3	$228
Gains (losses) reclassified from AOCI to net income[a]	$ 41	$ (76)	$ 1 [b]	$ (34)	$ 118	$ (65)	$ 20 [b]	$ 73	$ 164	$ (39)	$ 4 [c]	$129
Gains (losses) recognized in income[d]	$ —	$ —	$ —	$ —	$ 1	$ —	$ —	$ 1	$ 29	$ —	$ —	$ 29

(a) Included in operating revenues for commodity contracts and interest expense for interest rate swaps. In 2011, excludes approximately $21 million of net losses related to the discontinuance of certain cash flow hedges. See further discussion above.
(b) Loss of approximately $4 million is included in interest expense and the balance is included in other - net.
(c) Loss of approximately $1 million is included in interest expense and the balance is included in other - net.
(d) Represents the ineffective portion of the hedging instrument included in operating revenues.

For the year ended December 31, 2011, NEE recorded a gain of approximately $28 million on six fair value hedges which resulted in a corresponding increase in the related debt. For the year ended December 31, 2010, NEE recorded a gain of approximately $11 million on three fair value hedges which resulted in a corresponding increase in the related debt. For the year ended December 31, 2009, NEE recorded a loss of $6 million on a fair value hedge which resulted in a corresponding reduction in the related debt.

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

	December 31, 2011				December 31, 2010			
	NEE		FPL		NEE		FPL	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(millions)							
Commodity contracts:								
Current derivative assets	$ 1,127	$ 432	$ 11 [a]	$ 1 [a]	$ 754	$ 278	$ 9 [a]	$ 1 [a]
Current derivative liabilities	3,358	4,494	1	513	1,848	2,339	12	257
Noncurrent derivative assets	1,290	250	2 [b]	—	687	157	1 [b]	—
Noncurrent derivative liabilities	1,222	1,579	—	1 [c]	828	1,084	—	—
Foreign currency swap:								
Current derivative assets	—	—	—	—	13	—	—	—
Current derivative liabilities	—	3	—	—	—	—	—	—
Noncurrent derivative assets	27	—	—	—	—	—	—	—
Total	$ 7,024	$ 6,758	$ 14	$ 515	$ 4,130	$ 3,858	$ 22	$ 258

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

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

	Years Ended December 31,		
	2011	2010	2009
	(millions)		
Commodity contracts:			
Operating revenues	$ 473 [a]	$ 531 [a]	279 [a]
Fuel, purchased power and interchange	—	1	28
Foreign currency swap - other - net	22	18	(3)
Interest rate contracts - other - net	(11)	—	—
Total	$ 484	$ 550	$ 304

(a) In addition, for the years ended December 31, 2011, 2010 and 2009, FPL recorded approximately $646 million, $665 million and $688 million of losses, respectively, related to commodity contracts as regulatory assets on its consolidated balance sheets.

The following table represents net notional volumes associated with derivative instruments that are required to be reported at fair value in NEE's and FPL's consolidated financial statements. The table includes significant volumes of transactions that have minimal exposure to commodity price changes because they are variably priced agreements. The table does not present a complete picture of NEE's and FPL's overall net economic exposure because NEE and FPL do not use derivative instruments to hedge all of their commodity exposures. At December 31, 2011, NEE and FPL had derivative commodity contracts for the following net notional volumes:

Commodity Type	NEE		FPL	
	(millions)			
Power	(121)	mwh[a]	—	
Natural gas	1,132	mmbtu[b]	775	mmbtu[b]
Oil	(3)	barrels	—	

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

At December 31, 2011, NEE had interest rate contracts with a notional amount totaling approximately $6.5 billion and foreign currency swaps with a notional amount totaling approximately $544 million.

Certain of NEE's and FPL's derivative instruments contain credit-risk-related contingent features including, among other things, the requirement to maintain an investment grade credit rating from specified credit rating agencies and certain financial ratios, as well as credit-related cross-default and material adverse change triggers. At December 31, 2011, the aggregate fair value of NEE's derivative instruments with credit-risk-related contingent features that were in a liability position was approximately $3.2 billion ($0.5 billion for FPL).

If the credit-risk-related contingent features underlying these agreements and other commodity-related contracts were triggered, NEE or FPL could be required to post collateral or settle contracts according to contractual terms which generally allow netting of contracts in offsetting positions. Certain contracts contain multiple types of credit-related triggers. To the extent these contracts contain a credit ratings downgrade trigger, the maximum exposure is included in the following credit ratings collateral posting requirements. If FPL's and NEECH's credit ratings were downgraded to BBB/Baa2 (a two level downgrade for FPL and a one level downgrade for NEECH from the current lowest applicable rating), NEE would be required to post collateral such that the total posted collateral would be approximately $800 million ($250 million at FPL). If FPL's and NEECH's credit ratings were downgraded to below investment grade, NEE would be required to post additional collateral such that the total posted collateral would be approximately $2.8 billion ($0.9 billion at FPL). Some contracts at NEE, including some FPL contracts, do not contain credit ratings downgrade triggers, but do contain provisions that require certain financial measures be maintained and/or have credit-related cross-default triggers. In the event these provisions were triggered, NEE could be required to post additional collateral of up to approximately $600 million ($100 million at FPL).

Collateral may be posted in the form of cash or credit support. At December 31, 2011, NEE had posted approximately $400 million ($30 million at FPL) in the form of letters of credit, related to derivatives, in the normal course of business which could be applied toward the collateral requirements described above. FPL and NEECH have 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, NEE and FPL are unable to determine an exact value for these items and they are not included in any of the quantitative disclosures above.

4. Fair Value Measurements

NEE and FPL use several different valuation techniques to measure the fair value of assets and liabilities, relying primarily on the market approach of using prices and other market information for identical and/or comparable assets and liabilities for those assets and liabilities that are measured at fair value on a recurring basis. NEE's and FPL's assessment of the significance of any particular input to the fair value measurement requires judgment and may affect their placement within the fair value hierarchy levels. Non-performance risk, including the consideration of a credit valuation adjustment, is also considered in the determination of fair value for all assets and liabilities measured at fair value.

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

Special Use Funds and Other Investments - NEE and FPL hold primarily debt and equity securities directly, as well as indirectly through commingled funds. Substantially all directly held equity securities are valued at their quoted market prices. For directly held debt securities, multiple prices and price types are obtained from pricing vendors whenever possible, which enables cross-provider validations. A primary price source is identified based on asset type, class or issue of each security. Commingled funds, which are similar to mutual funds, are maintained by banks or investment companies and hold certain investments in accordance with a stated set of objectives. The fair value of commingled funds is primarily derived from the quoted prices in active markets of the underlying securities. Because the fund shares are offered to a limited group of investors, they are not considered to be traded in an active market.

Derivative Instruments - NEE and FPL measure the fair value of commodity contracts on a daily basis using prices observed on commodities exchanges and in the over-the-counter markets, or through the use of industry-standard valuation techniques, such as option modeling or discounted cash flows techniques, incorporating both observable and unobservable valuation inputs. The resulting measurements are the best estimate of fair value as represented by the transfer of the asset or liability through an orderly transaction in the marketplace at the measurement date.

Most exchange-traded derivative assets and liabilities are valued directly using unadjusted quoted prices. For exchange-traded derivative assets and liabilities where the principal market is deemed to be inactive based on average daily volumes and open

interest, the measurement is established using settlement prices from the exchanges, and therefore considered to be valued using significant other observable inputs.

NEE and FPL also enter into over-the-counter commodity contract derivatives. The majority of these contracts are transacted at liquid trading points, and the prices for these contracts are verified using quoted prices in active markets from exchanges, brokers or pricing services for similar contracts. In instances where the reference markets are deemed to be inactive or do not have transactions for a similar contract, the derivative assets and liabilities may be valued using significant other observable inputs and potentially significant unobservable inputs. In such instances, the valuation for these contracts is established using techniques including extrapolation from or interpolation between actively traded contracts, or estimated basis adjustments from liquid trading points.

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

In all cases where NEE and FPL use significant unobservable inputs for the valuation of a commodity contract, consideration is given to the assumptions that market participants would use in valuing the asset or liability. This consideration includes, but is not limited to, assumptions about market liquidity, volatility and contract duration.

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

Recurring Fair Value Measurements - NEE's and FPL's financial assets and liabilities and other fair value measurements made on a recurring basis by fair value hierarchy level are as follows:

	December 31, 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:					
NEE - equity securities	$ 159	$ —	$ —	$ —	$ 159
FPL - equity securities	$ 11	$ —	$ —	$ —	$ 11
Special use funds:					
NEE:					
Equity securities	$ 709	$ 1,206 [b]	$ —	$ —	$ 1,915
U.S. Government and municipal bonds	$ 508	$ 167	$ —	$ —	$ 675
Corporate debt securities	$ —	$ 516	$ —	$ —	$ 516
Mortgage-backed securities	$ —	$ 511	$ —	$ —	$ 511
Other debt securities	$ —	$ 47	$ —	$ —	$ 47
FPL:					
Equity securities	$ 128	$ 1,056 [b]	$ —	$ —	$ 1,184
U.S. Government and municipal bonds	$ 458	$ 134	$ —	$ —	$ 592
Corporate debt securities	$ —	$ 359	$ —	$ —	$ 359
Mortgage-backed securities	$ —	$ 434	$ —	$ —	$ 434
Other debt securities	$ —	$ 32	$ —	$ —	$ 32
Other investments:					
NEE:					
Equity securities	$ 4	$ —	$ —	$ —	$ 4
U.S. Government and municipal bonds	$ 8	$ —	$ —	$ —	$ 8
Corporate debt securities	$ —	$ 43	$ —	$ —	$ 43
Mortgage-backed securities	$ —	$ 33	$ —	$ —	$ 33
Other	$ 5	$ 5	$ —	$ —	$ 10
Derivatives:					
NEE:					
Commodity contracts	$ 2,448	$ 3,478	$ 1,071	$ (5,477)	$ 1,520 [c]
Interest rate swaps	$ —	$ 37	$ —	$ —	$ 37 [c]
Foreign currency swaps	$ —	$ 27	$ —	$ —	$ 27 [c]
FPL - commodity contracts	$ —	$ 8	$ 6	$ (2)	$ 12 [c]
Liabilities:					
Derivatives:					
NEE:					
Commodity contracts	$ 2,588	$ 3,582	$ 585	$ (5,453)	$ 1,302 [c]
Interest rate swaps	$ —	$ 320	$ —	$ —	$ 320 [c]
Foreign currency swaps	$ —	$ 9	$ —	$ —	$ 9 [c]
FPL - commodity contracts	$ —	$ 513	$ 2	$ (2)	$ 513 [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 NEE, approximately $1,086 million ($979 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by NEE or FPL.
(c) See Note 3 for a reconciliation of net derivatives to NEE's and FPL's consolidated balance sheets.

	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:					
NEE - equity securities	$ —	$ 122	$ —	$ —	122
FPL - equity securities	$ —	$ 7	$ —	$ —	7
Special use funds:					
NEE:					
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:					
NEE:					
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:					
NEE:					
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:					
NEE:					
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 NEE, 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 NEE or FPL.
(c) See Note 3 for a reconciliation of net derivatives to NEE's and FPL's consolidated balance sheets.

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

	Years Ended December 31,					
	2011		2010		2009	
	NEE	FPL	NEE	FPL	NEE	FPL
	(millions)					
Fair value of net derivatives based on significant unobservable inputs at December 31 of prior year	$ 296	$ 7	$ 364	$ 11	$ 404	$ (1)
Realized and unrealized gains (losses):						
Included in earnings[a]	454	—	407	—	555	—
Included in regulatory assets and liabilities	3	3	1	1	7	7
Purchases, sales, settlements and issuances[b]	(258)	(6)	(432)	(5)	(521)	6
Transfers in[c]	6	—	2	—	16	—
Transfers out[c]	(15)	—	(46)	—	(97)	(1)
Fair value of net derivatives based on significant unobservable inputs at December 31	$ 486	$ 4	$ 296	$ 7	$ 364	$ 11
The amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to derivatives still held at the reporting date[d]	$ 423	$ —	$ 170	$ —	$ 270	$ —

(a) For the years ended December 31, 2011, 2010 and 2009, $441 million, $384 million and $555 million, respectively, of realized and unrealized gains are reflected in the consolidated statements of income in operating revenues and the balance is reflected in fuel, purchased power and interchange.
(b) For the year ended December 31, 2011, includes $270 million of purchases, $166 million of settlements and $362 million of issuances.
(c) Transfers into Level 3 were a result of decreased observability of market data and transfers from Level 3 to Level 2 were a result of increased observability of market data. NEE's and FPL's policy is to recognize all transfers at the beginning of the reporting period.
(d) For the years ended December 31, 2011, 2010 and 2009, $423 million, $153 million and $270 million, respectively, of unrealized gains are reflected in the consolidated statements of income in operating revenues and the balance is reflected in fuel, purchased power and interchange.

Nonrecurring Fair Value Measurements - NEE tests long-lived assets for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In 2011, recent market value indications and the impact of newly proposed environmental regulations suggested that the carrying value of certain NEER assets, primarily wind assets in West Texas and oil-fired assets in Maine, may be impaired. NEER 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 NEE's consolidated statements of income for the year ended December 31, 2011.

In 2011, subsidiaries of NEER completed the sales of their ownership interests in five natural gas-fired generating plants with a total generating capacity of approximately 2,700 mw for net cash proceeds of approximately $1.2 billion, after transaction costs and working capital and other adjustments. Approximately $363 million of these proceeds were used to repay debt associated with certain of the projects. A NEER affiliate will continue to operate the facilities included in the sales under service contracts: three facilities for a five-year period, one facility for a two-year period and the fifth facility for a one-year period. In connection with the sales, a loss of approximately $151 million ($98 million after-tax) was recorded in NEE's consolidated statements of income. The loss includes the reclassification of $30 million from AOCI as a result of the discontinuance of certain cash flow hedges because it became probable that the related forecasted transactions being hedged would not occur. See Note 3.

5. Financial Instruments

The carrying amounts of cash equivalents and commercial paper approximate their fair values. At December 31, 2011 and 2010, other investments of NEE, not included in the table below, included financial instruments of approximately $35 million and $97 million ($4 million and $4 million at FPL), respectively, including $2 million and $48 million included in current other receivables on the 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.

	December 31, 2011		December 31, 2010	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
NEE:				
Special use funds	$ 3,867 [a]	$ 3,867 [b]	$ 3,742 [a]	$ 3,742 [b]
Other investments:				
Notes receivable	$ 503	$ 535 [c]	$ 525	$ 583 [c]
Debt securities	$ 89 [d]	$ 89 [b]	$ 114 [d]	$ 114 [b]
Equity securities	$ 80	$ 159 [e]	$ 57	$ 125 [e]
Long-term debt, including current maturities	$ 21,614	$ 23,699 [f]	$ 19,929	$ 20,756 [f]
Interest rate swaps - net unrealized losses	$ (283)	$ (283) [g]	$ (16)	$ (16) [g]
Foreign currency swaps - net unrealized gains	$ 18	$ 18 [g]	$ 44	$ 44 [g]
FPL:				
Special use funds	$ 2,737 [a]	$ 2,737 [b]	$ 2,637 [a]	$ 2,637 [b]
Long-term debt, including current maturities	$ 7,533	$ 9,078 [f]	$ 6,727	$ 7,236 [f]

(a) At December 31, 2011, includes $164 million of investments accounted for under the equity method and $39 million of loans not measured at fair value on a recurring basis ($112 million and $24 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 balance, see Note 4 for classification by major security type. The amortized cost of debt and equity securities is $1,638 million and $1,425 million, respectively, at December 31, 2011 and $1,616 million and $1,489 million, respectively, at December 31, 2010 ($1,321 million and $864 million, respectively, at December 31, 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 December 31, 2011, neither NEE 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 $125 million and NEE's and FPL's nuclear decommissioning fund assets of $3,742 million and $2,612 million, respectively, at December 31, 2011. The investments held in the special use funds consist of equity and debt securities which are primarily classified as available for sale and carried at estimated fair value (see Note 4). For FPL's special use funds, consistent with regulatory treatment, changes in fair value, including any other than temporary impairment losses, result in a corresponding adjustment to the related regulatory liability accounts. For NEE's non-rate regulated operations, changes in fair value result in a corresponding adjustment to OCI, except for unrealized losses associated with marketable securities considered to be other than temporary, including any credit losses, which are recognized as other than temporary impairment losses on securities held in nuclear decommissioning funds in NEE's consolidated statements of income. Debt securities included in the nuclear decommissioning funds have a weighted-average maturity at December 31, 2011 of approximately six years at both NEE and FPL. FPL's storm fund primarily consists of debt securities with a weighted-average maturity at December 31, 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:

	NEE			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2011	2010	2009	2011	2010	2009
	(millions)					
Realized gains	$ 183	$ 106	$ 108	$ 74	$ 49	$ 48
Realized losses	$ 88	$ 30	$ 30	$ 62	$ 22	$ 25
Proceeds from sale or maturity of securities	$ 4,348	$ 6,726	$ 4,592	$ 2,988	$ 5,079	$ 3,270

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

	NEE		FPL	
	December 31,		December 31,	
	2011	2010	2011	2010
	(millions)			
Equity securities	$ 546	$ 612	$ 376	$ 384
U.S. Government and municipal bonds	$ 46	$ 15	$ 43	$ 15
Corporate debt securities	$ 31	$ 23	$ 24	$ 19
Mortgage-backed securities	$ 27	$ 20	$ 24	$ 18
Other debt securities	$ 3	$ 2	$ 3	$ 1

Regulations issued by the FERC and the NRC provide general risk management guidelines to protect nuclear decommissioning funds and to allow such funds to earn a reasonable return. The FERC regulations prohibit, among other investments, investments in any securities of NEE or its subsidiaries, affiliates or associates, excluding investments tied to market indices or mutual funds. Similar restrictions applicable to the decommissioning funds for NEER's nuclear plants are included in the NRC operating licenses for those facilities or in NRC regulations applicable to NRC licensees not in cost-of-service environments. With respect to the decommissioning fund for Seabrook, decommissioning fund contributions and withdrawals are also regulated by the NDFC pursuant to New Hampshire law.

The nuclear decommissioning reserve funds are managed by investment managers who must comply with the guidelines of NEE and FPL and the rules of the applicable regulatory authorities. The funds' assets are invested giving consideration to taxes, liquidity, risk, diversification and other prudent investment objectives.

Interest Rate and Foreign Currency Swaps - NEE and its subsidiaries use a combination of fixed rate and variable rate debt to manage interest rate exposure. Interest rate swaps are used to mitigate and adjust interest rate exposure when deemed appropriate based upon market conditions or when required by financing agreements. In addition, with respect to certain debt issuances and borrowings, NEECH has two cross currency swaps to hedge against currency movements with respect to both interest and principal payments. See Note 3.

6. Income Taxes

The components of income taxes are as follows:

	NEE			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2011	2010	2009	2011	2010	2009
	(millions)					
Federal:						
Current[(a)]	$ (35)	$ 11	$ (18)	$ (64)	$ 113	$ 63
Deferred	572	434	290	622	385	342
Total federal	537	445	272	558	498	405
State:						
Current[(a)]	11	11	77	43	49	57
Deferred	(19)	76	(22)	53	33	11
Total state	(8)	87	55	96	82	68
Total income taxes	$ 529	$ 532	$ 327	$ 654	$ 580	$ 473

(a) Includes provision for unrecognized tax benefits.

A reconciliation between the effective income tax rates and the applicable statutory rates is as follows:

	NEE			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2011	2010	2009	2011	2010	2009
Statutory federal income tax rate	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Increases (reductions) resulting from:						
State income taxes - net of federal income tax benefit	(0.2)	2.4	1.9	3.6	3.5	3.4
PTCs and ITCs - NEER	(11.1)	(12.2)	(13.1)	—	—	—
Convertible ITCs - NEER	(0.1)	(2.5)	(4.3)	—	—	—
Other - net	(2.0)	(1.3)	(2.6)	(0.6)	(0.5)	(2.1)
Effective income tax rate	21.6%	21.4%	16.9%	38.0%	38.0%	36.3%

The income tax effects of temporary differences giving rise to consolidated deferred income tax liabilities and assets are as follows:

	NEE		FPL	
	December 31,		December 31,	
	2011	2010	2011	2010
	(millions)			
Deferred tax liabilities:				
Property-related	$ 8,727	$ 7,795	$ 5,260	$ 4,532
Pension	394	485	420	399
Storm reserve deficiency	235	258	235	258
Nuclear decommissioning trusts	117	146	—	—
Net unrealized gains on derivatives	209	226	—	—
Deferred fuel costs	40	101	40	101
Other	573	638	151	187
Total deferred tax liabilities	10,295	9,649	6,106	5,477
Deferred tax assets and valuation allowance:				
Decommissioning reserves	406	393	336	323
Postretirement benefits	170	175	118	130
Net operating loss carryforwards	557	663	—	—
Tax credit carryforwards	2,111	1,819	—	—
ARO and accrued asset removal costs	884	895	788	802
Other	830	790	261	309
Valuation allowance[a]	(228)	(246)	—	—
Net deferred tax assets	4,730	4,489	1,503	1,564
Net accumulated deferred income taxes	$ 5,565	$ 5,160	$ 4,603	$ 3,913

(a) Amount relates to deferred state tax credits and state operating loss carryforwards.

Deferred tax assets and liabilities are included on the consolidated balance sheets as follows:

	NEE		FPL	
	December 31,		December 31,	
	2011	2010	2011	2010
	(millions)			
Other current assets	$ 10	$ 17	$ —	$ —
Other assets	153	106	—	—
Other current liabilities	(47)	(174)	(10)	(78)
Accumulated deferred income taxes	(5,681)	(5,109)	(4,593)	(3,835)
Net accumulated deferred income taxes	$ (5,565)	$ (5,160)	$ (4,603)	$ (3,913)

The components of NEE's deferred tax assets relating to net operating loss carryforwards and tax credit carryforwards at December 31, 2011 are as follows:

	Amount	Expiration Dates
	(millions)	
Net operating loss carryforwards:		
Federal	$ 433	2026-2031
State	110	2014-2031
Foreign	14	2021-2031
Net operating loss carryforwards	$ 557	
Tax credit carryforwards:		
Federal	$ 1,813	2022-2031
State	298	2012-2035
Net tax credit carryforwards	$ 2,111	

Unrecognized Tax Benefits - The majority of the liabilities for unrecognized tax benefits represent tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. A disallowance of the shorter deductibility period for these tax positions would not affect the annual effective income tax rate. Amounts included in the liabilities for unrecognized tax benefits at December 31, 2011, 2010 and 2009 at NEE and FPL that, if disallowed, could impact the annual effective income tax rate were not significant.

At December 31, 2010 and 2009, NEE's liabilities for unrecognized tax benefits totaled $264 million and $279 million ($215 million and $247 million for FPL), respectively. During 2011, NEE settled the majority of the uncertainties giving rise to the unrecognized tax benefits with the Internal Revenue Service (IRS). As part of the settlement, NEE received a cash refund of approximately $278 million, including interest of approximately $131 million, related to the 1988 through 2005 tax years and finalized the examination of the 2006 through 2008 tax years (collectively, IRS settlement). The IRS settlement primarily related to the timing of certain NEE and FPL deductions for repairs, casualty losses and indirect service costs. At December 31, 2011, NEE's and FPL's liabilities for unrecognized tax benefits were not material.

NEE and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various states, the most significant of which is Florida, and certain foreign jurisdictions. With the exception of a few states, NEE and FPL are effectively no longer subject to U.S. federal, state and foreign examinations by taxing authorities for years before 2009. Income tax returns for 2009 and 2010 are under examination by the IRS. The amounts of unrecognized tax benefits and related interest accruals may change within the next 12 months; however, NEE and FPL do not expect these changes to have a significant impact on NEE's or FPL's financial statements.

7. Comprehensive Income

The components of NEE's comprehensive income and accumulated other comprehensive income (loss) are as follows:

	Net Income	Accumulated Other Comprehensive Income (Loss): Net Unrealized Gains (Losses) On Cash Flow Hedges	Accumulated Other Comprehensive Income (Loss): Other	Accumulated Other Comprehensive Income (Loss): Total	Comprehensive Income
			(millions)		
Balances, December 31, 2008		$ 5	$ (18)	$ (13)	
Net income of NEE	$ 1,615				$ 1,615
Net unrealized gains (losses) on cash flow hedges:					
Effective portion of net unrealized gains (net of $90 tax expense)		137	—	137	137
Reclassification from AOCI to net income (net of $50 tax benefit)[a]		(75)	—	(75)	(75)
Net unrealized gains (losses) on available for sale securities:					
Net unrealized gains on securities still held (net of $77 tax expense)		—	119	119	119
Reclassification from AOCI to net income (net of $17 tax benefit)		—	(27)	(27)	(27)
Adjustments between AOCI and retained earnings		—	(5)	(5)	—
Defined benefit pension and other benefits plans (net of $14 tax expense)		—	22	22	22
Net unrealized gains on foreign currency translation (net of $5 tax expense)		—	11	11	11
Balances, December 31, 2009		67	102	169	$ 1,802
Net income of NEE	$ 1,957				$ 1,957
Net unrealized gains (losses) on cash flow hedges:					
Effective portion of net unrealized losses (net of $3 tax benefit)		(5)	—	(5)	(5)
Reclassification from AOCI to net income (net of $35 tax benefit)		(38)	—	(38)	(38)
Net unrealized gains (losses) on available for sale securities:					
Net unrealized gains on securities still held (net of $41 tax expense)		—	60	60	60
Reclassification from AOCI to net income (net of $16 tax benefit)		—	(21)	(21)	(21)
Defined benefit pension and other benefits plans (net of $1 tax expense)		—	2	2	2
Net unrealized losses on foreign currency translation		—	(1)	(1)	(1)
Balances, December 31, 2010		24	142	166	$ 1,954
Net income of NEE	$ 1,923				$ 1,923
Net unrealized gains (losses) on cash flow hedges:					
Effective portion of net unrealized losses (net of $135 tax benefit)		(265)	—	(265)	(265)
Reclassification from AOCI to net income (net of $18 tax expense)		37	—	37	37
Net unrealized gains (losses) on available for sale securities:					
Net unrealized gain on securities still held (net of $13 tax expense)		—	19	19	19
Reclassification from AOCI to net income (net of $34 tax benefit)		—	(49)	(49)	(49)
Defined benefit pension and other benefits plans (net of $32 tax benefit)		—	(45)	(45)	(45)
Net unrealized losses on foreign currency translation (net of $3 tax benefit)		—	(5)	(5)	(5)
Other comprehensive loss related to equity method investee (net of $8 tax benefit)		—	(12)	(12)	(12)
Balances, December 31, 2011		$ (204)[b]	$ 50	$ (154)	$ 1,603

(a) Includes amounts reclassified into earnings due to discontinuance of cash flow hedges of approximately $3 million (net of $2 million tax benefit) for which the hedged transactions are no longer probable of occurring.

(b) Approximately $13 million of losses, related to derivative instruments, is expected to be reclassified into earnings within the next 12 months as either the principal and/or interest payments are made or electricity is sold. Such amount assumes no change in power prices, interest rates or scheduled principal payments.

8. Jointly-Owned Electric Plants

Certain NEE subsidiaries own undivided interests in the jointly-owned facilities described below, and are entitled to a proportionate share of the output from those facilities. The subsidiaries are responsible for their share of the operating costs, as well as providing their own financing. Accordingly, each subsidiary includes its proportionate share of the facilities and related revenues and expenses in the appropriate balance sheet and statement of income captions. NEE's and FPL's respective shares of direct expenses for these facilities are included in fuel, purchased power and interchange, O&M, depreciation and amortization and taxes other than income taxes and other in NEE's and FPL's consolidated statements of income.

NEE's and FPL's proportionate ownership interest in jointly-owned facilities is as follows:

	December 31, 2011			
	Ownership Interest	Gross Investment[a]	Accumulated Depreciation[a]	Construction Work in Progress
		(millions)		
FPL:				
St. Lucie Unit No. 2	85%	$ 1,424	$ 550	$ 138
St. Johns River Power Park units and coal terminal	20%	$ 389	$ 157	$ 6
Scherer Unit No. 4	76%	$ 720	$ 232	$ 323
NEER:				
Duane Arnold	70%	$ 330	$ 76	$ 50
Seabrook	88.23%	$ 884	$ 145	$ 75
Wyman Station Unit No. 4	84.35%	$ 105	$ 41	$ 1
Corporate and Other:				
Transmission substation assets located in Seabrook, New Hampshire	88.23%	$ 60	$ 12	$ 2

(a) Excludes nuclear fuel.

9. Variable Interest Entities

As of December 31, 2011, NEE has eight VIEs which it consolidates and has interests in certain other VIEs which it does not consolidate.

FPL - FPL is considered the primary beneficiary of, and therefore consolidates, a VIE that is a wholly-owned bankruptcy remote special purpose subsidiary that it formed in 2007 for the sole purpose of issuing storm-recovery bonds pursuant to the securitization provisions of the Florida Statutes and a financing order of the FPSC. FPL is considered the primary beneficiary because FPL has the power to direct the significant activities of the VIE, and its equity investment, which is subordinate to the bondholder's interest in the VIE, is at risk. Storm restoration costs incurred by FPL during 2005 and 2004 exceeded the amount in FPL's funded storm and property insurance reserve, resulting in a storm reserve deficiency. In 2007, the VIE issued $652 million aggregate principal amount of senior secured bonds (storm-recovery bonds), primarily for the after-tax equivalent of the total of FPL's unrecovered balance of the 2004 storm restoration costs, the 2005 storm restoration costs and 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 $406 million and $444 million at December 31, 2011 and December 31, 2010, respectively, and consisted primarily of storm-recovery property, which are included in securitized storm-recovery costs on NEE's and FPL's consolidated balance sheets. The liabilities of the VIE were approximately $496 million and $542 million at December 31, 2011 and December 31, 2010, respectively, and consisted primarily of storm-recovery bonds, which are included in long-term debt on NEE's and FPL's 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 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 years ended December 31, 2011, 2010 and 2009, FPL purchased 1,188,649 mwh, 1,502,234 mwh and 1,604,735 mwh, respectively, from the facility at a total cost of approximately $189 million, $184 million and $173 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.

NEER - NEE consolidates seven NEER VIEs. NEER is considered the primary beneficiary of these VIEs since NEER controls the most significant activities of these VIEs, including operations and maintenance, and through its 100% equity ownership has the obligation to absorb expected losses of these VIEs.

An NEER VIE consolidates two entities which own and operate natural gas/oil electric generating facilities with the capability of producing 110 mw. This VIE sells its electric output under power sales contracts to a third party, with expiration dates in 2018 and 2020. The power sales contracts provide the offtaker the ability to dispatch the facilities and require the offtaker to absorb the cost of fuel. This VIE uses third party debt and equity to finance its operations. The debt is secured by liens against the generating facilities and the other assets of these entities. The debt holders have no recourse to the general credit of NEER. The assets and liabilities of the VIE were approximately $105 million and $82 million, respectively, at December 31, 2011 and $99 million and $82 million, respectively, at December 31, 2010, and consisted primarily of property, plant and equipment and long-term debt. In November 2011, NEER sold its ownership interest in certain natural gas-fired generating plants (see Note 4), of which two were VIEs with the capability of producing a total of 1,175 mw. At December 31, 2010, the assets and liabilities of these two VIEs totaled approximately $730 million and $373 million, respectively, and consisted primarily of property, plant and equipment and long-term debt.

The other six NEER VIEs consolidate several entities which own and operate wind electric generating facilities with the capability of producing a total of 1,916 mw. These VIEs sell their electric output under power sales contracts to third parties with expiration dates ranging from 2018 through 2037. The VIEs use third-party debt and/or equity to finance their operations. Certain investors that hold no equity interest in the VIEs hold differential membership interests, which give them the right to receive a portion of the economic attributes of the generating facilities, including certain tax attributes. The debt is secured by liens against the generating facilities and the other assets of these entities. The debt holders have no recourse to the general credit of NEER. The assets and liabilities of these VIEs totaled approximately $3.2 billion and $2.6 billion, respectively, at December 31, 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 December 31, 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 December 31, 2011 and December 31, 2010, several NEE subsidiaries have investments totaling approximately $668 million ($526 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 in special use funds and other investments on NEE's consolidated balance sheets and in special use funds on FPL's consolidated balance sheets. As of December 31, 2011, NEE subsidiaries are not the primary beneficiary and therefore do not consolidate any of these entities because they do not control any of the ongoing activities of these entities, were not involved in the initial design of these entities and do not have a controlling financial interest in these entities. Prior to December 31, 2011, NEE consolidated one of these entities; however, NEE is no longer the primary beneficiary of this entity and therefore no longer consolidates this entity. Upon deconsolidation, NEE's investment in this entity is accounted for under the equity method. NEE did not recognize any gain or loss and there was no significant effect on NEE's consolidated balance sheets as a result of the deconsolidation.

10. Investments in Partnerships and Joint Ventures

NEER - NEER has non-controlling non-majority owned interests in various partnerships and joint ventures, essentially all of which own electric generating facilities. At December 31, 2011 and 2010, NEER's investments in partnerships and joint ventures totaled approximately $193 million and $217 million, respectively, which is included in other investments on NEE's consolidated balance sheets. NEER's interest in these partnerships and joint ventures range from approximately 5.5% to 50%. At December 31, 2011, the principal operating entities included in NEER's investments in partnerships and joint ventures were Northeast Energy, LP, Desert Sunlight Investment Holdings, LLC, Mojave 3/4/5 LLC, Luz Solar Partners Ltd., III, Luz Solar Partners Ltd., V and in 2010 also included Luz Solar Partners Ltd., IV.

Summarized combined information for these principal operating entities is as follows:

	2011	2010
	(millions)	
Net income	$ 72	$ 81
Total assets	$ 873	$ 660
Total liabilities	$ 508	$ 210
Partners'/members' equity	$ 365	$ 450
NEER's share of underlying equity in the principal operating entities	$ 182	$ 223
Difference between investment carrying amount and underlying equity in net assets[a]	(19)	(26)
NEER's investment carrying amount for the principal operating entities	$ 163	$ 197

(a) The majority of the difference between the investment carrying amount and the underlying equity in net assets is being amortized over the remaining life of the investee's assets.

Certain subsidiaries of NEER provide services to the partnerships and joint ventures, including operations and maintenance and business management services. NEE's operating revenues for the years ended December 31, 2011, 2010 and 2009 include approximately $26 million, $25 million and $21 million, respectively, related to such services. The net receivables at December 31, 2011 and 2010, for these services, as well as for affiliate energy commodity transactions, payroll and other payments made on behalf of these investees, were approximately $19 million and $36 million, respectively, and are included in other receivables on NEE's consolidated balance sheets.

NEE - In 2004, a trust created by NEE sold $300 million of 5 7/8% preferred trust securities to the public and $9 million of common trust securities to NEE. The trust is an unconsolidated 100%-owned finance subsidiary. The proceeds from the sale of the preferred and common trust securities were used to buy 5 7/8% junior subordinated debentures maturing in March 2044 from NEECH. NEE has fully and unconditionally guaranteed the preferred trust securities and the junior subordinated debentures.

11. Common and Preferred Stock

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

	Years Ended December 31,		
	2011	2010	2009
	(millions, except per share amounts)		
Numerator - net income	$ 1,923	$ 1,957	$ 1,615
Denominator:			
Weighted-average number of common shares outstanding - basic	416.6	410.3	404.4
Performance share awards, options, restricted stock, equity units and warrants[a]	2.4	2.7	2.8
Weighted-average number of common shares outstanding - assuming dilution	419.0	413.0	407.2
Earnings per share of common stock:			
Basic	$ 4.62	$ 4.77	$ 3.99
Assuming dilution	$ 4.59	$ 4.74	$ 3.97

(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. Options, performance share awards, restricted stock, equity units and warrants 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 14.6 million, 9.1 million and 0.8 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Common Stock Dividend Restrictions - NEE's charter does not limit the dividends that may be paid on its common stock. FPL's mortgage securing FPL's first mortgage bonds contains provisions which, under certain conditions, restrict the payment of dividends and other distributions to NEE. These restrictions do not currently limit FPL's ability to pay dividends to NEE.

Employee Stock Ownership Plan - The employee retirement savings plans of NEE include a leveraged ESOP feature. Shares of common stock held by the trust for the employee retirement savings plans (Trust) are used to provide all or a portion of the employers' matching contributions. Dividends received on all shares, along with cash contributions from the employers, are used to pay principal and interest on an ESOP loan held by a subsidiary of NEECH. Dividends on shares allocated to employee accounts and used by the Trust for debt service are replaced with shares of common stock, at prevailing market prices, in an equivalent amount. For purposes of computing basic and fully diluted earnings per share, ESOP shares that have been committed to be released are considered outstanding.

ESOP-related compensation expense was approximately $42 million, $37 million and $42 million in 2011, 2010 and 2009, respectively. The related share release was based on the fair value of shares allocated to employee accounts during the period. Interest income on the ESOP loan is eliminated in consolidation. ESOP-related unearned compensation included as a reduction of common shareholders' equity at December 31, 2011 was approximately $53 million, representing unallocated shares at the original issue price. The fair value of the ESOP-related unearned compensation account using the closing price of NEE common stock at December 31, 2011 was approximately $224 million.

Stock-Based Compensation - Net income for the years ended December 31, 2011, 2010 and 2009 includes approximately $49 million, $57 million and $51 million, respectively, of compensation costs and $19 million, $22 million and $20 million, respectively, of income tax benefits related to stock-based compensation arrangements. Compensation cost capitalized for the years ended December 31, 2011, 2010 and 2009 was not material. As of December 31, 2011, there were approximately $58 million of unrecognized compensation costs related to nonvested/nonexercisable stock-based compensation arrangements. These costs are expected to be recognized over a weighted-average period of 1.8 years.

At December 31, 2011, approximately 23 million shares of common stock were authorized for awards to officers, employees and non-employee directors of NEE and its subsidiaries under NEE's: (a) 2011 Long Term Incentive Plan, (b) 2007 Non-Employee Directors Stock Plan and (c) earlier equity compensation plans under which shares are reserved for issuance under existing grants, but no additional shares are available for grant under the earlier plans. NEE satisfies restricted stock and performance share awards by issuing new shares of its common stock or by purchasing shares of its common stock in the open market. NEE satisfies stock option exercises by issuing new shares of its common stock. NEE generally grants most of its stock-based compensation awards in the first quarter of each year.

Restricted Stock and Performance Share Awards - Restricted stock typically vests within three years after the date of grant and is subject to, among other things, restrictions on transferability prior to vesting. The fair value of restricted stock is measured based upon the closing market price of NEE common stock as of the date of grant. Performance share awards are typically payable at the end of a three-year performance period if the specified performance criteria are met. The fair value of performance share awards is estimated based upon the closing market price of NEE common stock as of the date of grant less the present value of expected dividends, multiplied by an estimated performance multiple which is subsequently trued up based on actual performance.

The activity in restricted stock and performance share awards for the year ended December 31, 2011 was as follows:

	Shares	Weighted-Average Grant Date Fair Value Per Share
Restricted Stock:		
Nonvested balance, January 1, 2011	1,154,590	$ 50.40
Granted	452,488	$ 54.77
Vested	(521,882)	$ 53.22
Forfeited	(52,908)	$ 51.34
Nonvested balance, December 31, 2011	1,032,288	$ 50.84
Performance Share Awards:		
Nonvested balance, January 1, 2011	1,318,398	$ 45.96
Granted	566,386	$ 50.13
Vested	(448,416)	$ 58.42
Forfeited	(85,294)	$ 43.34
Nonvested balance, December 31, 2011	1,351,074	$ 43.72

The weighted-average grant date fair value per share of restricted stock granted for the years ended December 31, 2010 and 2009 was $46.72 and $51.50 respectively. The weighted-average grant date fair value per share of performance share awards granted for the years ended December 31, 2010 and 2009 was $42.95 and $42.66, respectively.

The total fair value of restricted stock and performance share awards vested was $53 million, $47 million and $46 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Options - Options typically vest within three years after the date of grant and have a maximum term of ten years. The exercise price of each option granted equals the closing market price of NEE common stock on the date of grant. The fair value of the options is estimated on the date of the grant using the Black-Scholes option-pricing model and based on the following assumptions:

	2011	2010	2009
Expected volatility[(a)]	21.54%	20.74 - 21.64%	19.02 - 20.23%
Expected dividends	4.03%	3.61 - 4.39%	3.35 - 3.71%
Expected term (years)[(b)]	6	6	6
Risk-free rate	2.80%	1.65 - 2.91%	2.68 - 2.97%

(a) Based on historical experience.
(b) Based on historical exercise and post-vesting cancellation experience adjusted for outstanding awards.

Option activity for the year ended December 31, 2011 was as follows:

	Shares Underlying Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (millions)
Balance, January 1, 2011	5,036,652	$ 38.69		
Granted	536,302	$ 54.59		
Exercised	(1,065,939)	$ 29.14		
Forfeited	(102,451)	$ 50.49		
Expired	(18,699)	$ 47.42		
Balance, December 31, 2011	4,385,865	$ 42.64	4.7	$ 81
Exercisable, December 31, 2011	3,348,329	$ 40.15	3.6	$ 71

The weighted-average grant date fair value of options granted was $7.78, $6.22 and $6.79 per share for the years ended December 31, 2011, 2010 and 2009, respectively. The total intrinsic value of stock options exercised was approximately $29 million, $32 million and $9 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Cash received from option exercises was approximately $31 million, $41 million and $10 million for the years ended December 31, 2011, 2010 and 2009, respectively. The tax benefits realized from options exercised were approximately $11 million, $12 million and $3 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Accelerated Share Repurchase (ASR) of NEE Common Stock - In December 2011, NEE purchased approximately 6.7 million shares of its common stock at a price of $55.76 per share for an aggregate price of $375 million pursuant to an ASR agreement. The approximately 6.7 million shares repurchased were retired, which resulted in a decrease in common stock and additional paid-in capital on NEE's consolidated balance sheet. On February 24, 2012, NEE elected to settle the ASR agreement in cash, which settlement is expected to be complete within three business days of such date; the settlement amount is not expected to be material.

Continuous Offering of NEE Common Stock - In December 2010, NEE completed the program it commenced in January 2009 under which it offered and sold, from time to time, NEE common stock having a gross sales price of up to $400 million. During 2010 and 2009, NEE received gross proceeds through the sale and issuance of common stock under this program of approximately $240 million and $160 million, respectively.

Preferred Stock - NEE's charter authorizes the issuance of 100 million shares of serial preferred stock, $0.01 par value, none of which are outstanding. FPL's charter authorizes the issuance of 10,414,100 shares of preferred stock, $100 par value; 5 million shares of subordinated preferred stock, no par value and 5 million shares of preferred stock, no par value, none of which are outstanding.

12. Debt

Long-term debt consists of the following:

	December 31,	
	2011	2010
	(millions)	
FPL:		
First mortgage bonds - maturing 2013 through 2042 - 4.125% to 6.20%	$ 6,390	$ 5,540
Storm-recovery bonds - maturing 2013 through 2021 - 5.0440% to 5.2555%[a]	487	531
Pollution control, solid waste disposal and industrial development revenue bonds - maturing 2020 through 2029 - variable, 0.1% and 0.3% weighted-average interest rates, respectively[b]	633	633
Other long-term debt - maturing 2012 through 2040 - 4.000% to 5.250%	57	57
Unamortized discount	(34)	(34)
Total long-term debt of FPL	7,533	6,727
Less current maturities of long-term debt	50	45
Long-term debt of FPL, excluding current maturities	7,483	6,682
NEECH:		
Debentures - maturing 2013 through 2021 - 2.55% to 7 7/8%[c]	2,300	2,500
Debentures - maturing 2012 - variable, 0.77% and 1.0% weighted-average interest rate, respectively[d]	200	450
Debentures, related to NEE's equity units - maturing 2014 and 2015 - 3.60% and 1.90%	753	753
Junior Subordinated Debentures - maturing 2044 through 2069 - 5 7/8% to 8.75%	2,353	2,353
Senior secured bonds - maturing 2030 - 7.500%[e]	500	500
Japanese yen denominated senior notes - maturing 2030 - 5.1325%[c]	130	123
Japanese yen denominated term loans - maturing 2014 and 2011 - variable, 1.9% and 2.2% weighted-average interest rate, respectively[c][d]	442	327
Term loans - maturing 2012 through 2016 - primarily variable, 1.39% and 1.2% weighted-average interest rate, respectively[c]	1,533	950
Fair value swap	32	3
Unamortized discount	(6)	(8)
Total long-term debt of NEECH	8,237	7,951
Less current maturities of long-term debt	350	1,485
Long-term debt of NEECH, excluding current maturities	7,887	6,466
NEER:		
Senior secured limited-recourse bonds and notes - maturing 2013 through 2038 - 4.125% to 7.59%	3,147	2,652
Other long-term debt - maturing 2012 through 2030 - primarily limited-recourse and variable, 2.6% weighted-average interest rate[c][d]	2,529	2,521
Canadian revolving credit facility - maturing 2013 - variable, 1.3% weighted-average interest rate[d]	172	82
Total long-term debt of NEER	5,848	5,255
Less current maturities of long-term debt	408	390
Long-term debt of NEER, excluding current maturities	5,440	4,865
Total long-term debt	$ 20,810	$ 18,013

(a) *Principal on the storm-recovery bonds is due on the final maturity date (the date by which the principal must be repaid to prevent a default) for each tranche,* however, it began being paid semiannually and sequentially on February 1, 2008, when the first semiannual interest payment became due.
(b) Tax exempt bonds that permit individual bond holders to tender the bonds for purchase at any time prior to maturity. In the event bonds are tendered for purchase, they would be remarketed by a designated remarketing agent in accordance with the related indenture. If the remarketing is unsuccessful, FPL would be required to purchase the tax exempt bonds. As of December 31, 2011, all tax exempt bonds tendered for purchase have been successfully remarketed. FPL's bank revolving lines of credit are available to support the purchase of tax exempt bonds.
(c) Interest rate swap agreements have been entered into for the majority of these debt issuances.
(d) Variable rate is based on an underlying index plus a margin.
(e) Issued by a wholly-owned subsidiary of NEECH and collateralized by a third-party note receivable held by that subsidiary. See Note 5.

Minimum annual maturities of long-term debt for NEE are approximately $808 million, $2,435 million, $1,974 million, $1,837 million and $695 million for 2012, 2013, 2014, 2015 and 2016, respectively. The respective amounts for FPL are approximately $50 million, $453 million, $56 million, $60 million and $64 million.

At December 31, 2011 and 2010, commercial paper borrowings had a weighted-average interest rate of 0.48% (0.26% for FPL) and 0.39% (0.26% for FPL), respectively. Available lines of credit aggregated approximately $7.4 billion ($4.4 billion for NEECH and $3.0 billion for FPL) at December 31, 2011 and were available to support NEECH's and FPL's commercial paper programs. These facilities provide for the issuance of letters of credit of up to approximately $6.4 billion. The issuance of letters of credit is subject to the aggregate commitment under the applicable facility. While no direct borrowings were outstanding at

December 31, 2011, letters of credit totaling $1,238 million and $34 million were outstanding under the NEECH and FPL credit facilities, respectively. On February 9, 2012, NEECH and FPL refinanced a portion of their credit facilities and reduced the amount of letters of credit that could be issued under the facilities from 100% to 50% of the facility amount.

NEE has guaranteed certain payment obligations of NEECH, including most of those under NEECH's debt, including all of its debentures and commercial paper issuances, as well as most of its guarantees. NEECH has guaranteed certain debt and other obligations of NEER and its subsidiaries.

In 2008, FPL entered into a reclaimed water agreement with Palm Beach County, Florida (PBC) to provide FPL's WCEC with reclaimed water for cooling purposes beginning in January 2011. Under the reclaimed water agreement, FPL constructed a reclaimed water system, including modifications to an existing treatment plant and a water pipeline, that PBC legally owns and operates. The reclaimed water agreement also required PBC to issue bonds for the purpose of paying the costs associated with the construction of the reclaimed water system. In 2009, PBC issued approximately $68 million principal amount of Palm Beach County, Florida Water and Sewer Revenue Bonds. Under the reclaimed water agreement, FPL will pay PBC an operating fee for the reclaimed water delivered which will be used by PBC to, among other things, service the principal of, and interest on, the bonds. The portion of the operating fee related to PBC's servicing principal of, and interest on, the bonds will be paid by FPL, beginning October 2011, until final maturity of the bonds. FPL does not have a direct obligation to the bondholders; however, if FPL or PBC were to terminate the reclaimed water agreement, FPL would be obligated to continue to pay the portion of the operating fee intended to reimburse PBC for costs related to issuance of the bonds, including amounts to be used by PBC to service the principal of, and interest on, the bonds. In the event of a default by PBC under the reclaimed water agreement, FPL would have certain rights, including, among other things, the right to appoint a third-party contractor to repair, and restore operations of, the reclaimed water treatment plant, and, in the event of a termination of the reclaimed water agreement by FPL relating to a PBC default, the right to assume ownership of the reclaimed water pipeline from PBC. For financial reporting purposes, FPL is considered the owner of the reclaimed water system and FPL and NEE have recorded electric utility plant in service and other property and long-term debt (see FPL's other long-term debt in the table above) as costs were reimbursed by PBC to FPL.

In 2009, NEE sold $350 million of equity units (initially consisting of Corporate Units). Each equity unit has a stated amount of $50 and consists of a contract to purchase NEE common stock (stock purchase contract) and, initially, a 1/20, or 5%, undivided beneficial ownership interest in a Series C Debenture due June 1, 2014 issued in the principal amount of $1,000 by NEECH (see table above). Each stock purchase contract requires the holder to purchase by no later than June 1, 2012 (the final settlement date) for a price of $50 in cash, a number of shares of NEE common stock (subject to antidilution adjustments) based on a price per share range of $55.67 to $66.80. If purchased on the final settlement date, as of December 31, 2011, the number of shares issued would (subject to antidilution adjustments) range from 0.9051 shares if the applicable market value of a share of common stock is less than or equal to $55.67, to 0.7544 shares if the applicable market value of a share is equal to or greater than $66.80, with applicable market value to be determined using the average closing prices of NEE common stock over a 20-day trading period ending May 29, 2012. Total annual distributions on the equity units will be at the rate of 8.375%, consisting of interest on the debentures (3.60% per year) and payments under the stock purchase contracts (4.775% per year). The interest rate on the debentures is expected to be reset no later than May 2012. The holder of an equity unit may satisfy its purchase obligation with proceeds raised from remarketing the NEECH debentures that are part of its equity unit. The undivided beneficial ownership interest in the NEECH debenture that is a component of each Corporate Unit is pledged to NEE to secure the holder's obligation to purchase NEE common stock under the related stock purchase contract. If a successful remarketing does not occur on or before the third business day prior to the final settlement date, and a holder has not notified NEE of its intention to settle the stock purchase contract with cash, NEE would exercise its rights as a secured party in the debentures to satisfy in full the holders' obligations to purchase NEE common stock under the related stock purchase contracts on the final settlement date. The debentures are fully and unconditionally guaranteed by NEE.

In 2010, NEE sold $402.5 million of equity units (initially consisting of Corporate Units). Each equity unit has a stated amount of $50 and consists of a contract to purchase NEE common stock (stock purchase contract) and, initially, a 1/20, or 5%, undivided beneficial ownership interest in a Series D Debenture due September 1, 2015 issued in the principal amount of $1,000 by NEECH (see table above). Each stock purchase contract requires the holder to purchase by no later than September 1, 2013 (the final settlement date) for a price of $50 in cash, a number of shares of NEE common stock (subject to antidilution adjustments) based on a price per share range of $55.02 to $68.78. If purchased on the final settlement date, as of December 31, 2011, the number of shares issued would (subject to antidilution adjustments) range from 0.9121 shares if the applicable market value of a share of common stock is less than or equal to $55.02, to 0.7296 shares if the applicable market value of a share is equal to or greater than $68.78, with applicable market value to be determined using the average closing prices of NEE common stock over a 20-day trading period ending August 28, 2013. Total annual distributions on the equity units will be at the rate of 7.00%, consisting of interest on the debentures (1.90% per year) and payments under the stock purchase contracts (5.10% per year). The interest rate on the debentures is expected to be reset on or after March 1, 2013. The holder of an equity unit may satisfy its purchase obligation with proceeds raised from remarketing the NEECH debentures that are part of its equity unit. The undivided beneficial ownership interest in the NEECH debenture that is a component of each Corporate Unit is pledged to NEE to secure the holder's obligation to purchase NEE common stock under the related stock purchase contract. If a successful remarketing does not occur on or before the third business day prior to the final settlement date, and a holder has not notified NEE of its intention to settle the stock purchase contract with cash, NEE would exercise its rights as a secured party in the debentures to satisfy in full the holders' obligations to purchase

NEE common stock under the related stock purchase contracts on the final settlement date. The debentures are fully and unconditionally guaranteed by NEE.

Prior to the issuance of NEE's common stock, the stock purchase contracts will be reflected in NEE's diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of NEE common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares that would be issued upon settlement of the stock purchase contracts over the number of shares that could be purchased by NEE in the market, at the average market price during the period, using the proceeds receivable upon settlement.

13. Asset Retirement Obligations

FPL's ARO relates primarily to the nuclear decommissioning obligation of its nuclear units. FPL's AROs other than nuclear decommissioning are not significant. The accounting provisions result in timing differences in the recognition of legal asset retirement costs for financial reporting purposes and the method the FPSC allows FPL to recover in rates. NEER's ARO relates primarily to the nuclear decommissioning obligation of its nuclear plants and obligations for the dismantlement of its wind facilities located on leased property. See Note 1 - Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs.

A rollforward of NEE's and FPL's ARO is as follows:

	FPL	NEER	NEE
		(millions)	
Balances, December 31, 2009	$ 1,833	$ 585	$ 2,418
Liabilities incurred	—	3	3
Accretion expense	101	36	137
Liabilities settled	—	(1)	(1)
Revision in estimated cash flows - net	(851) [a]	(67) [b]	(918)
Balances, December 31, 2010	1,083	556	1,639
Liabilities incurred	3	3	6
Accretion expense	58	31	89
Revision in estimated cash flows - net	—	(123) [c]	(123)
Balances, December 31, 2011	$ 1,144	$ 467	$ 1,611

(a) Primarily reflects the effect of a decrease in the escalation rates used to determine the ultimate projected costs of decommissioning FPL's nuclear units and lower costs due to the expected future reimbursement by the DOE of certain spent fuel storage costs as stipulated by a spent fuel settlement agreement.
(b) Primarily reflects the effect of revised probability assessments regarding when assets will be retired and ultimately decommissioned and lower costs due to the expected future reimbursement by the DOE of certain spent fuel storage costs as stipulated by a spent fuel settlement agreement.
(c) Primarily reflects the effect of revised cost estimates and probability assessments regarding when assets will be decommissioned.

Restricted funds for the payment of future expenditures to decommission NEE's and FPL's nuclear units included in special use funds on NEE's and FPL's consolidated balance sheets are as follows (see Note 5):

	FPL	NEER	NEE
		(millions)	
Balances, December 31, 2011	$ 2,612	$ 1,130	$ 3,742
Balances, December 31, 2010	$ 2,512	$ 1,105	$ 3,617

NEE and FPL have identified but not recognized ARO liabilities related to electric transmission and distribution and telecommunications assets resulting from easements over property not owned by NEE or FPL. In addition, NEE has identified but not recognized ARO liabilities related to the majority of NEER's hydro facilities. These easements are generally perpetual and, along with the hydro facilities, only require retirement action upon abandonment or cessation of use of the property or facility for its specified purpose. The ARO liability is not estimable for such easements and hydro facilities as NEE and FPL intend to use these properties and facilities indefinitely. In the event NEE and FPL decide to abandon or cease the use of a particular easement and/or hydro facility, an ARO liability would be recorded at that time.

14. Commitments and Contingencies

Commitments - NEE and its subsidiaries have made commitments in connection with a portion of their projected capital expenditures. Capital expenditures at FPL include, among other things, the cost for construction or acquisition of additional facilities and equipment to meet customer demand, as well as capital improvements to and maintenance of existing facilities and the procurement of nuclear fuel. At NEER, capital expenditures include, among other things, the cost, including capitalized interest, for construction of wind and solar projects and the procurement of nuclear fuel. Capital expenditures for Corporate and Other primarily include the cost for construction of a transmission line and other associated facilities by Lone Star Transmission, LLC (Lone Star), a rate-regulated transmission service 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 December 31, 2011, estimated planned capital expenditures for 2012 through 2016 were as follows:

	2012	2013	2014	2015	2016	Total
			(millions)			
FPL:						
Generation:[a]						
New[b][c]	$ 1,780	$ 625	$ 85	$ —	$ —	$ 2,490
Existing	730	660	660	525	430	3,005
Transmission and distribution	830	705	690	660	705	3,590
Nuclear fuel	205	125	205	250	250	1,035
General and other	130	190	120	80	85	605
Total	$ 3,675	$ 2,305	$ 1,760	$ 1,515	$ 1,470	$ 10,725
NEER:						
Wind[d]	$ 1,490	$ 30	$ 20	$ 5	$ 5	$ 1,550
Solar[e]	1,435	715	145	45	—	2,340
Nuclear[f]	310	255	265	280	275	1,385
Other[g]	175	80	95	100	65	515
Total	$ 3,410	$ 1,080	$ 525	$ 430	$ 345	$ 5,790
Corporate and Other[h]	$ 530	$ 85	$ 85	$ 75	$ 75	$ 850

(a) Includes AFUDC of approximately $70 million, $87 million and $33 million in 2012 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 $109 million, $40 million and $2 million in 2012 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. NEER plans to add new wind generation of approximately 1,150 mw to 1,500 mw in 2012, at a total cost of approximately $2 billion to $3 billion.
(e) Consists of capital expenditures for planned new solar projects totaling 665 mw that have received applicable internal approvals and related transmission, including equity contributions associated with an equity method investment in a 550 mw solar project. Excludes solar projects requiring internal approvals with generation totaling 270 mw with an estimated cost of approximately $1 billion.
(f) Includes nuclear fuel.
(g) Consists of capital expenditures that have received applicable internal approvals. NEER 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 related to Lone Star of approximately $41 million and $14 million in 2012 and 2013, respectively.

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

At December 31, 2011, subsidiaries of NEE, other than FPL, in the normal course of business, have guaranteed certain debt service and fuel payments of non-consolidated entities. 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 December 31, 2011 was approximately $50 million. At December 31, 2011, NEE did not have any liabilities recorded for these guarantees. In certain instances, NEE can seek recourse from third parties for amounts paid under the guarantees. At December 31, 2011, the fair value of the guarantees was not material. In addition to the guarantees relating to non-consolidated entities, NEE has guaranteed certain payment obligations of NEECH, including most payment obligations under NEECH's 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 705 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2024 through 2034. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. FPL has one agreement with an electricity supplier to purchase approximately 155 mw of power with an expiration date of May 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.

NEER 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 March 2012 through 2031, approximately $2.6 billion of which is included in the estimated planned capital expenditures table in Commitments above. In addition, NEER has contracts primarily for the purchase, transportation and storage of natural gas and firm transmission service with expiration dates ranging from March 2012 through 2033.

The transmission business included in Corporate and Other has entered into contracts primarily for development and construction activities relating to Lone Star's transmission line and other associated facilities, 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 December 31, 2011 were estimated as follows:

	2012	2013	2014	2015	2016	Thereafter
			(millions)			
FPL:						
Capacity charges:[a]						
Qualifying facilities	$ 295	$ 270	$ 275	$ 280	$ 240	$ 2,395
JEA and Southern subsidiaries	$ 225	$ 225	$ 205	$ 180	$ 55	$ 145
Other electricity suppliers	$ 5	$ —	$ —	$ —	$ —	$ —
Minimum charges, at projected prices:						
Natural gas, including transportation and storage[b]	$ 1,705	$ 925	$ 575	$ 565	$ 525	$ 6,925
Coal[b]	$ 80	$ 85	$ 30	$ 5	$ 5	$ 5
NEER[c]	$ 1,970	$ 475	$ 140	$ 110	$ 100	$ 590
Corporate and Other	$ 250	$ 15	$ —	$ —	$ —	$ —

(a) Capacity charges under these contracts, substantially all of which are recoverable through the capacity clause, totaled approximately $511 million, $537 million and $603 million for the years ended December 31, 2011, 2010 and 2009, respectively. Energy charges under these contracts, which are recoverable through the fuel clause, totaled approximately $403 million, $434 million and $439 million for the years ended December 31, 2011, 2010 and 2009, 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, NEE maintains $375 million of private liability insurance per site, which is the maximum obtainable, and participates in a secondary financial protection system, which provides up to $12.2 billion of liability insurance coverage per incident at any nuclear reactor in the United States. Under the secondary financial protection system, NEE is subject to retrospective assessments of up to $940 million ($470 million for FPL), plus any applicable taxes, per incident at any nuclear reactor in the United States, payable at a rate not to exceed $140 million ($70 million for FPL) per incident per year. NEE and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook, Duane Arnold and St. Lucie Unit No. 2, which approximates $14 million, $35 million and $18 million, plus any applicable taxes, per incident, respectively.

NEE participates in a nuclear insurance mutual company that provides $2.75 billion of limited insurance coverage per occurrence per site for property damage, decontamination and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. NEE

also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service for an extended period of time because of an accident. In the event of an accident at one of NEE's or another participating insured's nuclear plants, NEE could be assessed up to $165 million ($93 million for FPL), plus any applicable taxes, in retrospective premiums in a policy year. NEE and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook, Duane Arnold and St. Lucie Unit No. 2, which approximates $2 million, $4 million and $3 million, plus any applicable taxes, respectively.

Due to the high cost and limited coverage available from third-party insurers, NEE 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 NEE and FPL and could have a material adverse effect on NEE's and FPL's financial condition, results of operations and liquidity.

Legal Proceedings - In November 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA), brought an action in the U.S. District Court for the Northern District of Georgia against Georgia Power Company and other subsidiaries of The Southern Company for certain alleged violations of the Prevention of Significant Deterioration (PSD) provisions and the New Source Performance Standards (NSPS) of the Clean Air Act. In May 2001, the EPA amended its complaint to allege, among other things, that Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns 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, NEE, through an indirect subsidiary, purchased from Adelphia Communications Corporation (Adelphia) 1,091,524 shares of Adelphia common stock and 20,000 shares of Adelphia preferred stock (convertible into 2,358,490 shares of Adelphia common stock) for an aggregate price of approximately $35,900,000. On January 29, 1999, Adelphia repurchased all of these shares for $149,213,130 in cash. In June 2004, Adelphia, Adelphia Cablevision, L.L.C. and the Official Committee of Unsecured Creditors of Adelphia filed a complaint against NEE and its indirect subsidiary in the U.S. Bankruptcy Court, Southern District of New York. The complaint alleges that the repurchase of these shares by Adelphia was a fraudulent transfer, in that at the time of the transaction Adelphia (i) was insolvent or was rendered insolvent, (ii) did not receive reasonably equivalent value in exchange for the cash it paid, and (iii) was engaged or about to engage in a business or transaction for which any property remaining with Adelphia had unreasonably small capital. The complaint seeks the recovery for the benefit of Adelphia's bankruptcy estate of the cash paid for the repurchased shares, plus interest from January 29, 1999. NEE has filed an answer to the complaint. NEE believes that the complaint is without merit because, among other reasons, Adelphia will be unable to demonstrate that (i) Adelphia's repurchase of shares from NEE, which repurchase was at the market value for those shares, was not for reasonably equivalent value, (ii) Adelphia was insolvent at the time of the repurchase, or (iii) the repurchase left Adelphia with unreasonably small capital. The case has been scheduled for trial in April 2012.

In October 2004, TXU Portfolio Management Company (TXU) served FPL Energy Pecos Wind I, LP, FPL Energy Pecos Wind I GP, LLC, FPL Energy Pecos Wind II, LP, FPL Energy Pecos Wind II GP, LLC and Indian Mesa Wind Farm, LP (NEER Affiliates) as defendants in a civil action filed in the District Court in Dallas County, Texas. FPL Energy, LLC, now known as NextEra Energy Resources, LLC, was added as a defendant in 2005. The petition alleged that the NEER Affiliates had contractual obligations to produce and sell to TXU a minimum quantity of energy and renewable energy credits each year during the period from 2002 through 2005 and that the NEER Affiliates failed to meet this obligation. The plaintiff asserted claims for breach of contract and declaratory judgment and sought damages of approximately $34 million. Following a jury trial in 2007, among other findings, both TXU and the NEER Affiliates were found to have breached the contracts. In August 2008, the trial court issued a final judgment holding that the contracts were not terminated and neither party was entitled to recover any damages. In November 2008, TXU appealed the final judgment to the Fifth District Court of Appeals in Dallas, Texas. In an opinion issued in July 2010, the appellate court reversed portions of the trial court's judgment, ruling that the contracts' liquidated damage provision is an enforceable liquidated damage

clause. The appellate court ordered that the case be remanded back to the trial court for further proceedings to determine the amount of damages payable by the NEER Affiliates. The NEER Affiliates filed a motion for rehearing of the appellate court's decision, which motion was denied, and in April 2011 filed a petition for review of the appellate court decision with the Texas Supreme Court. In February 2012, the Texas Supreme Court granted the petition for review and will be scheduling the case for oral argument.

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

15. Segment Information

NEE's reportable segments are FPL, a rate-regulated electric utility, and NEER, a competitive energy business. NEER's segment information includes an allocation of interest expense from NEECH based on a deemed capital structure of 70% debt and allocated shared service costs. Corporate and Other represents other business activities, other segments that are not separately reportable and eliminating entries. NEE's operating revenues derived from the sale of electricity represented approximately 95%, 95% and 98% of NEE's operating revenues for the years ended December 31, 2011, 2010 and 2009. Less than 1% of operating revenues were from foreign sources for each of the three years ended December 31, 2011, 2010 and 2009. At December 31, 2011 and 2010, approximately 2% and 1%, respectively, of long-lived assets were located in foreign countries.

NEE's segment information is as follows:

	2011				2010				2009			
	FPL	NEER[a]	Corp. and Other	Total	FPL	NEER[a]	Corp. and Other	Total	FPL	NEER[a]	Corp. and Other	Total
	(millions)											
Operating revenues	$10,613	$ 4,502	$ 226	$15,341	$10,485	$ 4,636	$ 196	$15,317	$11,491	$ 3,997	$ 155	$15,643
Operating expenses[b]	$ 8,537	$ 3,233	$ 193	$11,963	$ 8,636	$ 3,286	$ 152	$12,074	$ 9,910	$ 3,024	$ 115	$13,049
Interest expense	$ 387	$ 530	$ 118	$ 1,035	$ 361	$ 515	$ 103	$ 979	$ 318	$ 460	$ 71	$ 849
Interest income	$ 3	$ 23	$ 53	$ 79	$ —	$ 21	$ 70	$ 91	$ 1	$ 23	$ 54	$ 78
Depreciation and amortization	$ 798	$ 736	$ 33	$ 1,567	$ 1,008	$ 759	$ 21	$ 1,788	$ 1,097	$ 651	$ 17	$ 1,765
Equity in earnings of equity method investees	$ —	$ 55	$ —	$ 55	$ —	$ 58	$ —	$ 58	$ —	$ 52	$ —	$ 52
Income tax expense (benefit)[c][d]	$ 654	$ (24)	$ (101)	$ 529	$ 580	$ (11)	$ (37)	$ 532	$ 473	$ (158)	$ 12	$ 327
Net income (loss)[b][e]	$ 1,068	$ 774	$ 81	$ 1,923	$ 945	$ 980	$ 32	$ 1,957	$ 831	$ 759	$ 25	$ 1,615
Capital expenditures, independent power and other investments and nuclear fuel purchases	$ 3,502	$ 2,774	$ 352	$ 6,628	$ 2,706	$ 3,072	$ 68	$ 5,846	$ 2,717	$ 3,235	$ 54	$ 6,006
Property, plant and equipment	$35,170	$ 21,482	$ 900	$57,552	$32,423	$ 21,304	$ 494	$54,221	$30,982	$ 18,844	$ 343	$50,169
Accumulated depreciation and amortization	$10,916	$ 3,914	$ 232	$15,062	$10,871	$ 4,073	$ 202	$15,146	$10,578	$ 3,341	$ 172	$14,091
Total assets	$31,816	$ 23,459	$ 1,913	$57,188	$28,698	$ 22,389	$ 1,907	$52,994	$26,812	$ 20,136	$ 1,510	$48,458
Investment in equity method investees	$ —	$ 193	$ 9	$ 202	$ —	$ 217	$ 10	$ 227	$ —	$ 173	$ 10	$ 183

(a) Interest expense allocated from NEECH to NEER is based on a deemed capital structure of 70% debt. For this purpose, the deferred credit associated with differential membership interests sold by NEER subsidiaries is included with debt. Residual non-utility interest expense is included in Corporate and Other.
(b) In 2011, NEER includes impairment charges of approximately $51 million ($31 million after-tax). See Note 4 - Nonrecurring Fair Value Measurements.
(c) NEER includes PTCs that were recognized based on its tax sharing agreement with NEE. See Note 1 - Income Taxes.
(d) In 2011, Corporate and Other includes state deferred income tax benefits of approximately $64 million, net of federal income taxes, related to state tax law changes and an income tax benefit of $41 million related to the dissolution of a subsidiary.
(e) In 2011, NEER and Corporate and Other include an after-tax loss on sale of natural gas-fired generating assets of $92 million and $6 million, respectively. See Note 4 - Nonrecurring Fair Value Measurements.

16. Summarized Financial Information of NEECH

NEECH, a 100% owned subsidiary of NEE, provides funding for, and holds ownership interests in, NEE's operating subsidiaries other than FPL. Most of NEECH's debt, including its debentures, and payment guarantees are fully and unconditionally guaranteed by NEE. Condensed consolidating financial information is as follows:

Condensed Consolidating Statements of Income

	Year Ended December 31, 2011				Year Ended December 31, 2010				Year Ended December 31, 2009			
	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated
	(millions)											
Operating revenues	$ —	$ 4,740	$10,601	$ 15,341	$ —	$ 4,843	$10,474	$ 15,317	$ —	$ 4,164	$11,479	$ 15,643
Operating expenses	(15)	(3,423)	(8,525)	(11,963)	(4)	(3,446)	(8,624)	(12,074)	—	(3,151)	(9,898)	(13,049)
Interest expense	(14)	(645)	(376)	(1,035)	(15)	(618)	(346)	(979)	(17)	(531)	(301)	(849)
Equity in earnings of subsidiaries	1,878	—	(1,878)	—	1,931	—	(1,931)	—	1,618	—	(1,618)	—
Other income (deductions) - net	1	85	23	109	16	188	21	225	14	160	23	197
Income (loss) before income taxes	1,850	757	(155)	2,452	1,928	967	(406)	2,489	1,615	642	(315)	1,942
Income tax expense (benefit)	(73)	(53)	655	529	(29)	(19)	580	532	—	(145)	472	327
Net income (loss)	$ 1,923	$ 810	$ (810)	$ 1,923	$ 1,957	$ 986	$ (986)	$ 1,957	$ 1,615	$ 787	$ (787)	$ 1,615

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Balance Sheets

	December 31, 2011				December 31, 2010			
	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated
	(millions)							
PROPERTY, PLANT AND EQUIPMENT								
Electric utility plant in service and other property	$ 31	$ 22,351	$ 35,170	$ 57,552	$ 19	$ 21,779	$ 32,423	$ 54,221
Less accumulated depreciation and amortization	(3)	(4,143)	(10,916)	(15,062)	—	(4,275)	(10,871)	(15,146)
Total property, plant and equipment - net	28	18,208	24,254	42,490	19	17,504	21,552	39,075
CURRENT ASSETS								
Cash and cash equivalents	1	339	37	377	—	282	20	302
Receivables	84	1,026	692	1,802	654	1,380	548	2,582
Other	5	1,075	1,613	2,693	9	1,024	1,341	2,374
Total current assets	90	2,440	2,342	4,872	663	2,686	1,909	5,258
OTHER ASSETS								
Investment in subsidiaries	14,879	—	(14,879)	—	14,150	—	(14,150)	—
Other	513	4,849	4,464	9,826	365	3,845	4,451	8,661
Total other assets	15,392	4,849	(10,415)	9,826	14,515	3,845	(9,699)	8,661
TOTAL ASSETS	$ 15,510	$ 25,497	$ 16,181	$ 57,188	$ 15,197	$ 24,035	$ 13,762	$ 52,994
CAPITALIZATION								
Common shareholders' equity	$ 14,943	$ 4,030	$ (4,030)	$ 14,943	$ 14,461	$ 4,359	$ (4,359)	$ 14,461
Long-term debt	—	13,327	7,483	20,810	—	11,331	6,682	18,013
Total capitalization	14,943	17,357	3,453	35,753	14,461	15,690	2,323	32,474
CURRENT LIABILITIES								
Debt due within one year	—	1,778	379	2,157	—	2,664	145	2,809
Accounts payable	—	512	679	1,191	—	571	553	1,124
Other	250	1,520	1,601	3,371	352	1,361	1,258	2,971
Total current liabilities	250	3,810	2,659	6,719	352	4,596	1,956	6,904
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	—	466	1,145	1,611	—	556	1,083	1,639
Accumulated deferred income taxes	68	1,376	4,237	5,681	53	1,336	3,720	5,109
Other	249	2,488	4,687	7,424	331	1,857	4,680	6,868
Total other liabilities and deferred credits	317	4,330	10,069	14,716	384	3,749	9,483	13,616
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 15,510	$ 25,497	$ 16,181	$ 57,188	$ 15,197	$ 24,035	$ 13,762	$ 52,994

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Year Ended December 31, 2011				Year Ended December 31, 2010				Year Ended December 31, 2009			
	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated
	(millions)											
CASH FLOWS FROM OPERATING ACTIVITIES												
Dividends from FPL	$ 400	$ —	$ (400)	$ —	$ 250	$ —	$ (250)	$ —	$ 485	$ —	$ (485)	$ —
Dividends from NEECH	898	—	(898)	—	970	—	(970)	—	25	—	(25)	—
Other	383	1,446	2,245	4,074	(42)	1,940	1,936	3,834	81	1,513	2,869	4,463
Net cash provided by operating activities	1,681	1,446	947	4,074	1,178	1,940	716	3,834	591	1,513	2,359	4,463
CASH FLOWS FROM INVESTING ACTIVITIES												
Capital expenditures, independent power and other investments and nuclear fuel purchases	(16)	(3,109)	(3,503)	(6,628)	—	(3,140)	(2,706)	(5,846)	—	(3,289)	(2,717)	(6,006)
Capital contribution to FPL	(410)	—	410	—	(660)	—	660	—	—	—	—	—
Cash grants under the Recovery Act	—	406	218	624	—	428	160	588	—	100	—	100
Sale of natural gas-fired generating assets	—	1,204	—	1,204	—	—	—	—	—	—	—	—
Loan proceeds restricted for construction	—	(565)	—	(565)	—	—	—	—	—	—	—	—
Other - net	16	60	10	86	—	5	(31)	(26)	(7)	1	(23)	(29)
Net cash used in investing activities	(410)	(2,004)	(2,865)	(5,279)	(660)	(2,707)	(1,917)	(5,284)	(7)	(3,188)	(2,740)	(5,935)
CASH FLOWS FROM FINANCING ACTIVITIES												
Issuances of long-term debt	—	3,100	840	3,940	—	2,800	924	3,724	—	2,704	516	3,220
Retirements of long-term debt	—	(2,076)	(45)	(2,121)	—	(727)	(42)	(769)	—	(1,371)	(264)	(1,635)
Proceeds from sale of differential membership interests	—	466	—	466	—	261	—	261	—	—	—	—
Net change in short-term debt	—	231	229	460	—	(414)	(716)	(1,130)	—	110	44	154
Dividends on common stock	(920)	—	—	(920)	(823)	—	—	(823)	(766)	—	—	(766)
Dividends to NEE[b]	—	(898)	898	—	—	(970)	970	—	—	(25)	25	—
Other - net	(350)	(208)	13	(545)	305	(57)	3	251	182	(1)	21	202
Net cash provided by (used in) financing activities	(1,270)	615	1,935	1,280	(518)	893	1,139	1,514	(584)	1,417	342	1,175
Net increase (decrease) in cash and cash equivalents	1	57	17	75	—	126	(62)	64	—	(258)	(39)	(297)
Cash and cash equivalents at beginning of year	—	282	20	302	—	156	82	238	—	414	121	535
Cash and cash equivalents at end of year	$ 1	$ 339	$ 37	$ 377	$ —	$ 282	$ 20	$ 302	$ —	$ 156	$ 82	$ 238

(a) Represents FPL and consolidating adjustments.
(b) Other column also includes cash dividends from FPL to NEE of $400 million, $250 million and $485 million, respectively, and corresponding consolidating adjustments.

17. Quarterly Data (Unaudited)

Condensed consolidated quarterly financial information is as follows:

	March 31(a)	June 30(a)	September 30(a)	December 31(a)
	(millions, except per share amounts)			
NEE:				
2011				
Operating revenues[b]	$ 3,134	$ 3,961	$ 4,382	$ 3,864
Operating income[b]	$ 428	$ 907	$ 911	$ 1,132
Net income[b]	$ 268	$ 580	$ 407	$ 667
Earnings per share[c]	$ 0.64	$ 1.39	$ 0.98	$ 1.60
Earnings per share - assuming dilution[c]	$ 0.64	$ 1.38	$ 0.97	$ 1.59
Dividends per share	$ 0.55	$ 0.55	$ 0.55	$ 0.55
High-low common stock sales prices	$55.86 - 51.54	$58.98 - 54.16	$58.25 - 49.00	$61.20 - 51.33
2010				
Operating revenues[b]	$ 3,622	$ 3,591	$ 4,691	$ 3,413
Operating income[b]	$ 939	$ 709	$ 1,125	$ 469
Net income[b]	$ 556	$ 417	$ 720	$ 263
Earnings per share[c]	$ 1.36	$ 1.02	$ 1.75	$ 0.64
Earnings per share - assuming dilution[c]	$ 1.36	$ 1.01	$ 1.74	$ 0.63
Dividends per share	$ 0.50	$ 0.50	$ 0.50	$ 0.50
High-low common stock sales prices	$53.75 - 45.29	$53.50 - 47.96	$55.98 - 48.44	$56.26 - 50.00
FPL:				
2011				
Operating revenues[b]	$ 2,246	$ 2,801	$ 3,152	$ 2,414
Operating income[b]	$ 406	$ 571	$ 656	$ 442
Net income[b]	$ 205	$ 301	$ 347	$ 216
2010				
Operating revenues[b]	$ 2,328	$ 2,580	$ 3,116	$ 2,461
Operating income[b]	$ 393	$ 501	$ 584	$ 371
Net income[b]	$ 191	$ 265	$ 308	$ 181

(a) In the opinion of NEE and FPL, all adjustments, which consist of normal recurring accruals necessary to present a fair statement of the amounts shown for such periods, have been made. Results of operations for an interim period generally will not give a true indication of results for the year.
(b) The sum of the quarterly amounts may not equal the total for the year due to rounding.
(c) The sum of the quarterly amounts may not equal the total for the year due to rounding and changes in weighted-average number of common shares outstanding.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

As of December 31, 2011, each of NEE and FPL had performed an evaluation, under the supervision and with the participation of its management, including NEE's and FPL's chief executive officer and chief financial officer, of the effectiveness of the design and operation of each company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rule 13a-15 (e) or 15d-15(e)). Based upon that evaluation, the chief executive officer and chief financial officer of each of NEE and FPL concluded that the company's disclosure controls and procedures were effective as of December 31, 2011.

Internal Control Over Financial Reporting

(a) Management's Annual Report on Internal Control Over Financial Reporting

See Item 8. Financial Statements and Supplementary Data.

(b) Attestation Report of the Independent Registered Public Accounting Firm

See Item 8. Financial Statements and Supplementary Data.

(c) Changes in Internal Control Over Financial Reporting

NEE and FPL are continuously seeking to improve the efficiency and effectiveness of their operations and of their internal controls. This results in refinements to processes throughout NEE and FPL. However, there has been no change in NEE's or FPL's internal control over financial reporting that occurred during NEE's and FPL's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, NEE's or FPL's internal control over financial reporting.

Item 9B. Other Information

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be included under the headings "Business of the Annual Meeting," "Corporate Governance and Board Matters" and "Information About NextEra Energy and Management" in NEE's Proxy Statement which will be filed with the SEC in connection with the 2012 Annual Meeting of Shareholders (NEE's Proxy Statement) and is incorporated herein by reference, or is included in Item 1. Business - Executive Officers of NEE.

NEE has adopted the NextEra Energy, Inc. Code of Ethics for Senior Executive and Financial Officers (the Senior Financial Executive Code), which is applicable to the chief executive officer, the chief financial officer, the chief accounting officer and other senior executive and financial officers. The Senior Financial Executive Code is available under Corporate Governance in the Investor Relations section of NEE's internet website at www.nexteraenergy.com. Any amendments to, or waivers of any provision of, the Senior Financial Executive Code which are required to be disclosed to shareholders under applicable SEC rules will be disclosed on the NEE website at the address listed above within the time period required under SEC rules from time to time.

Item 11. Executive Compensation

The information required by this item will be included in NEE's Proxy Statement under the headings "Executive Compensation" and "Corporate Governance and Board Matters" and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item relating to security ownership of certain beneficial owners and management will be included in NEE's Proxy Statement under the heading "Information About NextEra Energy and Management" and is incorporated herein by reference.

Securities Authorized For Issuance Under Equity Compensation Plans

NEE's equity compensation plan information as of December 31, 2011 is as follows:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)		Weighted-average exercise price of outstanding options, warrants and rights (b)		Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	6,999,099	[a]	$ 42.64	[b]	14,549,515
Equity compensation plans not approved by security holders[c]	2,523		$ 27.11		—
Total	7,001,622		$ 42.63	[b]	14,549,515

(a) Includes an aggregate of 4,385,865 outstanding options, 2,197,680 unvested performance share awards (at maximum payout), 287,201 deferred fully vested performance shares and 102,813 deferred stock awards (including future reinvested dividends) under the former LTIP and 25,540 fully vested shares deferred by directors under the NextEra Energy, Inc. 2007 Non-Employee Directors Stock Plan and its predecessor, the FPL Group, Inc. Amended and Restated Non-Employee Directors Stock Plan at December 31, 2011.

(b) Relates to outstanding options only.

(c) Represents options granted by Gexa Corp. under its Amended and Restated 2004 Incentive Plan and pursuant to various individual grants, all of which were made prior to NEE's acquisition of Gexa Corp. All such options were assumed by NEE in connection with the acquisition of Gexa Corp. and are fully vested and exercisable for shares of NEE common stock. No further grants of stock options will be made under this plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item, to the extent applicable, will be included in NEE's Proxy Statement under the heading "Corporate Governance and Board Matters" and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

NEE - The information required by this item will be included in NEE's Proxy Statement under the heading "Audit-Related Matters" and is incorporated herein by reference.

FPL - The following table presents fees billed for professional services rendered by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, Deloitte & Touche) for the fiscal years ended December 31, 2011 and 2010. The amounts presented below reflect allocations from NEE for FPL's portion of the fees, as well as amounts billed directly to FPL.

	2011	2010
Audit fees[(a)]	$ 3,109,000	$ 2,724,000
Audit-related fees[(b)]	327,000	423,000
Tax fees[(c)]	130,000	33,000
All other fees[(d)]	16,000	197,000
Total	$ 3,582,000	$ 3,377,000

(a) Audit fees consist of fees billed for professional services rendered for the audit of FPL's and NEE's annual consolidated financial statements for the fiscal year, the reviews of the financial statements included in FPL's and NEE's Quarterly Reports on Form 10-Q for the fiscal year and the audit of the effectiveness of internal control over financial reporting, comfort letters, consents, and other services related to SEC matters, services in connection with annual and semi-annual filings of NEE's financial statements with the Japanese Ministry of Finance and accounting consultations to the extent necessary for Deloitte & Touche to fulfill its responsibility under Public Company Accounting Oversight Board standards.

(b) Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of FPL's and NEE's consolidated financial statements and are not reported under audit fees. These fees primarily related to audits of subsidiary financial statements, comfort letters, consents and other services related to subsidiary (non-SEC registrant) financing activities, consultation on accounting standards and on transactions, agreed-upon procedures, attestation services and examinations related to applications for government grants.

(c) Tax fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning. In 2011, $32,000 of tax fees paid related to tax compliance services and $98,000 related to tax advice and planning services. In 2010, all tax fees paid related to tax compliance services.

(d) All other fees consist of fees for products and services other than the services reported under the other named categories. In 2011, these fees related to training and an assessment of the record management processes. In 2010, these fees related to training and to the reviews of a government grant process and enterprise risk management reporting.

In accordance with the requirements of Sarbanes-Oxley Act of 2002, the Audit Committee Charter and the Audit Committee's pre-approval policy for services provided by the independent registered public accounting firm, all services performed by Deloitte & Touche are approved in advance by the Audit Committee, except for audits of certain trust funds where the fees are paid by the trust. Audit and audit-related services specifically identified in an appendix to the pre-approval policy are pre-approved by the Audit Committee each year. This pre-approval allows management to request the specified audit and audit-related services on an as-needed basis during the year, provided any such services are reviewed with the Audit Committee at its next regularly scheduled meeting. Any audit or audit-related service for which the fee is expected to exceed $250,000, or that involves a service not listed on the pre-approval list, must be specifically approved by the Audit Committee prior to commencement of such service. In addition, the Audit Committee approves all services other than audit and audit-related services performed by Deloitte & Touche in advance of the commencement of such work. The Audit Committee has delegated to the Chair of the committee the right to approve audit, audit-related, tax and other services, within certain limitations, between meetings of the Audit Committee, provided any such decision is presented to the Audit Committee at its next regularly scheduled meeting. At each Audit Committee meeting (other than meetings held to review earnings materials), the Audit Committee reviews a schedule of services for which Deloitte & Touche has been engaged since the prior Audit Committee meeting under existing pre-approvals and the estimated fees for those services. In 2011 and 2010, none of the amounts presented above represent services provided to NEE or FPL by Deloitte & Touche that were approved by the Audit Committee after services were rendered pursuant to Rule 2-01(c)(7)(i)(C) of Regulation S-X (which provides for a waiver of the otherwise applicable pre-approval requirement if certain conditions are met).

PART IV

Item 15. Exhibits, Financial Statement Schedules

			Page(s)
(a)	1.	Financial Statements	
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	2.	*Financial Statement Schedules - Schedules are omitted as not applicable or not required.*	
	3.	Exhibits (including those incorporated by reference)	

Certain exhibits listed below refer to "FPL Group" and "FPL Group Capital," and were effective prior to the change of the name FPL Group, Inc. to NextEra Energy, Inc., and of the name FPL Group Capital Inc to NextEra Energy Capital Holdings, Inc., during 2010.

Exhibit Number	Description	NEE	FPL
*3(i)a	Restated Articles of Incorporation of NEE (filed as Exhibit 3(i) to Form 10-Q for the quarter ended June 30, 2010, File No. 1-8841)	x	
*3(i)b	Restated Articles of Incorporation of FPL (filed as Exhibit 3(i)b to Form 10-K for the year ended December 31, 2010, File No. 2-27612)		x
*3(ii)a	Amended and Restated Bylaws of NEE, as amended through May 21, 2010 (filed as Exhibit 3(ii) to Form 10-Q for the quarter ended June 30, 2010, File No. 1-8841)	x	
*3(ii)b	Amended and Restated Bylaws of FPL, as amended through October 17, 2008 (filed as Exhibit 3(ii)b to Form 10-Q for the quarter ended September 30, 2008, File No. 2-27612)		x

Exhibit Number	Description	NEE	FPL
*4(a)	Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and eighteen Supplements thereto, between FPL and Deutsche Bank Trust Company Americas, Trustee (filed as Exhibit B-3, File No. 2-4845; Exhibit 7(a), File No. 2-7126; Exhibit 7(a), File No. 2-7523; Exhibit 7(a), File No. 2-7990; Exhibit 7(a), File No. 2-9217; Exhibit 4(a)-5, File No. 2-10093; Exhibit 4(c), File No. 2-11491; Exhibit 4(b)-1, File No. 2-12900; Exhibit 4(b)-1, File No. 2-13255; Exhibit 4(b)-1, File No. 2-13705; Exhibit 4 (b)-1, File No. 2-13925; Exhibit 4(b)-1, File No. 2-15088; Exhibit 4(b)-1, File No. 2-15677; Exhibit 4(b)-1, File No. 2-20501; Exhibit 4(b)-1, File No. 2-22104; Exhibit 2 (c), File No. 2-23142; Exhibit 2(c), File No. 2-24195; Exhibit 4(b)-1, File No. 2-25677; Exhibit 2(c), File No. 2-27612; Exhibit 2(c), File No. 2-29001; Exhibit 2(c), File No. 2-30542; Exhibit 2(c), File No. 2-33038; Exhibit 2(c), File No. 2-37679; Exhibit 2 (c), File No. 2-39006; Exhibit 2(c), File No. 2-41312; Exhibit 2(c), File No. 2-44234; Exhibit 2(c), File No. 2-46502; Exhibit 2(c), File No. 2-48679; Exhibit 2(c), File No. 2-49726; Exhibit 2(c), File No. 2-50712; Exhibit 2(c), File No. 2-52826; Exhibit 2(c), File No. 2-53272; Exhibit 2(c), File No. 2-54242; Exhibit 2(c), File No. 2-56228; Exhibits 2(c) and 2(d), File No. 2-60413; Exhibits 2(c) and 2(d), File No. 2-65701; Exhibit 2(c), File No. 2-66524; Exhibit 2(c), File No. 2-67239; Exhibit 4(c), File No. 2-69716; Exhibit 4(c), File No. 2-70767; Exhibit 4(b), File No. 2-71542; Exhibit 4(b), File No. 2-73799; Exhibits 4(c), 4(d) and 4(e), File No. 2-75762; Exhibit 4(c), File No. 2-77629; Exhibit 4(c), File No. 2-79557; Exhibit 99(a) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669; Exhibit 99(a) to Post-Effective Amendment No. 1 to Form S-3, File No. 33-46076; Exhibit 4(b) to Form 10-K for the year ended December 31, 1993, File No. 1-3545; Exhibit 4(i) to Form 10-Q for the quarter ended June 30, 1994, File No. 1-3545; Exhibit 4(b) to Form 10-Q for the quarter ended June 30, 1995, File No. 1-3545; Exhibit 4(a) to Form 10-Q for the quarter ended March 31,1996, File No. 1-3545; Exhibit 4 to Form 10-Q for the quarter ended June 30, 1998, File No. 1-3545; Exhibit 4 to Form 10-Q for the quarter ended March 31, 1999, File No. 1-3545; Exhibit 4(f) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; Exhibit 4 (g) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; Exhibit 4 (o), File No. 333-102169; Exhibit 4(k) to Post-Effective Amendment No. 1 to Form S-3, File No. 333-102172; Exhibit 4(l) to Post-Effective Amendment No. 2 to Form S-3, File No. 333-102172; Exhibit 4(m) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102172; Exhibit 4(a) to Form 10-Q for the quarter ended September 30, 2004, File No. 2-27612; Exhibit 4(f) to Amendment No. 1 to Form S-3, File No. 333-125275; Exhibit 4(y) to Post-Effective Amendment No. 2 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(z) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 2006, File No. 2-27612; Exhibit 4(a) to Form 8-K dated April 17, 2007, File No. 2-27612; Exhibit 4 to Form 8-K dated October 10, 2007, File No. 2-27612; Exhibit 4 to Form 8-K dated January 16, 2008, File No. 2-27612; Exhibit 4(a) to Form 8-K dated March 17, 2009, File No. 2-27612; Exhibit 4 to Form 8-K dated February 9, 2010, File No. 2-27612; Exhibit 4 to Form 8-K dated December 9, 2010, File No. 2-27612; Exhibit 4(a) to Form 8-K dated June 10, 2011, File No. 2-27612; and Exhibit 4 to Form 8-K dated December 13, 2011, File No. 2-27612)	x	x
*4(b)	Indenture (For Unsecured Debt Securities), dated as of June 1, 1999, between FPL Group Capital and The Bank of New York Mellon, as Trustee (filed as Exhibit 4(a) to Form 8-K dated July 16, 1999, File No. 1-8841)	x	
*4(c)	Guarantee Agreement, dated as of June 1, 1999, between FPL Group (as Guarantor) and The Bank of New York Mellon (as Guarantee Trustee) (filed as Exhibit 4(b) to Form 8-K dated July 16, 1999, File No. 1-8841)	x	
*4(d)	Officer's Certificate of FPL Group Capital, dated June 17, 2008, creating the 5.35% Debentures, Series due June 15, 2013 (filed as Exhibit 4(a) to Form 8-K dated June 17, 2008, File No. 1-8841)	x	
*4(e)	Officer's Certificate of FPL Group Capital, dated December 12, 2008, creating the 7 7/8% Debentures, Series due December 15, 2015 (filed as Exhibit 4 to Form 8-K dated December 12, 2008, File No. 1-8841)	x	
*4(f)	Officer's Certificate of FPL Group Capital, dated March 9, 2009, creating the 6.00% Debentures, Series due March 1, 2019 (filed as Exhibit 4 to Form 8-K dated March 9, 2009, file No. 1-8841)	x	

Exhibit Number	Description	NEE	FPL
*4(g)	Officer's Certificate of FPL Group Capital, dated May 26, 2009, creating the Series C Debentures due June 1, 2014 (filed as Exhibit 4(c) to Form 8-K dated May 22, 2009, File No. 1-8841)	x	
*4(h)	Officer's Certificate of FPL Group Capital, dated November 10, 2009, creating the Floating Rate Debentures, Series due November 9, 2012 (filed as Exhibit 4 to Form 8-K dated November 10, 2009, File No. 1-8841)	x	
*4(i)	Officer's Certificate of FPL Group Capital, dated May 18, 2010, creating the Debentures, 2.55% Series due November 15, 2013 (filed as Exhibit 4 to Form 8-K dated May 18, 2010, File No. 1-8841)	x	
*4(j)	Officer's Certificate of FPL Group Capital, dated August 31, 2010, creating the Debentures, 2.60% Series due September 1, 2015 (filed as Exhibit 4 to Form 8-K dated August 31, 2010, File No. 1-8841)	x	
*4(k)	Officer's Certificate of FPL Group Capital, dated September 21, 2010, creating the Series D Debentures due September 1, 2015 (filed as Exhibit 4(c) to Form 8-K dated September 15, 2010, File No. 1-8841)	x	
*4(l)	Officer's Certificate of NEECH, dated June 10, 2011, creating the 4.50% Debentures, Series due June 1, 2021 (filed as Exhibit 4(b) to Form 8-K dated June 10, 2011, File No. 1-8841)	x	
*4(m)	Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities), dated as of March 1, 2004, among FPL Group Capital, FPL Group (as Guarantor) and The Bank of New York Mellon (as Trustee) (filed as Exhibit 4(au) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(n)	Preferred Trust Securities Guarantee Agreement, dated as of March 15, 2004, between FPL Group (as Guarantor) and The Bank of New York Mellon (as Guarantee Trustee) relating to FPL Group Capital Trust I (filed as Exhibit 4(aw) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(o)	Amended and Restated Trust Agreement relating to FPL Group Capital Trust I, dated as of March 15, 2004 (filed as Exhibit 4(at) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(p)	Agreement as to Expenses and Liabilities of FPL Group Capital Trust I, dated as of March 15, 2004 (filed as Exhibit 4(ax) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(q)	Officer's Certificate of FPL Group Capital and FPL Group, dated March 15, 2004, creating the 5 7/8% Junior Subordinated Debentures, Series due March 15, 2044 (filed as Exhibit 4(av) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(r)	Indenture (For Unsecured Subordinated Debt Securities), dated as of September 1, 2006, among FPL Group Capital, FPL Group (as Guarantor) and The Bank of New York Mellon (as Trustee) (filed as Exhibit 4(a) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(s)	Officer's Certificate of FPL Group Capital and FPL Group, dated September 19, 2006, creating the Series A Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(b) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(t)	Officer's Certificate of FPL Group Capital and FPL Group, dated September 19, 2006, creating the Series B Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(c) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(u)	Replacement Capital Covenant, dated September 19, 2006, by FPL Group Capital and FPL Group relating to FPL Group Capital's Series A and Series B Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(d) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(v)	Officer's Certificate of FPL Group Capital and FPL Group, dated June 12, 2007, creating the Series C Junior Subordinated Debentures due 2067 (filed as Exhibit 4(a) to Form 8-K dated June 12, 2007, File No. 1-8841)	x	

Exhibit Number	Description	NEE	FPL
*4(w)	Replacement Capital Covenant, dated June 12, 2007, by FPL Group Capital and FPL Group relating to FPL Group Capital's Series C Junior Subordinated Debentures due 2067 (filed as Exhibit 4(b) to Form 8-K dated June 12, 2007, File No. 1-8841)	x	
*4(x)	Officer's Certificate of FPL Group Capital and FPL Group, dated September 17, 2007, creating the Series D Junior Subordinated Debentures due 2067 (filed as Exhibit 4(a) to Form 8-K dated September 17, 2007, File No. 1-8841)	x	
*4(y)	Officer's Certificate of FPL Group Capital and FPL Group, dated September 18, 2007, creating the Series E Junior Subordinated Debentures due 2067 (filed as Exhibit 4(b) to Form 8-K dated September 17, 2007, File No. 1-8841)	x	
*4(z)	Replacement Capital Covenant, dated September 18, 2007, by FPL Group Capital and FPL Group relating to FPL Group Capital's Series D and Series E Junior Subordinated Debentures due 2067 (filed as Exhibit 4(c) to Form 8-K dated September 17, 2007, File No. 1-8841)	x	
*4(aa)	Officer's Certificate of FPL Group Capital and FPL Group, dated March 19, 2009, creating the Series F Junior Subordinated Debentures due 2069 (filed as Exhibit 4(b) to Form 8-K dated March 17, 2009, File No. 1-8841)	x	
*4(bb)	Replacement Capital Covenant, dated March 19, 2009, by FPL Group Capital and FPL Group relating to FPL Group Capital's Series F Junior Subordinated Debentures due 2069 (filed as Exhibit 4(c) to Form 8-K dated March 17, 2009, File No. 1-8841)	x	
*4(cc)	Indenture (For Securing Senior Secured Bonds, Series A), dated May 22, 2007, between FPL Recovery Funding LLC (as Issuer) and The Bank of New York Mellon (as Trustee and Securities Intermediary) (filed as Exhibit 4.1 to Form 8-K dated May 22, 2007 and filed June 1, 2007, File No. 333-141357)		x
*4(dd)	Purchase Contract Agreement, dated as of May 1, 2009, between FPL Group and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4(a) to Form 8-K dated May 22, 2009, File No. 1-8841)	x	
*4(ee)	Pledge Agreement, dated as of May 1, 2009, among FPL Group, Deutsche Bank Trust Company Americas, as Collateral Agent, Custodial Agent and Securities Intermediary, and The Bank of New York Mellon, as Purchase Contract Agent and Trustee (filed as Exhibit 4(b) to Form 8-K dated May 22, 2009, File No. 1-8841)	x	
*4(ff)	Purchase Contract Agreement, dated as of September 1, 2010, between NEE and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4(a) to Form 8-K dated September 15, 2010, File No. 1-8841)	x	
*4(gg)	Pledge Agreement, dated as of September 1, 2010, among NEE, Deutsche Bank Trust Company Americas, as Collateral Agent, Custodial Agent and Securities Intermediary, and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4(b) to Form 8-K dated September 15, 2010, File No. 1-8841)	x	
*10(a)	FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997 (SERP) (filed as Exhibit 10(a) to Form 10-K for the year ended December 31, 1999, File No. 1-8841)	x	x
*10(b)	FPL Group Supplemental Executive Retirement Plan, amended and restated effective January 1, 2005 (Restated SERP) (filed as Exhibit 10(b) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(c)	Amendment Number 1 to the Restated SERP changing name to NextEra Energy, Inc. Supplemental Executive Retirement Plan (filed as Exhibit 10(b) to Form 10-Q for the quarter ended June 30, 2010, File No. 1-8841)	x	x
10(d)	Appendix A1 (revised as of December 1, 2011) to the Restated SERP	x	x
10(e)	Appendix A2 (revised as of December 1, 2011) to the Restated SERP	x	x
*10(f)	Amended and Restated Supplement to the Restated SERP as it applies to Lewis Hay, III effective January 1, 2005 (filed as Exhibit 10(c) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x

Exhibit Number	Description	NEE	FPL
*10(g)	Supplement to the SERP as it applies to Lewis Hay, III effective March 22, 2002 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 2001, File No. 1-8841)	x	x
*10(h)	Supplement to the Restated SERP relating to a special credit to certain executive officers and other officers effective February 15, 2008 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 2007, File No. 1-8841)	x	x
*10(i)	Supplement to the Restated SERP effective February 15, 2008 as it applies to Armando Pimentel, Jr. (filed as Exhibit 10(i) to Form 10-K for the year ended December 31, 2007, File No. 1-8841)	x	x
*10(j)	Supplement to the SERP effective December 14, 2007 as it applies to Manoochehr K. Nazar (filed as Exhibit 10(j) to Form 10-K for the year ended December 31, 2009, File No. 1-8841)	x	x
*10(k)	NEE (formerly known as FPL Group) Amended and Restated Long-Term Incentive Plan, most recently amended and restated on May 22, 2009 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended June 30, 2009, File No. 1-8841)	x	x
*10(l)	FPL Group Long-Term Incentive Plan of 1985, as amended (filed as Exhibit 99(h) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669)	x	x
*10(m)	NEE 2011 Long Term Incentive Plan (filed as Exhibit 10(a) to Form 8-K dated May 20, 2011, File No. 1-8841)	x	x
*10(n)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Performance Share Award Agreement effective February 15, 2008 (filed as Exhibit 10(c) to Form 8-K dated February 15, 2008, File No. 1-8841)	x	x
*10(o)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Performance Share Award Agreement effective February 13, 2009 with Christopher A. Bennett, Paul I. Cutler, Chris N. Froggatt, Joseph T. Kelliher, Robert L. McGrath and Antonio Rodriguez (filed as Exhibit 10(l) to Form 10-K for the year ended December 31, 2008, File No. 1-8841)	x	x
*10(p)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Amended and Restated Performance Share Award Agreement effective December 10, 2009 with Lewis Hay, III, Manoochehr K. Nazar, Armando J. Olivera, Armando Pimentel, Jr., James L. Robo and Charles E. Sieving (filed as Exhibit 10(p) to Form 10-K for the year ended December 31, 2009, File No. 1-8841)	x	x
*10(q)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Performance Share Award Agreement effective February 12, 2010 (filed as Exhibit 10(q) to Form 10-K for the year ended December 31, 2009, File No. 1-8841)	x	x
*10(r)	Form of NEE Amended and Restated Long-Term Incentive Plan Performance Share Award Agreement effective February 18, 2011 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended March 31, 2011, File No. 1-8841)	x	x
*10(s)	Form of Performance Share Award Agreement under the NEE 2011 Long Term Incentive Plan (filed as Exhibit 10(a) to Form 8-K dated October 13, 2011, File No. 1-8841)	x	x
*10(t)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Restricted Stock Award Agreement effective February 15, 2007 (filed as Exhibit 10(l) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(u)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Restricted Stock Award Agreement effective February 15, 2008 (filed as Exhibit 10(a) to Form 8-K dated February 15, 2008, File No. 1-8841)	x	x
*10(v)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Restricted Stock Award Agreement effective February 13, 2009 (filed as Exhibit 10(q) to Form 10-K for the year ended December 31, 2008, File No. 1-8841)	x	x
*10(w)	Form of Amendment to Restricted Stock Award Agreements under the FPL Group Amended and Restated Long-Term Incentive Plan executed March 2009 between FPL Group and each of Christopher A. Bennett, Lewis Hay, III, Robert L. McGrath, Armando J. Olivera, Armando Pimentel, Jr., James L. Robo and Antonio Rodriguez (filed as Exhibit 10(c) to Form 10-Q for the quarter ended March 31, 2009, File No. 1-8841)	x	x

Exhibit Number	Description	NEE	FPL
*10(x)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Restricted Stock Award Agreement effective February 12, 2010 (filed as Exhibit 10(w) to Form 10-K for the year ended December 31, 2009, File No. 1-8841)	x	x
*10(y)	Form of NEE Amended and Restated Long-Term Incentive Plan Restricted Stock Award Agreement effective February 18, 2011 (filed as Exhibit 10(c) to Form 10-Q for the quarter ended March 31, 2011, File No. 1-8841)	x	x
*10(z)	Form of Restricted Stock Award Agreement under the NEE 2011 Long Term Incentive Plan (filed as Exhibit 10(c) to Form 8-K dated October 13, 2011, File No. 1-8841)	x	x
*10(aa)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement (filed as Exhibit 10(c) to Form 8-K dated December 29, 2004, File No. 1-8841)	x	x
*10(bb)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement (filed as Exhibit 10(d) to Form 8-K dated December 29, 2004, File No. 1-8841)	x	x
*10(cc)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement effective February 15, 2008 (filed as Exhibit 10(b) to Form 8-K dated February 15, 2008, File No. 1-8841)	x	x
*10(dd)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement effective February 13, 2009 (filed as Exhibit 10(u) to Form 10-K for the year ended December 31, 2008, File No. 1-8841)	x	x
*10(ee)	Form of FPL Group Amended and Restated Long-Term Incentive Plan - Non-Qualified Stock Option Agreement effective February 12, 2010 (filed as Exhibit 10(bb) to Form 10-K for the year December 31, 2009, File No. 1-8841)	x	x
*10(ff)	Form of NEE Amended and Restated Long-Term Incentive Plan - Non-Qualified Stock Option Agreement effective February 18, 2011 (filed as Exhibit 10(d) to Form 10-Q for the quarter ended March 31, 2011, File No. 1-8841)	x	x
*10(gg)	Form of Non-Qualified Stock Option Award Agreement under the NEE 2011 Long Term Incentive Plan (filed as Exhibit 10(b) to Form 8-K dated October 13, 2011, File No. 1-8841)	x	x
*10(hh)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Amended and Restated Deferred Stock Award Agreement effective February 12, 2010 between FPL Group and each of Moray P. Dewhurst and James L. Robo (filed as Exhibit 10(dd) to Form 10-K for the year ended December 31, 2009, File No. 1-8841)	x	x
*10(ii)	FPL Group Executive Annual Incentive Plan as amended and restated on December 12, 2008 (filed as Exhibit 10(a) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(jj)	NEE Deferred Compensation Plan effective January 1, 2005 as amended and restated through October 15, 2010 (filed as Exhibit 10(dd) to Form 10-K for the year ended December 31, 2010, File No. 1-8841)	x	x
*10(kk)	Amendment 1 (effective May 25, 2011) to the NEE Deferred Compensation Plan effective January 1, 2005, as amended and restated through October 15, 2010 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended June 30, 2011, File No. 1-8841)	x	x
10(ll)	Amendment 2 (effective November 16, 2011) to the NEE Deferred Compensation Plan effective January 1, 2005, as amended and restated through October 15, 2010	x	x
*10(mm)	FPL Group Deferred Compensation Plan, amended and restated effective January 1, 2003 (filed as Exhibit 10(k) to Form 10-K for the year ended December 31, 2002, File No. 1-8841)	x	x
*10(nn)	FPL Group Executive Long-Term Disability Plan effective January 1, 1995 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	x

Exhibit Number	Description	NEE	FPL
*10(oo)	FPL Group Amended and Restated Non-Employee Directors Stock Plan, as amended and restated October 13, 2006 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended September 30, 2006, File No. 1-8841)	x	
*10(pp)	FPL Group 2007 Non-Employee Directors Stock Plan (filed as Exhibit 99 to Form S-8, File No. 333-143739)	x	
*10(qq)	NEE Non-Employee Director Compensation Summary effective January 1, 2011 (filed as Exhibit 10(jj) to Form 10-K for the year ended December 31, 2010, File No. 1-8841)	x	
10 (rr)	NEE Non-Employee Director Compensation Summary effective January 1, 2012	x	
*10(ss)	Form of Amended and Restated Executive Retention Employment Agreement, as of December 12, 2008, between FPL Group and each of Christopher A. Bennett, Robert L. McGrath and Antonio Rodriguez (filed as Exhibit 10(g) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(tt)	Form of Amended and Restated Executive Retention Employment Agreement effective December 10, 2009 between FPL Group and each of Lewis Hay, III, Moray P. Dewhurst, James L. Robo, Armando J. Olivera, Armando Pimentel, Jr., and Charles E. Sieving (filed as Exhibit 10(nn) to Form 10-K for the year ended December 31, 2009, File No. 1-8841)	x	x
*10(uu)	Amended and Restated Employment Letter with Lewis Hay, III dated December 10, 2009 (filed as Exhibit 10(pp) to Form 10-K for the year ended December 31, 2009, File No. 1-8841)	x	x
*10(vv)	Executive Retention Employment Agreement between FPL Group and Joseph T. Kelliher dated as of May 21, 2009 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended June 30, 2009, File No. 1-8841)	x	x
*10(ww)	Executive Retention Employment Agreement between FPL Group and Manoochehr K. Nazar dated as of January 1, 2010 (filed as Exhibit 10(rr) to Form 10-K for the year ended December 31, 2009, File No. 1-8841)	x	x
*10(xx)	Executive Retention Employment Agreement between NEE and Shaun J. Francis dated as of August 16, 2010 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended September 30, 2010, File No. 1-8841)	x	x
*10(yy)	Retention Agreement between FPL Group and Robert L. McGrath (filed as Exhibit 10 (a) to Form 10-Q for the quarter ended June 30, 2010, File No. 1-8841)	x	x
*10(zz)	Guarantee Agreement between FPL Group and FPL Group Capital, dated as of October 14, 1998 (filed as Exhibit 10(y) to Form 10-K for the year ended December 31, 2001, File No. 1-8841)	x	
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		x
21	Subsidiaries of NEE	x	
23	Consent of Independent Registered Public Accounting Firm	x	x
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of NEE	x	
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of NEE	x	
31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL		x
31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL		x
32(a)	Section 1350 Certification of NEE	x	
32(b)	Section 1350 Certification of FPL		x

Exhibit Number	Description	NEE	FPL
101.INS	XBRL Instance Document	x	x
101.SCH	XBRL Schema Document	x	x
101.PRE	XBRL Presentation Linkbase Document	x	x
101.CAL	XBRL Calculation Linkbase Document	x	x
101.LAB	XBRL Label Linkbase Document	x	x
101.DEF	XBRL Definition Linkbase Document	x	x

* Incorporated herein by reference

NEE and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that NEE and FPL have not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

NEXTERA ENERGY, INC. SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NextEra Energy, Inc.

JAMES L. ROBO
James L. Robo
President and Chief Operating Officer

Date: February 27, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of February 27, 2012:

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
and Director
(Principal Executive Officer)

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

MORAY P. DEWHURST
Moray P. Dewhurst
Vice Chairman and Chief Financial Officer,
and Executive Vice President - Finance
(Principal Financial Officer)

Directors:

SHERRY S. BARRAT
Sherry S. Barrat

TONI JENNINGS
Toni Jennings

ROBERT M. BEALL, II
Robert M. Beall, II

Oliver D. Kingsley, Jr.

J. HYATT BROWN
J. Hyatt Brown

RUDY E. SCHUPP
Rudy E. Schupp

JAMES L. CAMAREN
James L. Camaren

WILLIAM H. SWANSON
William H. Swanson

KENNETH B. DUNN
Kenneth B. Dunn

MICHAEL H. THAMAN
Michael H. Thaman

J. BRIAN FERGUSON
J. Brian Ferguson

HANSEL E. TOOKES, II
Hansel E. Tookes, II

FLORIDA POWER & LIGHT COMPANY SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized and in the capacities and on the date indicated.

Florida Power & Light Company

ARMANDO J. OLIVERA
Armando J. Olivera
Chief Executive Officer and Director
(Principal Executive Officer)

Date: February 27, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of February 27, 2012:

MORAY P. DEWHURST
Moray P. Dewhurst
Executive Vice President, Finance
and Chief Financial Officer and Director
(Principal Financial Officer)

KIMBERLY OUSDAHL
Kimberly Ousdahl
Vice President, Controller and Chief Accounting Officer
(Principal Accounting Officer)

Directors:

LEWIS HAY, III
Lewis Hay, III

JAMES L. ROBO
James L. Robo

ANTONIO RODRIGUEZ
Antonio Rodriguez

Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Securities Exchange Act of 1934 by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Securities Exchange Act of 1934

No annual report, proxy statement, form of proxy or other proxy soliciting material has been sent to security holders of FPL during the period covered by this Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

Exhibit 12(a)

NEXTERA ENERGY, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS[(a)]

	Years Ended December 31,				
	2011	2010	2009	2008	2007
	(millions of dollars)				
Earnings, as defined:					
Net income	$ 1,923	$1,957	$ 1,615	$1,639	$ 1,312
Income taxes	529	532	327	450	368
Fixed charges included in the determination of net income, as below	1,094	1,025	899	859	799
Amortization of capitalized interest	21	21	17	15	12
Distributed income of equity method investees	95	74	69	124	175
Less: Equity in earnings of equity method investees	55	58	52	93	68
Total earnings, as defined	$ 3,607	$3,551	$ 2,875	$2,994	$ 2,598
Fixed charges, as defined:					
Interest expense	$ 1,035	$ 979	$849	$813	$762
Rental interest factor	41	32	28	28	23
Allowance for borrowed funds used during construction	18	14	22	18	14
Fixed charges included in the determination of net income	1,094	1,025	899	859	799
Capitalized interest	107	75	88	55	40
Total fixed charges, as defined	$ 1,201	$1,100	$ 987	$ 914	$ 839
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends[(a)]	3.00	3.23	2.91	3.28	3.10

(a) NextEra Energy, Inc. has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 12(b)

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS[(a)]

	Years Ended December 31,				
	2011	2010	2009	2008	2007
	(millions of dollars)				
Earnings, as defined:					
Net income	$1,068	$ 945	$ 831	$ 789	$ 836
Income taxes	654	580	473	443	451
Fixed charges included in the determination of net income, as below	411	382	347	359	325
Total earnings, as defined	$2,133	$1,907	$1,651	$1,591	$1,612
Fixed charges, as defined:					
Interest expense	$ 387	$ 361	$ 318	$ 334	$ 304
Rental interest factor	8	8	7	7	7
Allowance for borrowed funds used during construction	16	13	22	18	14
Fixed charges included in the determination of net income	411	382	347	359	325
Capitalized interest	1	3	2	—	—
Total fixed charges, as defined	$ 412	$ 385	$ 349	$ 359	$ 325
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends[(a)]	5.18	4.95	4.73	4.43	4.96

(a) Florida Power & Light Company has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 21

SUBSIDIARIES OF NEXTERA ENERGY, INC.

NextEra Energy, Inc.'s principal subsidiaries as of December 31, 2011 are listed below.

	Subsidiary	State or Jurisdiction of Incorporation or Organization
1.	Florida Power & Light Company (100%-owned)	Florida
2.	NextEra Energy Capital Holdings, Inc. (100%-owned)	Florida
3.	NextEra Energy Resources, LLC[(a)(b)]	Delaware
4.	Palms Insurance Company, Limited[(b)]	Cayman Islands

(a) Includes 477 subsidiaries that operate in the United States and 55 subsidiaries that operate in foreign countries in the same line of business as NextEra Energy Resources, LLC.
(b) 100%-owned subsidiary of NextEra Energy Capital Holdings, Inc.

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of our reports dated February 27, 2012, relating to the consolidated financial statements of NextEra Energy, Inc. and subsidiaries (NextEra Energy) and Florida Power & Light Company and subsidiaries (FPL) and the effectiveness of NextEra Energy's and FPL's internal control over financial reporting, appearing in this Annual Report on Form 10-K of NextEra Energy and FPL for the year ended December 31, 2011:

NextEra Energy, Inc.

Form S-8	No. 33-11631
Form S-8	No. 33-57673
Form S-8	No. 333-27079
Form S-8	No. 333-88067
Form S-8	No. 333-114911
Form S-8	No. 333-116501
Form S-3	No. 333-125275
Form S-8	No. 333-125954
Form S-8	No. 333-130479
Form S-3	No. 333-160987
Form S-8	No. 333-143739
Form S-3	No. 333-159011
Form S-8	No. 333-174799

FPL Group Trust I

Form S-3	No. 333-160987-02

FPL Group Trust II

Form S-3	No. 333-160987-01

Florida Power & Light Company

Form S-3	No. 333-160987-07

Florida Power & Light Company Trust I

Form S-3	No. 333-160987-06

Florida Power & Light Company Trust II

Form S-3	No. 333-160987-05

NextEra Energy Capital Holdings, Inc.

Form S-3	No. 333-160987-08

FPL Group Capital Trust II

Form S-3	No. 333-160987-04

FPL Group Capital Trust III

Form S-3	No. 333-160987-03

DELOITTE & TOUCHE LLP

Miami, Florida
February 27, 2012

Exhibit 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2011 of NextEra Energy, Inc. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2012

LEWIS HAY, III

Lewis Hay, III
Chairman and Chief Executive Officer
of NextEra Energy, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2011 of NextEra Energy, Inc. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2012

MORAY P. DEWHURST

Moray P. Dewhurst
Vice Chairman and Chief Financial Officer,
and Executive Vice President - Finance
of NextEra Energy, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando J. Olivera, certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2011 of Florida Power & Light Company. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2012

ARMANDO J. OLIVERA

Armando J. Olivera
Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2011 of Florida Power & Light Company. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2012

MORAY P. DEWHURST

Moray P. Dewhurst
Executive Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III and Moray P. Dewhurst, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report on Form 10-K of NextEra Energy, Inc. (the registrant) for the annual period ended December 31, 2011 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Dated: February 27, 2012

LEWIS HAY, III

Lewis Hay, III
Chairman and Chief Executive Officer
of NextEra Energy, Inc.

MORAY P. DEWHURST

Moray P. Dewhurst
Vice Chairman and Chief Financial Officer,
and Executive Vice President - Finance
of NextEra Energy, Inc.

A signed original of this written statement required by Section 906 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the registrant under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32(b)

Section 1350 Certification

We, Armando J. Olivera and Moray P. Dewhurst, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report on Form 10-K of Florida Power & Light Company (the registrant) for the annual period ended December 31, 2011 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Dated: February 27, 2012

ARMANDO J. OLIVERA

Armando J. Olivera
Chief Executive Officer of
Florida Power & Light Company

MORAY P. DEWHURST

Moray P. Dewhurst
Executive Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

A signed original of this written statement required by Section 906 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the registrant under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 4(a)

Underwriting Agreement, dated June 6, 2011, with respect to the 5.125% Mortgage Bonds.

FLORIDA POWER & LIGHT COMPANY

FIRST MORTGAGE BONDS

UNDERWRITING AGREEMENT

June 6, 2011

To the Representatives named in Schedule II
hereto of the Underwriters
named in Schedule II hereto

Ladies and Gentlemen:

1. Introductory. Florida Power & Light Company, a Florida corporation ("**FPL**"), proposes to issue and sell its first mortgage bonds ("**First Mortgage Bonds**") of the series designation, with the terms and in the principal amount specified in *Schedule I* hereto (the "**Bonds**"). FPL hereby confirms its agreement with the several Underwriters (as defined below) as set forth herein.

The term "**Underwriters**" as used herein shall be deemed to mean the entity or several entities named in *Schedule II* hereto and any underwriter substituted as provided in *Section 5* hereof, and the term "**Underwriter**" shall be deemed to mean one of such Underwriters. If the entity or entities listed as a Representative in *Schedule II* hereto (the "**Representatives**") are the same as the entity or entities listed as Underwriters in *Schedule II* hereto, then the terms "**Underwriters**" and "**Representatives,**" as used herein, shall each be deemed to refer to such entity or entities. The Representatives represent that they have been authorized by each Underwriter to enter into this agreement on behalf of such Underwriter and to act for it in the manner herein provided. All obligations of the Underwriters hereunder are several and not joint. If more than one entity is named as a Representative in *Schedule II* hereto, any action under or in respect of this agreement may be taken by such entities jointly as the Representatives or by one of the entities acting on behalf of the Representatives and such action will be binding upon all the Underwriters.

2. Description of the Bonds. The Bonds will be a series of First Mortgage Bonds issued by FPL under its Mortgage and Deed of Trust, dated as of January 1, 1944, to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee (the "**Mortgage Trustee**"), and The Florida National Bank of Jacksonville (now resigned), as heretofore supplemented and as it will be further supplemented by a supplemental indenture relating to the Bonds (the "**Supplemental Indenture**") in substantially the form heretofore delivered to the Representatives. Such Mortgage and Deed of Trust as it has been and will be so supplemented is hereinafter called the "**Mortgage.**"

3. Representations and Warranties of FPL. FPL represents and warrants to the several Underwriters that:

(a) FPL has filed with the Securities and Exchange Commission (the "**Commission**") a joint registration statement with Florida Power & Light Company Trust I, Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I, "**FPL Trust**"), NextEra Energy, Inc. (formerly known as FPL Group, Inc., "**NEE**"), NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Inc, "**NEE Capital**"), FPL Group Capital Trust II, FPL Group Capital Trust III (together with FPL Group Capital Trust II, "**FPL Group Capital Trust**"), FPL Group Trust I, and FPL Group Trust II (together with FPL Group Trust I, "**FPL Group Trust**") on Form S-3, including a prospectus (Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08) ("**Registration Statement No. 333-160987**"), for the registration under the Securities Act of 1933, as amended (the "**Securities Act**"), of

(i) an unspecified aggregate amount of (A) shares of FPL's serial Preferred Stock, $100 par value and shares of FPL's Preferred Stock without par value, (B) warrants of FPL, (C) First Mortgage Bonds, (D) senior debt securities of FPL, (E) subordinated debt securities of FPL, (F) junior subordinated debentures of FPL, (G) preferred trust securities of Florida Power & Light Company Trust I ("**FPL Trust I Preferred Trust Securities**") and (H) preferred trust securities of Florida Power & Light Company Trust II (together with FPL Trust I Preferred Trust Securities, "**FPL Trust Preferred Trust Securities**");

(ii) an unspecified aggregate amount of guarantees of FPL related to the FPL Trust Preferred Trust Securities;

(iii) an unspecified aggregate amount of (A) shares of NEE's common stock, $.01 par value (the "**Common Stock**"), (B) shares of NEE's preferred stock, $.01 par value ("**NEE Preferred Stock**"), (C) contracts to purchase Common Stock or NEE Preferred Stock or other agreements or instruments requiring NEE to issue Common Stock or NEE Preferred Stock (collectively, "**Stock Purchase Contracts**"), (D) units, each representing ownership of a Stock Purchase Contract and any of debt securities of NEE Capital, debt securities of NEE, FPL Group Trust Preferred Trust Securities (as defined below), FPL Group Capital Trust Preferred Trust Securities (as defined below) or debt securities of third parties, including U.S. Treasury securities, (E) warrants of NEE, (F) senior debt securities of NEE, (G) subordinated debt securities of NEE, (H) junior subordinated debentures of NEE, (I) preferred trust securities of FPL Group Trust I ("**FPL Group Trust I Preferred Trust Securities**") and (J) preferred trust securities of FPL Group Trust II (together with FPL Group Trust I Preferred Trust Securities, "**FPL Group Trust Preferred Trust Securities**");

(iv) an unspecified aggregate amount of (A) guarantees of NEE ("**NEE Guarantees**") related to the NEE Capital Senior Debt Securities (as defined below), NEE Capital Preferred Stock (as defined below), FPL Group Capital

Trust Preferred Trust Securities (as defined below) and FPL Group Trust Preferred Trust Securities and (B) subordinated guarantees related to NEE Capital Junior Subordinated Debentures (as defined below) and NEE Capital Subordinated Debt Securities (as defined below); and

(v) an unspecified aggregate amount of (A) shares of NEE Capital's preferred stock, $.01 par value ("**NEE Capital Preferred Stock**"), (B) senior debt securities of NEE Capital ("**NEE Capital Senior Debt Securities**"), (C) subordinated debt securities of NEE Capital ("**NEE Capital Subordinated Debt Securities**"), (D) junior subordinated debentures of NEE Capital ("**NEE Capital Junior Subordinated Debentures**"), (E) preferred trust securities of FPL Group Capital Trust II ("**FPL Group Capital Trust II Preferred Trust Securities**") and (F) preferred trust securities of FPL Group Capital Trust III (together with FPL Group Capital Trust II Preferred Trust Securities, the "**FPL Group Capital Trust Preferred Trust Securities**").

Such registration statement has become effective and no stop order suspending such effectiveness has been issued under the Securities Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of FPL, threatened by the Commission.

References herein to the term "**Registration Statement**" (i) as of any given time means Registration Statement No. 333-160987, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("**Incorporated Documents**") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Bonds (any reference to any preliminary prospectus supplement or any prospectus supplement shall be understood to include the Base Prospectus (as defined below)) deemed to be a part thereof pursuant to Rule 430B under the Securities Act ("**Rule 430B**") that has not been superseded or modified and (ii) without reference to any given time means the Registration Statement as of 8:45 A.M., New York City time on the date hereof (which date and time is the earlier of the date and time of (A) the first use of the preliminary prospectus supplement relating to the Bonds and (B) the first contract of sale of the Bonds), which time shall be considered the "**Effective Date**" of the Registration Statement. For purposes of the definition of Registration Statement in the preceding sentence, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "**Pricing Prospectus**" means (i) the prospectus relating to FPL and FPL Trust forming a part of Registration Statement No. 333-160987, including all Incorporated Documents (the "**Base Prospectus**"), and (ii) any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Bonds deemed to be a part of such registration statement that has not been superseded or modified (for purposes of the definition of Pricing Prospectus with respect to a particular offering of the Bonds, information contained in a prospectus, preliminary prospectus supplement or prospectus supplement (other than a prospectus, preliminary prospectus supplement or prospectus supplement that relates only to securities issued by NEE, NEE

Capital, FPL Group Trust, FPL Group Capital Trust or FPL Trust or to securities issued by FPL other than the Bonds) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that prospectus, preliminary prospectus supplement or prospectus supplement is filed with the Commission pursuant to Rule 424 under the Securities Act ("**Rule 424**"). References herein to the term "**Prospectus**" means the Pricing Prospectus that discloses the public offering price and other final terms of the Bonds and otherwise satisfies Section 10(a) of the Securities Act.

The prospectus supplement relating to the Bonds proposed to be filed pursuant to Rule 424 shall be substantially in the form delivered to the Representatives prior to the execution of this agreement. Each of the Underwriters acknowledges that on or subsequent to the Closing Date (as defined in *Section 5* hereof), FPL may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel and any documents executed in connection with the offering of the Bonds.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act ("**Rule 405**")) filed within three years of the date hereof; the Registration Statement became effective upon filing; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL and not removed; and with respect to the Bonds, FPL is a "well-known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well-known seasoned issuer" in Rule 405 and is not an "ineligible issuer" (as defined in Rule 405).

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both as of the date hereof and at the Closing Date, and the Registration Statement and the Mortgage, at the Closing Date, will fully comply, in all material respects with the applicable provisions of the Securities Act and the Trust Indenture Act of 1939, as amended (the "**1939 Act**"), respectively, and, in each case, the applicable instructions, rules and regulations of the Commission thereunder; the Registration Statement, at the Effective Date, did not, and at the Closing Date the Registration Statement will not, contain an untrue statement of a material fact, or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; the Prospectus, both as of the date hereof and at the Closing Date, will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading; and the Incorporated Documents, when filed with the Commission, fully complied or will fully comply in all material respects with the applicable provisions of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the applicable instructions, rules and regulations of the Commission thereunder; provided, that the foregoing representations and warranties in this Section 3(c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL by or on behalf of any Underwriter through the Representatives expressly for use in connection with the

preparation of the Registration Statement or the Prospectus, or to any statements in or omissions from the Statements of Eligibility on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "**Statements of Eligibility**") or to any statements or omissions made in the Registration Statement or the Prospectus relating to The Depository Trust Company ("**DTC**") Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time (as defined below), the Pricing Disclosure Package (as defined below) did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading; provided, that the foregoing representations and warranties in this Section 3(d) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus (as defined below), or to any statements in or omissions from the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. References to the term "**Pricing Disclosure Package**" means the documents listed in *Schedule III*, taken together as a whole. References to the term "**Issuer Free Writing Prospectus**" means an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "**Applicable Time**" means 2:50 P.M., New York City time, on the date hereof. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The financial statements included as part of or incorporated by reference in the Pricing Disclosure Package, the Prospectus and the Registration Statement present fairly the consolidated financial condition and results of operations of FPL and its subsidiaries taken as a whole at the respective dates or for the respective periods to which they apply; such financial statements have been prepared in each case in accordance with generally accepted accounting principles consistently applied throughout the periods involved except as otherwise indicated in the Pricing Disclosure Package, the Prospectus and the Registration Statement; and Deloitte & Touche LLP, who has audited the audited financial statements of FPL, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Except as reflected in or contemplated by the Pricing Disclosure Package, since the respective most recent times as of which information is given in the Pricing Disclosure Package, there has not been any material adverse change in the business, properties or financial condition of FPL and its subsidiaries taken as a whole, whether or not in the ordinary course of business, nor has any transaction been entered into by FPL or any of its subsidiaries that is material to FPL and its subsidiaries taken as a whole, other than changes and transactions contemplated by the Pricing Disclosure Package and transactions in the ordinary course of business. FPL and its subsidiaries have no contingent obligation material to FPL and its subsidiaries taken as a whole, which is not disclosed in or contemplated by the Pricing Disclosure Package.

(h) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL, and the fulfillment of the terms hereof on the part of FPL to be fulfilled, have been duly authorized by all necessary corporate action of FPL in accordance with the provisions of its Restated Articles of Incorporation, by-laws and applicable law, and the Bonds when issued and delivered by FPL as provided herein will constitute valid and binding obligations of FPL enforceable against FPL in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

(i) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL, the fulfillment of the terms hereof on the part of FPL to be fulfilled, and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of any of the terms or provisions of, or constitute a default under, FPL's Restated Articles of Incorporation, by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL or any of its subsidiaries is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL or any of its subsidiaries of any federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL or any of its subsidiaries or any of their respective property, except where such breach, default or violation would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole.

(j) FPL has no direct or indirect significant subsidiaries (as defined in Regulation S-X (17 CFR Part 210)).

(k) FPL has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership of properties or the conduct of its businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole, and has the power and authority as a corporation necessary to own or hold its properties and to conduct the businesses in which it is engaged.

(l) All the property to be subjected to the lien of the Mortgage will be adequately described therein.

(m) The Bonds conform in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.

(n) The Mortgage (i) has been duly authorized by FPL by all necessary corporate action, has been duly executed and delivered by FPL and is a valid and binding instrument enforceable against FPL in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity and (ii) conforms in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.

(o) FPL is not, and, after giving effect to the offering and sale of the Bonds and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus, will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(p) Except as described in the Pricing Disclosure Package and the Prospectus, FPL or its subsidiaries have valid franchises, licenses and permits adequate for the conduct of the business of FPL and its subsidiaries as described in the Pricing Disclosure Package and the Prospectus, except where the failure to have such franchises, licenses and permits would not reasonably be expected to have a material adverse effect on FPL and its subsidiaries taken as a whole.

4. Purchase and Sale. On the basis of the representations and warranties herein contained, and subject to the terms and conditions in this agreement, FPL agrees to sell to the respective Underwriters named in *Schedule II* hereto, severally and not jointly, and the respective Underwriters agree, severally and not jointly, to purchase from FPL for an aggregate purchase price of $247,587,500, the respective principal amounts of the Bonds set forth opposite their respective names in *Schedule II* hereto.

The Underwriters agree to make a *bona fide* public offering of the Bonds as set forth in the Pricing Disclosure Package, such public offering to be made as soon after the execution of this agreement as practicable, subject, however, to the terms and conditions of this agreement. The Underwriters have advised FPL that the Bonds will be offered to the public at the amount per Bond as set forth in *Schedule I* hereto as the Price to Public and to certain dealers selected by the Representatives at a price which represents a concession. Such dealers' concession may not be in excess of 0.500% of the principal amount per Bond under the Price to Public.

Each Underwriter agrees that (i) no information that is presented by it to investors has been or will be inconsistent with the information contained in the Pricing Disclosure Package as it may then be amended or supplemented and (ii) it will make no offer that would constitute a Free Writing Prospectus that is required to be filed by FPL pursuant to Rule 433 under the Securities Act other than an Issuer Free Writing Prospectus in accordance with *Section 6(h)* hereof. References to the term "**Free Writing Prospectus**" means a free writing prospectus as defined in Rule 405.

5. Time, Date and Place of Closing, Default of Underwriter. Delivery of the Bonds and payment therefor by wire transfer in federal funds shall be made at 9:00 A.M., New York City time, on the settlement date set forth on *Schedule I*, at the offices of Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178, or at such other time, date or place as may be agreed upon in writing by FPL and the Representatives. The time and date of such delivery and payment are herein called the "**Closing Date.**"

The Bonds shall be delivered to the Representatives for the respective accounts of the Underwriters against payment by the several Underwriters through the Representatives of the purchase price therefor. Delivery of the Bonds shall be made through the facilities of DTC unless FPL and the Representatives shall otherwise agree. For the purpose of expediting the checking of the Bonds by the Representatives on behalf of the Underwriters, FPL agrees to make such Bonds available to the Representatives for such purpose at the offices of Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178, not later than 2:00 P.M., New York City time, on the business day preceding the Closing Date, or at such other time, date or place as may be agreed upon by FPL and the Representatives.

If any Underwriter shall fail to purchase and pay for the principal amount of the Bonds which such Underwriter has agreed to purchase and pay for hereunder (otherwise than by reason of any failure on the part of FPL to comply with any of the provisions contained herein), the non-defaulting Underwriters shall be obligated to purchase and pay for (in addition to the respective principal amount of the Bonds set forth opposite their respective names in *Schedule II* hereto) the principal amount of the Bonds which such defaulting Underwriter or Underwriters failed to purchase and pay for, up to a principal amount thereof equal to, in the case of each such remaining Underwriter, ten percent (10%) of the aggregate principal amount of the Bonds which are set forth opposite the name of such remaining Underwriter in said *Schedule II*, and such remaining Underwriters shall have the right, within 24 hours of receipt of such notice, either to (i) purchase and pay for (in such proportion as may be agreed upon among them) the remaining principal amount of the Bonds which the defaulting Underwriter or Underwriters agreed but failed to purchase, or (ii) substitute another Underwriter or Underwriters, satisfactory to FPL, to purchase and pay for the remaining principal amount of the Bonds which the defaulting Underwriter or Underwriters agreed but failed to purchase. If any of the Bonds would still remain unpurchased, then FPL shall be entitled to a further period of 24 hours within which to procure another party or other parties, members of the Financial Industry Regulatory Authority (or, if not members of said Authority, who are not eligible for membership in said Authority and who agree (i) to make no sales within the United States, its territories or its possessions or to persons who are citizens thereof or residents therein and (ii) in making sales to comply with said Authority's Conduct Rules) and satisfactory to the Representatives to purchase such Bonds on the terms herein set forth. In the event that, within the respective prescribed periods, (i) the non-defaulting Underwriters notify FPL that they have arranged for the purchase of such Bonds or (ii) FPL notifies the non-defaulting Underwriters that it has arranged for the purchase of such Bonds, the non-defaulting Underwriters or FPL shall have the right to postpone the Closing Date for a period of not more than three full business days beyond the expiration of the respective prescribed periods in order to effect whatever changes may thus be made necessary in the Registration Statement, the Prospectus or in any other documents or arrangements. In the event that neither the non-defaulting Underwriters nor FPL has arranged for the purchase of such Bonds by another party or parties as above provided, then this agreement shall terminate without

any liability on the part of FPL or any Underwriter (other than an Underwriter which shall have failed or refused, otherwise than for some reason sufficient to justify, in accordance with the terms hereof, the cancellation or termination of its obligations hereunder, to purchase and pay for the Bonds which such Underwriter has agreed to purchase as provided in *Section 4* hereof), except as otherwise provided in *Section 9*, *Section 6(d) and Section 6(f)* hereof.

6. Covenants of FPL. FPL agrees with the several Underwriters that:

(a) FPL will timely file the Prospectus and any preliminary prospectus supplement used in connection with the offering of the Bonds with the Commission pursuant to Rule 424. FPL has complied and will comply with Rule 433 under the Securities Act in connection with the offering and sale of the Bonds, including applicable provisions in respect of timely filing with the Commission, legending and record-keeping.

(b) FPL will prepare a final term sheet, containing a description of the pricing terms of the Bonds, substantially in the form of *Schedule I* hereto and approved by the Representatives and will timely file such term sheet with the Commission pursuant to Rule 433 under the Securities Act.

(c) FPL will deliver to the Representatives and to Counsel for the Underwriters (as defined below) one signed copy of the Registration Statement or, if a signed copy is not available, one conformed copy of the Registration Statement certified by an officer of FPL to be in the form as originally filed, including all Incorporated Documents and exhibits, except those incorporated by reference, which relate to the Bonds, including a signed or conformed copy of each consent and certificate included therein or filed as an exhibit thereto. As soon as practicable after the date of this agreement, FPL will deliver or cause to be delivered to the Underwriters through the Representatives as many copies of the Prospectus and any Issuer Free Writing Prospectus as the Representatives may reasonably request for the purposes contemplated by the Securities Act.

(d) FPL has paid or caused to be paid or will pay or cause to be paid all expenses in connection with the (i) preparation and filing of the Registration Statement, any preliminary prospectus supplement, the Prospectus and any Issuer Free Writing Prospectus, (ii) issuance and delivery of the Bonds as provided in *Section 5* hereof, (iii) preparation, execution, filing and recording of the Supplemental Indenture and (iv) printing and delivery to the Representatives for the account of the Underwriters, in reasonable quantities, of copies of the Registration Statement, any preliminary prospectus supplement, the Prospectus, any Issuer Free Writing Prospectus and the Supplemental Indenture. FPL will pay or cause to be paid all taxes, if any (but not including any transfer taxes), on the issuance of the Bonds and recordation of the Supplemental Indenture. FPL shall not, however, be required to pay any amount for any expenses of the Representatives or any of the Underwriters, except that if this agreement shall be terminated in accordance with the provisions of *Section 7*, *Section 8*, or *Section 10* hereof, FPL will pay or cause to be paid the fees and disbursements of Counsel for the Underwriters, whose fees and disbursements the Underwriters agree to pay in any other event, and FPL shall reimburse or cause to be reimbursed the Underwriters for

out-of-pocket expenses, reasonably incurred by them in connection with the transactions contemplated by this agreement, not in excess, however, of an aggregate of $5,000 for such out-of-pocket expenses. FPL shall not in any event be liable to any of the several Underwriters for damages on account of loss of anticipated profits.

(e) During a period of nine months after the date of this agreement, if any event relating to or affecting FPL shall occur which, in the opinion of FPL, should be set forth in a supplement to or an amendment of the Prospectus (including an Issuer Free Writing Prospectus) in order to make the Prospectus not misleading in the light of the circumstances when it is delivered to a purchaser, FPL will forthwith at its expense prepare, file with the Commission, if required, and furnish to the Representatives a reasonable number of copies of such supplement or supplements or amendment or amendments to the Prospectus (including an Issuer Free Writing Prospectus) which will supplement or amend the Prospectus so that as supplemented or amended it will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading; provided that should such event relate solely to activities of any of the Underwriters, then the Underwriters shall assume the expense of preparing and furnishing copies of any such amendment or supplement. In case any Underwriter is required to deliver a Prospectus after the expiration of nine months after the date of this agreement, FPL upon the request of the Representatives will furnish to the Representatives, at the expense of such Underwriter, a reasonable quantity of a supplemented or amended Prospectus or supplements or amendments to the Prospectus complying with Section 10 of the Securities Act.

(f) FPL will furnish such proper information as may be lawfully required and otherwise cooperate in qualifying the Bonds for offer and sale under the blue sky laws of such United States jurisdictions as the Representatives may designate and will pay or cause to be paid filing fees and expenses (including fees of counsel not to exceed $5,000 and reasonable disbursements of counsel), provided that FPL shall not be required to qualify as a foreign corporation or dealer in securities, or to file any consents to service of process under the laws of any jurisdiction, or to meet other requirements deemed by FPL to be unduly burdensome.

(g) FPL will timely file such reports pursuant to the Exchange Act as are necessary in order to make generally available to its security holders (including holders of the Bonds) as soon as practicable an earnings statement (which need not be audited, unless required so to be under Section 11(a) of the Securities Act) for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the Securities Act.

(h) Prior to the termination of the offering of the Bonds, FPL will not file any amendment to the Registration Statement or any amendment or supplement to the Prospectus or any amendment or supplement to the Pricing Disclosure Package without prior notice to the Representatives and to Hunton & Williams LLP, who are acting as counsel for the several Underwriters ("**Counsel for the Underwriters**"), or any such amendment or supplement to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters. FPL has not

made any offer relating to the Bonds that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a Free Writing Prospectus required to be filed by FPL with the Commission or retained by FPL under Rule 433 under the Securities Act, other than a pricing term sheet substantially in the form as set forth on *Schedule I*, and will not make any such offer without prior notice to the Representatives and to Counsel for the Underwriters, or any such offer to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters.

(i) FPL will advise the Representatives promptly of the filing of the Prospectus pursuant to Rule 424, of the filing of any material pursuant to Rule 433 and of any amendment or supplement to the Pricing Disclosure Package or the Registration Statement or, prior to the termination of the offering of the Bonds hereunder, of official notice of the institution of proceedings for, or the entry of, a stop order suspending the effectiveness of the Registration Statement, of receipt from the Commission of any notice of objection to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act, and, if such a stop order should be entered, or notice of objection should be received, use every commercially reasonable effort to obtain the prompt removal thereof.

(j) On or before the Closing Date, FPL will, if applicable, cause (i) at least one counterpart of the Supplemental Indenture to be duly recorded in the States of Florida or Georgia and (ii) all intangible and documentary stamp taxes due in connection with the issuance of the Bonds and the recording of the Supplemental Indenture to be paid. Within 30 days following the Closing Date, FPL will, if applicable, cause the Supplemental Indenture to be duly recorded in all other counties in which property of FPL which is subject to the lien of the Mortgage is located.

7. Conditions of Underwriters' Obligations to Purchase and Pay for the Bonds. The several obligations of the Underwriters to purchase and pay for the Bonds shall be subject to the performance by FPL of its obligations to be performed hereunder on or prior to the Closing Date and to the following conditions:

(a) The representations and warranties made by FPL herein and qualified by materiality shall be true and correct in all respects and the representations and warranties made by FPL herein that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, in each case, as if made on and as of such date and the Representatives shall have received, prior to payment for the Bonds, a certificate from FPL dated the Closing Date and signed by an officer of FPL to that effect.

(b) No stop order suspending the effectiveness of the Registration Statement shall be in effect on the Closing Date; no order of the Commission directed to the adequacy of any Incorporated Document shall be in effect on the Closing Date; no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL and not removed by such date; and the Representatives shall have received, prior to payment for

the Bonds, a certificate from FPL dated the Closing Date and signed by an officer of FPL to the effect that, to the best of his or her knowledge, no such order is in effect and no proceedings for either such purpose are pending before, or to the knowledge of FPL threatened by, the Commission.

(c) On the Closing Date, there shall be in full force and effect an authorization of the Florida Public Service Commission with respect to the issuance and sale of the Bonds on the terms herein stated or contemplated, and containing no provision unacceptable to the Representatives by reason of the fact that it is materially adverse to FPL, it being understood that no authorization provided to Counsel for the Underwriters and in effect at the date of this agreement contains any such unacceptable provision.

(d) On the Closing Date, the Representatives shall have received from Squire, Sanders & Dempsey (US) LLP, counsel to FPL, Morgan, Lewis & Bockius LLP, counsel to FPL, and Hunton & Williams LLP, Counsel for the Underwriters, opinions (with a copy for each of the Underwriters) in substantially the form and substance prescribed in *Schedule IV*, *Schedule V* and *Schedule VI* hereto (i) with such changes therein as may be agreed upon by FPL and the Representatives, with the approval of Counsel for the Underwriters, and (ii) if the Prospectus relating to the Bonds shall be supplemented or amended after the Prospectus shall have been filed with the Commission pursuant to Rule 424, with any changes therein necessary to reflect such supplementation or amendment.

(e) On the date of this agreement and on the Closing Date, the Representatives shall have received from Deloitte & Touche LLP a letter or letters (which may refer to letters previously delivered to the Representatives) (with copies thereof for each of the Underwriters) dated the respective dates of delivery thereof to the effect that (i) they are an independent registered public accounting firm with respect to FPL within the meaning of the Securities Act and the Exchange Act and the applicable published rules and regulations thereunder; (ii) in their opinion, the consolidated financial statements of FPL audited by them and incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the published rules and regulations thereunder; (iii) on the basis of performing a review of interim financial information as described in the Public Company Accounting Oversight Board (United States) ("**PCAOB**") AU722, Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, a reading of the latest available interim unaudited condensed consolidated financial statements of FPL, if any, since the close of FPL's most recent audited fiscal year, a reading of the minutes and consents of the Board of Directors, the Finance Committee of the Board of Directors, the Stock Issuance Committee of the Board of Directors and of the sole common shareholder of FPL since the end of the most recent audited fiscal year, and inquiries of officials of FPL who have responsibility for financial and accounting matters (it being understood that the foregoing procedures do not constitute an audit made in accordance with standards of the PCAOB and they would not necessarily reveal matters of significance with respect to the

comments made in such letter, and accordingly that Deloitte & Touche LLP makes no representation as to the sufficiency of such procedures for the several Underwriters' purposes), nothing has come to their attention which caused them to believe that (a) the unaudited condensed consolidated financial statements of FPL, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, (1) do not comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the published rules and regulations thereunder and (2) except as disclosed in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements of FPL incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable; (b) at the date of the latest available interim balance sheet read by them and at a specified date not more than five days prior to the date of such letter, there was any change in the common stock or additional paid-in capital or increase in the preferred stock or long-term debt including current maturities and excluding fair value swaps, if any, and unamortized premium and discount on long-term debt of FPL and its subsidiaries, or decrease in common shareholders' equity of FPL and its subsidiaries, in each case as compared with amounts shown in the most recent condensed consolidated balance sheet, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, except in all instances for changes, increases or decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, discloses have occurred or may occur, or as occasioned by the declaration, provision for, or payment of dividends, or which are described in such letter; or (c) for the period from the date of the most recent condensed consolidated balance sheet incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, to the latest available interim balance sheet read by them and for the period from the date of the latest available interim balance sheet read by them to a specified date not more than five days prior to the date of such letter, there were any decreases, as compared with the corresponding period in the preceding year, in total consolidated operating revenues or in net income, except in all instances for decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, discloses have occurred or may occur, or which are described in such letter; and (iv) they have carried out certain procedures and made certain findings, as specified in such letter, with respect to certain amounts included in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, and Exhibit 12(b) to the Registration Statement and such other items as the Representatives may reasonably request.

(f) Since the respective most recent times as of which information is given in the Pricing Disclosure Package, and up to the Closing Date, (i) there shall have been no material adverse change in the business, properties or financial condition of FPL and its subsidiaries taken as a whole, except as disclosed in or contemplated by the Pricing Disclosure Package, and (ii) there shall have been no transaction entered into by FPL or any of its subsidiaries that is material to FPL and its subsidiaries taken as a whole, other than transactions disclosed in or contemplated by the Pricing Disclosure Package, and transactions in the ordinary course of business; and at the Closing Date the

Representatives shall have received a certificate to such effect from FPL signed by an officer of FPL.

(g) All legal proceedings to be taken in connection with the issuance and sale of the Bonds shall have been satisfactory in form and substance to Counsel for the Underwriters.

In case any of the conditions specified above in this Section 7 shall not have been fulfilled, this agreement may be terminated by the Representatives upon mailing or delivering written notice thereof to FPL. Any such termination shall be without liability of any party to any other party except as otherwise provided in *Section 6(d) and Section 6(f)* hereof.

8. Conditions of FPL's Obligations. The obligation of FPL to deliver the Bonds shall be subject to the following conditions:

(a) No stop order suspending the effectiveness of the Registration Statement shall be in effect on the Closing Date; no order of the Commission directed to the adequacy of any Incorporated Document shall be in effect on the Closing Date; no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL and not removed by such date.

(b) On the Closing Date, there shall be in full force and effect an authorization of the Florida Public Service Commission with respect to the issuance and sale of the Bonds on the terms herein stated or contemplated, and containing no provision unacceptable to FPL by reason of the fact that it is materially adverse to FPL, it being understood that no authorization in effect at the date of this agreement contains any such unacceptable provision.

In case the conditions specified above in this Section 8 shall not have been fulfilled, this agreement may be terminated by FPL upon mailing or delivering written notice thereof to the Representatives. Any such termination shall be without liability of any party to any other party except as otherwise provided in *Section 6(d) and Section 6(f)* hereof.

9. Indemnification.

(a) FPL agrees to indemnify and hold harmless each Underwriter, each officer and director of each Underwriter and each person who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act or any other statute or common law, and to reimburse each such Underwriter, officer, director and controlling person for any legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) when and as incurred by them in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based

upon an untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus supplement, including all Incorporated Documents, or in the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; *provided, however*, that the indemnity agreement contained in this Section 9(a) shall not apply to any such losses, claims, damages, liabilities, expenses or actions arising out of, or based upon, any such untrue statement or alleged untrue statement, or any such omission or alleged omission, if such statement or omission was made in reliance upon and in conformity with information furnished in writing, to FPL by or on behalf of any Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus supplement, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof, or arising out of, or based upon, statements in or omissions from the Statements of Eligibility; and *provided, further*, that the indemnity agreement contained in this Section 9(a) in respect of any preliminary prospectus supplement, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus shall not inure to the benefit of any Underwriter (or of any officer or director or person controlling such Underwriter) on account of any such losses, claims, damages, liabilities, expenses or actions arising from the sale of the Bonds to any person in respect of any preliminary prospectus supplement, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus, each as may be then supplemented or amended, furnished by such Underwriter to a person to whom any of the Bonds were sold (excluding in all cases, however, any document then incorporated by reference therein), insofar as such indemnity relates to any untrue or misleading statement made in or omission from such preliminary prospectus supplement, Pricing Prospectus, Issuer Free Writing Prospectus or Prospectus, if a copy of a supplement or amendment to such preliminary prospectus supplement, Pricing Prospectus, Prospectus or Issuer Free Writing Prospectus (excluding in all cases, however, any document then incorporated by reference therein) (i) is furnished on a timely basis by FPL to the Underwriter, (ii) is required by law or regulation to have been conveyed to such person by or on behalf of such Underwriter, at or prior to the entry into the contract of sale of the Bonds with such person, but was not so conveyed (which conveyance may be oral or written) by or on behalf of such Underwriter and (iii) would have cured the defect giving rise to such loss, claim, damage or liability. The indemnity agreement of FPL contained in this Section 9(a) and the representations and warranties of FPL contained in *Section 3* hereof shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, or any such officer, director or controlling person, and shall survive the delivery of the Bonds. The Underwriters agree promptly to notify FPL, and each other Underwriter, of the commencement of any litigation or proceedings against them or any of them, or any such officer, director or controlling person in connection with the issuance and sale of the Bonds.

(b) Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless FPL, its officers and directors, and each person who controls FPL within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any and all losses, claims, damages or liabilities, joint or several, to which they or any of

them may become subject under the Securities Act or any other statute or common law, and to reimburse each of them for any legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) when and as incurred by them in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus supplement, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading if such statement or omission was made in reliance upon and in conformity with information furnished in writing to FPL by or on behalf of such Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus supplement, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof. The Underwriters hereby furnish to FPL in writing, expressly for use in the preliminary prospectus supplement dated June 6, 2011, the Registration Statement, the Pricing Prospectus, the Prospectus and any Issuer Free Writing Prospectus, the following: under "Underwriting" in the preliminary prospectus supplement dated June 6, 2011, the Pricing Prospectus and the Prospectus, the fourth sentence of the third paragraph; the entire fourth paragraph (including the table immediately following the third sentence) except for the first sentence of the fourth paragraph; the entire fifth paragraph; the third sentence in the sixth paragraph; and the entire seventh, eighth and ninth paragraphs. Daiwa Capital Markets America Inc. hereby furnishes to FPL in writing, expressly for use in the preliminary prospectus supplement dated June 6, 2011, the Registration Statement, the Pricing Prospectus, the Prospectus and any Issuer Free Writing Prospectus, the following: under "Underwriting" in the preliminary prospectus supplement dated June 6, 2011, the Pricing Prospectus and the Prospectus, the entire tenth paragraph. FPL acknowledges that the statements identified in the preceding two sentences constitute the only information furnished in writing by or on behalf of the several Underwriters expressly for inclusion in the preliminary prospectus supplement, dated June 6, 2011, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus. The indemnity agreement of the respective Underwriters contained in this Section 9(b) shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of FPL or any of its officers or directors or any such other Underwriter or any such controlling person, and shall survive the delivery of the Bonds. FPL agrees promptly to notify the Representatives of the commencement of any litigation or proceedings against FPL (or any controlling person thereof) or any of its officers or directors in connection with the issuance and sale of the Bonds.

(c) FPL and each of the several Underwriters each agree that, upon the receipt of notice of the commencement of any action against it, its officers and directors, or any person controlling it as aforesaid, in respect of which indemnity or contribution may be sought under the provisions of this Section 9 it will promptly give written notice of the commencement thereof to the party or parties against whom indemnity or contribution shall be sought thereunder, but the omission so to notify such indemnifying party or parties of any such action shall not relieve such indemnifying party or parties from any

liability which it or they may have to the indemnified party otherwise than on account of this indemnity agreement. In case such notice of any such action shall be so given, such indemnifying party or parties shall be entitled to participate at its own expense in the defense or, if it so elects, to assume (in conjunction with any other indemnifying parties) the defense of such action, in which event such defense shall be conducted by counsel chosen by such indemnifying party or parties and reasonably satisfactory to the indemnified party or parties who shall be defendant or defendants in such action, and such defendant or defendants shall bear the fees and expenses of any additional counsel retained by them; but if the indemnifying party or parties shall elect not to assume the defense of such action, such indemnifying party or parties will reimburse such indemnified party or parties for the reasonable fees and expenses of any counsel retained by them; *provided, however*, if the defendants in any such action include both the indemnified party and the indemnifying party and counsel for the indemnifying party shall have reasonably concluded that there may be a conflict of interest involved in the representation by such counsel of both the indemnifying party and the indemnified party, the indemnified party or parties shall have the right to select separate counsel, satisfactory to the indemnifying party or parties, to participate in the defense of such action on behalf of such indemnified party or parties at the expense of the indemnifying party or parties (it being understood, however, that the indemnifying party or parties shall not be liable for the expenses of more than one separate counsel representing the indemnified parties who are parties to such action). FPL and each of the several Underwriters each agree that without the prior written consent of the other parties to such action who are parties to this agreement, which consent shall not be unreasonably withheld, it will not settle, compromise or consent to the entry of any judgment in any claim or proceeding in respect of which such party intends to seek indemnity or contribution under the provisions of this Section 9, unless such settlement, compromise or consent (i) includes an unconditional release of such other parties from all liability arising out of such claim or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of such other parties.

(d) If, or to the extent, the indemnification provided for in *Section 9(a)* or *Section 9(b)* above shall be unenforceable under applicable law by an indemnified party, each indemnifying party agrees to contribute to such indemnified party with respect to any and all losses, claims, damages, liabilities and expenses for which each such indemnification provided for in *Section 9(a)* or *Section 9(b)* above shall be unenforceable, in such proportion as shall be appropriate to reflect (i) the relative fault of FPL on the one hand and the Underwriters on the other in connection with the statements or omissions which have resulted in such losses, claims, damages, liabilities and expenses, (ii) the relative benefits received by FPL on the one hand and the Underwriters on the other hand from the offering of the Bonds pursuant to this agreement, and (iii) any other relevant equitable considerations; *provided, however*, that no indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution with respect thereto from any indemnifying party not guilty of such fraudulent misrepresentation. Relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by FPL or the Underwriters and each such party's relative

intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. FPL and each of the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 9(d) were to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this Section 9(d), no Underwriter shall be required to contribute in excess of the amount equal to the excess of (i) the total price at which the Bonds underwritten by it were offered to the public, over (ii) the amount of any damages which such Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission. The obligations of each Underwriter to contribute pursuant to this Section 9(d) are several and not joint and shall be in the same proportion as such Underwriter's obligation to underwrite the Bonds is to the total principal amount of the Bonds set forth in *Schedule II* hereto.

10. Termination. This agreement may be terminated by the Representatives by delivering written notice thereof to FPL, at any time prior to the Closing Date, if after the date hereof and at or prior to the Closing Date:

(a) (i) there shall have occurred any general suspension of trading in securities on The New York Stock Exchange, Inc. (the "**NYSE**") or there shall have been established by the NYSE or by the Commission or by any federal or state agency or by the decision of any court any limitation on prices for such trading or any general restrictions on the distribution of securities, or trading in any securities of FPL shall have been suspended or limited by any exchange located in the United States or on the over-the-counter market located in the United States or a general banking moratorium declared by New York or federal authorities or (ii) there shall have occurred any material adverse change in the financial markets in the United States, any outbreak of hostilities, including, but not limited to, an escalation of hostilities which existed prior to the date of this agreement, any other national or international calamity or crisis or any material adverse change in financial, political or economic conditions affecting the United States, the effect of any such event specified in this clause (ii) being such as to make it, in the reasonable judgment of the Representatives, impracticable or inadvisable to proceed with the offering of the Bonds as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Bonds; or

(b) (i) there shall have been any downgrading or any notice of any intended or potential downgrading in the ratings accorded to the Bonds or any securities of FPL which are of the same class as the Bonds by either Moody's Investors Service, Inc. ("**Moody's**") or Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), or (ii) either Moody's or S&P shall have publicly announced that either has under surveillance or review, with possible negative implications, its ratings of the Bonds or any securities of FPL which are of the same class as the Bonds, the effect of any such event specified in (i) or (ii) above being such as to make it, in the reasonable judgment of the Representatives, impracticable or inadvisable to proceed with the offering of the Bonds as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Bonds.

This agreement may also be terminated at any time prior to the Closing Date if in the judgment of the Representatives the subject matter of any amendment or supplement to the Registration Statement or the Prospectus or any Issuer Free Writing Prospectus prepared and furnished by FPL after the date hereof reflects a material adverse change in the business, properties or financial condition of FPL and its subsidiaries taken as a whole which renders it either inadvisable to proceed with such offering, if any, or inadvisable to proceed with the delivery of the Bonds to be purchased hereunder. Any termination of this agreement pursuant to this Section 10 shall be without liability of any party to any other party except as otherwise provided in *Section 6(d)* and *Section 6(f)* hereof.

11. Miscellaneous.

(a) The validity and interpretation of this agreement shall be governed by the laws of the State of New York without regard to conflicts of law principles thereunder. This agreement shall inure to the benefit of, and be binding upon, FPL, the several Underwriters and, with respect to the provisions of *Section 9* hereof, each officer, director or controlling person referred to in said *Section 9*, and their respective successors. Nothing in this agreement is intended or shall be construed to give to any other person or entity any legal or equitable right, remedy or claim under or in respect of this agreement or any provision herein contained. The term "successors" as used in this agreement shall not include any purchaser, as such purchaser, of any Bonds from any of the several Underwriters.

(b) FPL acknowledges and agrees that the Underwriters are acting solely in the capacity of arm's length contractual counterparties to FPL with respect to the offering of the Bonds as contemplated by this agreement and not as financial advisors or fiduciaries to FPL in connection herewith. Additionally, none of the Underwriters is advising FPL as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the offering of the Bonds as contemplated by this agreement. Any review by the Underwriters of FPL in connection with the offering of the Bonds contemplated by this agreement and the transactions contemplated by this agreement will not be performed on behalf of FPL.

12. Notices. All communications hereunder shall be in writing or by telegram and, if to the Underwriters, shall be mailed or delivered to the Representatives at the address set forth in *Schedule II* hereto, or if to FPL, shall be mailed or delivered to it at 700 Universe Boulevard, Juno Beach, Florida 33408, Attention: Treasurer.

13. Counterparts. This agreement may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Andrew D. Kushner
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

BNP Paribas Securities Corp.

By: _____
Name:
Title:

J.P. Morgan Securities LLC

By: _____
Name:
Title:

BNY Mellon Capital Markets, LLC

By: _____
Name:
Title:

Mitsubishi UFJ Securities (USA), Inc.

By: _____
Name:
Title:

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Andrew D. Kushner
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

BNP Paribas Securities Corp.

By: _____
Name: JIM TURNER
Title: MANAGING DIRECTOR
HEAD OF DEBT CAPITAL MARKETS

J.P. Morgan Securities LLC

By: _____
Name:
Title:

BNY Mellon Capital Markets, LLC

By: _____
Name:
Title:

Mitsubishi UFJ Securities (USA), Inc.

By: _____
Name:
Title:

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Andrew D. Kushner
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

BNP Paribas Securities Corp.

By: _____
Name:
Title:

J.P. Morgan Securities LLC

By: _____
Name:
Title:

BNY Mellon Capital Markets, LLC

By: _____
Name: Daniel Ahlinger
Title:

Mitsubishi UFJ Securities (USA), Inc.

By: _____
Name:
Title:

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Andrew D. Kushner
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

BNP Paribas Securities Corp.

By: _____
Name:
Title:

J.P. Morgan Securities LLC

By: _____
Name:
Title: ROBERT BOTTAMEDI
VICE PRESIDENT

BNY Mellon Capital Markets, LLC

By: _____
Name:
Title:

Mitsubishi UFJ Securities (USA), Inc.

By: _____
Name:
Title:

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Andrew D. Kushner
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

BNP Paribas Securities Corp.

By: _____
Name:
Title:

J.P. Morgan Securities LLC

By: _____
Name:
Title:

BNY Mellon Capital Markets, LLC

By: _____
Name:
Title:

Mitsubishi UFJ Securities (USA), Inc.

By: _____
Name: BRIAN COGLIANDRO
Title: MANAGING DIRECTOR,
HEAD OF U.S. SYNDICATE

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

SCHEDULE I

FLORIDA POWER & LIGHT COMPANY

Pricing Term Sheet

June 6, 2011

Issuer: Florida Power & Light Company

Designation: First Mortgage Bonds, 5.125% Series due June 1, 2041

Legal Format:	SEC Registered
Principal Amount:	$250,000,000
Date of Maturity:	June 1, 2041
Interest Payment Dates:	Each June 1 and December 1, beginning December 1, 2011
Coupon Rate:	5.125%
Price to Public:	99.910% of the principal amount thereof
Benchmark Treasury:	4.75% due February 15, 2041
Benchmark Treasury Yield:	4.261%
Spread to Benchmark Treasury Yield:	87 basis points
Reoffer Yield:	5.131%
Trade Date:	June 6, 2011
Settlement Date:	June 10, 2011
Redemption:	Prior to December 1, 2040, at any time at 100% of the principal amount plus accrued and unpaid interest plus make-whole premium at discount rate equal to Treasury Yield plus 15 basis points, and on or after December 1, 2040, at any time at 100% of the principal amount plus accrued and unpaid interest.
CUSIP / ISIN Number:	341081 FE2 / US341081 FE25

Expected Credit Ratings:*

Moody's Investors Service Inc.	"Aa3" (stable)
Standard & Poor's Ratings Services	"A" (stable)
Fitch Ratings	"AA-" (stable)

Joint Book-Running Managers:

BNP Paribas Securities Corp.
BNY Mellon Capital Markets, LLC
J.P. Morgan Securities LLC
Mitsubishi UFJ Securities (USA), Inc.

Co-Managers:

Daiwa Capital Markets America Inc.

Lloyds Securities Inc.
SG Americas Securities, LLC

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* A security rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organization.

The terms "make-whole premium" and "Treasury Yield" have the meanings ascribed to those terms in the issuer's Preliminary Prospectus Supplement, dated June 6, 2011.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling BNP Paribas Securities Corp. toll-free at 1-800-854-5674, BNY Mellon Capital Markets, LLC toll-free at 1-800-269-6864, J.P. Morgan Securities LLC collect at 1-212-834-4533 or Mitsubishi UFJ Securities (USA), Inc. toll-free at 1-877-649-6848.

SCHEDULE II

Representatives	Addresses
BNP Paribas Securities Corp.	787 Seventh Avenue New York, New York 10019
BNY Mellon Capital Markets, LLC	One Wall Street New York, New York 10286
J.P. Morgan Securities LLC	270 Park Avenue New York, New York 10017
Mitsubishi UFJ Securities (USA), Inc.	1633 Broadway, 29th Floor New York, New York 10019

Underwriters	Principal Amount of Bonds
BNP Paribas Securities Corp.	$ 53,125,000
BNY Mellon Capital Markets, LLC	53,125,000
J.P. Morgan Securities LLC	53,125,000
Mitsubishi UFJ Securities (USA), Inc.	53,125,000
Daiwa Capital Markets America Inc.	12,500,000
Lloyds Securities Inc.	12,500,000
SG Americas Securities, LLC	12,500,000
Total.....	$250,000,000

SCHEDULE III

PRICING DISCLOSURE PACKAGE

(1) Base Prospectus, dated August 3, 2009

(2) Preliminary Prospectus Supplement, dated June 6, 2011 (which shall be deemed to include the Incorporated Documents filed at or prior to the Applicable Time to the extent not superseded by Incorporated Documents filed at or prior to the Applicable Time)

(3) Issuer Free Writing Prospectuses

(a) Pricing Term Sheet attached as Schedule I hereto

SCHEDULE IV

[LETTERHEAD OF SQUIRE, SANDERS & DEMPSEY (US) LLP]

June 10, 2011

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, New York 10019

J.P. Morgan Securities LLC
270 Park Avenue
New York, New York 10017

BNY Mellon Capital Markets, LLC
One Wall Street
New York, New York 10286

Mitsubishi UFJ Securities (USA), Inc.
1633 Broadway, 29th Floor
New York, New York 10019

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company ("FPL") (a) in connection with the authorization and issuance by FPL of $250,000,000 aggregate principal amount of First Mortgage Bonds, 5.125% Series due June 1, 2041 (the "Bonds"), issued under the Mortgage and Deed of Trust dated as of January 1, 1944, as the same is supplemented by one hundred and seventeen indentures supplemental thereto, the latest of which (the "One Hundred Seventeenth Supplemental Indenture") is dated as of June 1, 2011 (such Mortgage as so supplemented being hereinafter called the "Mortgage") from FPL to Deutsche Bank Trust Company Americas, as Trustee ("Mortgage Trustee"), and (b) in connection with the sale of the Bonds to you in accordance with the Underwriting Agreement, dated June 6, 2011 (the "Agreement"), between you and FPL. Capitalized terms used in this opinion but not defined shall have the meanings set forth in the Agreement.

We have participated in the preparation of or reviewed (1) Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08 ("Registration Statement"), which Registration Statement was filed jointly by FPL, NextEra Energy, Inc. (formerly known as FPL Group, Inc.), NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Inc), FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"); (2) the Base Prospectus dated August 3, 2009 forming

a part of the Registration Statement, as supplemented by a preliminary prospectus supplement, subject to completion, dated June 6, 2011 relating to the Bonds, both such prospectus and preliminary prospectus supplement, subject to completion, filed pursuant to Rule 424(b) under the Securities Act ("Rule 424" and references herein to the "Preliminary Prospectus" as of any given date shall refer to such prospectus, as supplemented by the preliminary prospectus supplement, subject to completion, relating to the Bonds filed pursuant to Rule 424, and as further amended and supplemented to such date, including the Incorporated Documents); (3) the pricing term sheet, dated June 6, 2011 (the "Pricing Term Sheet") substantially in the form set forth on Schedule I to the Agreement; (4) the Base Prospectus dated August 3, 2009 forming a part of the Registration Statement, as supplemented by a prospectus supplement dated June 6, 2011 relating to the Bonds, both such prospectus and prospectus supplement filed pursuant to Rule 424 (references herein to the "Prospectus" as of any given date shall refer to such prospectus, as supplemented by such prospectus supplement, and as further amended and supplemented to such date, including the Incorporated Documents); (5) the Mortgage; (6) the corporate proceedings with respect to the Registration Statement and with respect to the authorization, issuance and sale of the Bonds; (7) FPL's Restated Articles of Incorporation (the "Charter") and Amended and Restated Bylaws as amended to the date hereof (the "Bylaws"); and (8) such other corporate records, certificates and other documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion. We have also reviewed the order issued by the Florida Public Service Commission ("FPSC") authorizing, among other things, the issuance and sale of debt securities in 2011, including the Bonds.

Upon the basis of the foregoing, we advise you that:

I.

FPL is a validly organized and existing corporation and its status is active under the laws of the State of Florida.

II.

FPL is a corporation duly authorized by its Charter to conduct the business which it is now conducting as set forth in the Pricing Disclosure Package and the Prospectus; FPL is subject, as to retail rates and services, issuance of securities, accounting and certain other matters, to the jurisdiction of the FPSC; and FPL is subject, as to wholesale rates, accounting and certain other matters, to the jurisdiction of the Federal Energy Regulatory Commission.

III.

The Mortgage has been duly authorized by FPL by all necessary corporate action, has been duly and validly executed and delivered by FPL, and is a valid and binding obligation of FPL enforceable against FPL in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

IV.

The Bonds are valid and binding obligations of FPL enforceable against FPL in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, and are entitled to the benefit of the security afforded by the Mortgage.

V.

Except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion, and except for those parts of the Registration Statement that constitute the Statements of Eligibility, as to which we express no opinion, the Registration Statement, at the Effective Date, and the Prospectus, as of the date of the Agreement, complied as to form in all material respects with the applicable requirements of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder. The Incorporated Documents (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion), at the times they were filed with the Commission, complied as to form in all material respects with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable instructions, rules and regulations of the Commission thereunder. The Registration Statement is an "automatic shelf registration statement" (as defined in Rule 405) that was filed not more than three years prior to the date of the Agreement. The Registration Statement became, and is, at the date hereof, effective under the Securities Act, and to the best of our knowledge, no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Securities Act.

VI.

The consummation of the transactions contemplated in the Agreement and the fulfillment of the terms contained in the Agreement and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to which FPL is now a party, except where such breach or default would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole.

VII.

The Bonds are being issued and sold pursuant to the authority contained in an order of the FPSC, which authority is adequate to permit the issuance and sale of the Bonds. To the best of our knowledge, said authorization is still in full force and effect, and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the blue sky laws of any jurisdiction, as to which we express no opinion, and other than those which have been already obtained) is legally required for the authorization of the issuance and sale of the Bonds.

VIII.

The statements made in the Pricing Disclosure Package and the Prospectus under the headings "Description of Bonds" and "Certain Terms of the Offered Bonds," insofar as they purport to constitute summaries of the terms of the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

IX.

The Mortgage is duly qualified under the Trust Indenture Act of 1939, as amended.

X.

As to the Mortgaged and Pledged Property, as defined in the Mortgage, FPL has satisfactory title to any easements and personal properties, and good and marketable or insurable title in fee simple to any other real properties (except as FPL's interest is stated to be otherwise), subject only to Excepted Encumbrances, as defined in the Mortgage, to any lien, if any, existing or placed thereon at the time of acquisition thereof by FPL, to minor defects and encumbrances customarily found in the case of properties of like size and character and which, in our opinion, would not impair the use thereof by FPL (all of which title exceptions, encumbrances, liens and defects are hereinafter referred to as "Exceptions"), and to the lien of the Mortgage; the Mortgage constitutes a valid, direct, and first mortgage lien upon the Mortgaged and Pledged Property now owned by FPL, subject, however, to the Exceptions and as set forth in the last sentence of this paragraph; and the description of properties in the Mortgage is adequate to constitute the Mortgage a lien on Mortgaged and Pledged Property hereafter acquired by FPL, subject, however, to the Exceptions and except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity. The One Hundred Seventeenth Supplemental Indenture is in proper form for recording in all places required; and upon such recording, the One Hundred Seventeenth Supplemental Indenture will constitute adequate record notice to perfect the lien of the Mortgage as to all Mortgaged and Pledged Property acquired by FPL subsequent to the recording of the One Hundred Sixteenth Supplemental Indenture to the Mortgage and prior to the recording of the One Hundred Seventeenth Supplemental Indenture.

XI.

Except as stated or referred to in the Pricing Disclosure Package and the Prospectus, to our knowledge after due inquiry, there is no material pending legal proceeding to which FPL or any of its subsidiaries is a party or of which property of FPL or any of its subsidiaries is the subject which is reasonably likely to be determined adversely and, if determined adversely, might reasonably be expected to have a material adverse effect on FPL and its subsidiaries taken as a whole and, to the best of our knowledge, no such proceeding is known to be contemplated by governmental authorities.

XII.

The Agreement has been duly and validly authorized, executed and delivered by FPL.

In rendering the foregoing opinion, we have assumed that the certificates representing the Bonds will conform to specimens examined by us and that the Bonds will be duly authenticated, in accordance with the Mortgage, by the Mortgage Trustee under the Mortgage and will be delivered against payment of the purchase price as provided in the Agreement and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

Other than with respect to the opinion expressed in Paragraph VIII hereof, we have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to matters in the Registration Statement, the Preliminary Prospectus, the Prospectus and the Pricing Term Sheet. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its other legal counsel, its independent registered public accounting firm and your representatives. Additionally, as counsel to FPL, we have responsibility for certain of its legal matters. On the basis of such consideration, review and discussion, but without independent check or verification except as stated, nothing has come to our attention that would lead us to believe (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no belief, and except for those parts of the Registration Statement that constitute the Statements of Eligibility, as to which we express no belief), that (i) the Registration Statement at the Effective Date contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading, (ii) the Pricing Disclosure Package, at the Applicable Time, included an untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (iii) the Prospectus as of the date of the Agreement included, or at the date hereof includes, an untrue statement of a material fact or the Prospectus as of the date of the Agreement omitted, or at the date hereof omits, to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion is limited to the laws of the States of Florida, New York and Georgia and the federal laws of the United States insofar as they bear on matters covered hereby. As to all matters of New York law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Morgan, Lewis & Bockius LLP, New York, New York. As to all matters of law affecting Mortgaged and Pledged Property located in the State of Georgia, we have relied, with your consent, upon an opinion of even date herewith addressed to you and us by McDaniel & Scott, P.C., Decatur, Georgia and our opinion in Paragraph X as to such Mortgaged and Pledged Property is subject to the qualifications and limitations set forth in that opinion. As to all matters of Florida law, Morgan, Lewis & Bockius LLP and Hunton & Williams LLP are hereby authorized to rely upon this opinion as though it were rendered to each of them.

This opinion is rendered to you in connection with the above-described transaction. This opinion may not be relied upon by you for any other purpose, or relied upon or furnished to any other person, firm or corporation without our prior written permission. This opinion is expressed as of the date hereof, and we do not assume any obligation to update or supplement it to reflect

any fact or circumstance that hereafter comes to our attention, or any change in law that hereafter occurs.

Very truly yours,

SQUIRE, SANDERS & DEMPSEY (US) LLP

SCHEDULE V

[LETTERHEAD OF MORGAN, LEWIS & BOCKIUS LLP]

June 10, 2011

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, New York 10019

J.P. Morgan Securities LLC
270 Park Avenue
New York, New York 10017

BNY Mellon Capital Markets, LLC
One Wall Street
New York, New York 10286

Mitsubishi UFJ Securities (USA), Inc.
1633 Broadway, 29th Floor
New York, New York 10019

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company ("FPL") (a) in connection with the authorization and issuance by FPL of $250,000,000 aggregate principal amount of First Mortgage Bonds, 5.125% Series due June 1, 2041 (the "Bonds"), issued under the Mortgage and Deed of Trust dated as of January 1, 1944, as the same is supplemented by one hundred and seventeen indentures supplemental thereto, the latest of which (the "One Hundred Seventeenth Supplemental Indenture") is dated as of June 1, 2011 (such Mortgage as so supplemented being hereinafter called the "Mortgage") from FPL to Deutsche Bank Trust Company Americas, as Trustee ("Mortgage Trustee"), and (b) in connection with the sale of the Bonds to you in accordance with the Underwriting Agreement, dated June 6, 2011 (the "Agreement"), between you and FPL. Capitalized terms used in this opinion but not defined shall have the meanings set forth in the Agreement.

We have participated in the preparation of or reviewed (1) Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08 ("Registration Statement"), which Registration Statement was filed jointly by FPL, NextEra Energy, Inc. (formerly known as FPL Group, Inc.), NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Inc), FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"); (2) the Base Prospectus dated August 3, 2009 forming

a part of the Registration Statement, as supplemented by a preliminary prospectus supplement, subject to completion, dated June 6, 2011 relating to the Bonds, both such prospectus and preliminary prospectus supplement, subject to completion, filed pursuant to Rule 424(b) under the Securities Act ("Rule 424" and references herein to the "Preliminary Prospectus" as of any given date shall refer to such prospectus, as supplemented by the preliminary prospectus supplement, subject to completion, relating to the Bonds filed pursuant to Rule 424, and as further amended and supplemented to such date, including the Incorporated Documents); (3) the pricing term sheet, dated June 6, 2011 (the "Pricing Term Sheet") substantially in the form set forth on Schedule I to the Agreement; (4) the Base Prospectus dated August 3, 2009 forming a part of the Registration Statement, as supplemented by a prospectus supplement dated June 6, 2011 relating to the Bonds, both such prospectus and prospectus supplement filed pursuant to Rule 424 (references herein to the "Prospectus" as of any given date shall refer to such prospectus, as supplemented by such prospectus supplement, and as further amended and supplemented to such date, including the Incorporated Documents); (5) the Mortgage; (6) the corporate proceedings with respect to the Registration Statement and with respect to the authorization, issuance and sale of the Bonds; (7) FPL's Restated Articles of Incorporation (the "Charter") and Amended and Restated Bylaws as amended to the date hereof (the "Bylaws"); and (8) such other corporate records, certificates and other documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion. We have also reviewed the order issued by the Florida Public Service Commission ("FPSC") authorizing, among other things, the issuance and sale of debt securities in 2011, including the Bonds.

Upon the basis of the foregoing, we advise you that:

I.

The Mortgage has been duly authorized by FPL by all necessary corporate action, has been duly and validly executed and delivered by FPL, and is a valid and binding obligation of FPL enforceable against FPL in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

II.

The Bonds are valid and binding obligations of FPL enforceable against FPL in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, and are entitled to the benefit of the security afforded by the Mortgage.

III.

Except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion, and except for those parts of the Registration Statement that constitute the Statements of Eligibility, as to which we express no opinion, the Registration Statement, at the Effective Date, and the Prospectus, as of the date

of the Agreement, complied as to form in all material respects with the applicable requirements of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder. The Incorporated Documents (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion), at the times they were filed with the Commission, complied as to form in all material respects with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable instructions, rules and regulations of the Commission thereunder. The Registration Statement is an "automatic shelf registration statement" (as defined in Rule 405) that was filed not more than three years prior to the date of the Agreement. The Registration Statement became, and is, at the date hereof, effective under the Securities Act, and to the best of our knowledge, no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Securities Act.

IV.

The consummation of the transactions contemplated in the Agreement and the fulfillment of the terms contained in the Agreement and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to which FPL is now a party, except where such breach or default would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole.

V.

The Bonds are being issued and sold pursuant to the authority contained in an order of the FPSC, which authority is adequate to permit the issuance and sale of the Bonds. To the best of our knowledge, said authorization is still in full force and effect, and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the blue sky laws of any jurisdiction, as to which we express no opinion, and other than those which have been already obtained) is legally required for the authorization of the issuance and sale of the Bonds.

VI.

The statements made in the Pricing Disclosure Package and the Prospectus under the headings "Description of Bonds" and "Certain Terms of the Offered Bonds," insofar as they purport to constitute summaries of the terms of the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

VII.

The Mortgage is duly qualified under the Trust Indenture Act of 1939, as amended.

VIII.

The Agreement has been duly and validly authorized, executed and delivered by FPL.

In rendering the foregoing opinion, we have assumed that the certificates representing the Bonds will conform to specimens examined by us and that the Bonds will be duly authenticated, in accordance with the Mortgage, by the Mortgage Trustee under the Mortgage and will be delivered against payment of the purchase price as provided in the Agreement and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

Other than with respect to the opinion expressed in Paragraph VI hereof, we have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to matters in the Registration Statement, the Preliminary Prospectus, the Prospectus and the Pricing Term Sheet. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its other legal counsel, its independent registered public accounting firm and your representatives. On the basis of such consideration, review and discussion, but without independent check or verification except as stated, nothing has come to our attention that would lead us to believe (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no belief, and except for those parts of the Registration Statement that constitute the Statements of Eligibility, as to which we express no belief), that (i) the Registration Statement at the Effective Date contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading, (ii) the Pricing Disclosure Package, at the Applicable Time, included an untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (iii) the Prospectus as of the date of the Agreement included, or at the date hereof includes, an untrue statement of a material fact or the Prospectus as of the date of the Agreement omitted, or at the date hereof omits, to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion is limited to the laws of the States of New York and Florida and the federal laws of the United States insofar as they bear on matters covered hereby. As to all matters of Florida law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Squire, Sanders & Dempsey (US) LLP, West Palm Beach, Florida. As to all matters of New York law, Squire, Sanders & Dempsey (US) LLP is hereby authorized to rely upon this opinion as though it were rendered to Squire, Sanders & Dempsey (US) LLP.

This opinion is rendered to you in connection with the above-described transaction. This opinion may not be relied upon by you for any other purpose, or relied upon or furnished to any other person, firm or corporation without our prior written permission. This opinion is expressed as of the date hereof, and we do not assume any obligation to update or supplement it to reflect any fact or circumstance that hereafter comes to our attention, or any change in law that hereafter occurs.

Very truly yours,

MORGAN, LEWIS & BOCKIUS LLP

SCHEDULE VI

[LETTERHEAD OF HUNTON & WILLIAMS LLP]

June 10, 2011

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, New York 10019

J.P. Morgan Securities LLC
270 Park Avenue
New York, New York 10017

BNY Mellon Capital Markets, LLC
One Wall Street
New York, New York 10286

Mitsubishi UFJ Securities (USA), Inc.
1633 Broadway, 29th Floor
New York, New York 10019

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

$250,000,000

Florida Power & Light Company

First Mortgage Bonds, 5.125% Series due June 1, 2041

Ladies and Gentlemen:

We have acted as counsel for you in connection with your several purchases from Florida Power & Light Company ("FPL") of $250,000,000 aggregate principal amount of First Mortgage Bonds, 5.125% Series due June 1, 2041 (the "Bonds"), issued under FPL's Mortgage and Deed of Trust dated as of January 1, 1944, with Deutsche Bank Trust Company Americas, as Trustee, which has been amended and supplemented in the past and which will be supplemented again by one or more supplemental indentures relating to these Bonds (as so amended and supplemented, the "Mortgage"), pursuant to the Underwriting Agreement, dated June 6, 2011, between you and FPL (the "Agreement"). Capitalized terms used in this opinion but not defined shall have the meanings set forth in the Agreement.

In connection with the foregoing, we have examined such documents and satisfied ourselves as to such other matters as we have deemed necessary in order to enable us to express this opinion. We have assumed that the certificates representing the Bonds will conform to specimens examined by us and that the Bonds will be duly authenticated by the Trustee under the Mortgage and will be delivered against payment of the purchase price as provided in the Agreement.

For purposes of the opinions expressed below, we have assumed without verification (i) the authenticity of all documents submitted to us as originals; (ii) the conformity to the originals of all documents submitted as certified or photostatic copies and the authenticity of the originals of such documents; (iii) the genuineness of signatures not witnessed by us; and (iv) the legal capacity of natural persons.

As to factual matters, we have relied upon representations and warranties included in the Agreement and upon certificates of officers of FPL being delivered to you today pursuant to Section 7(a) of the Agreement, and upon certificates of public officials, without independent investigation. Whenever the phrase "to the best of our knowledge" is used herein, it refers to the actual knowledge of the attorneys involved in this transaction, without independent investigation.

We do not purport to express an opinion on any laws other than the laws of the State of New York, the United States of America and, to the extent set forth herein, the laws of the State of Florida. As to all matters of Florida law, we have, with your consent, relied upon the opinion of even date herewith addressed to you by Squire, Sanders & Dempsey (US) LLP, counsel for FPL. We express no opinion or belief as to the incorporation of FPL, titles to property, franchises or the lien of the Mortgage.

Based upon the foregoing, we are of the opinion that:

1. The Mortgage has been duly authorized by FPL by all necessary corporate action, has been duly and validly executed and delivered by FPL, and is a valid and binding obligation of FPL enforceable against FPL in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

2. The Bonds are valid and binding obligations of FPL enforceable against FPL in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, and are entitled to the benefit of the security afforded by the Mortgage.

3. The statements made in the Pricing Disclosure Package and the Prospectus under the headings "Description of Bonds" and "Certain Terms of the Offered Bonds," insofar as such statements purport to constitute summaries of the terms of the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

4. Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08 (including the Incorporated Documents, collectively the "Registration Statement"), is an "automatic shelf registration statement" (as defined in Rule 405) that was filed not more than three years prior to the date of the Agreement. The Registration Statement has become, and is, at the Closing Date, effective under the Securities Act, and to the best of our knowledge, no proceedings for a stop order with respect to the Registration Statement are pending or threatened under Section 8 of the Securities Act.

5. The Mortgage is duly qualified under the Trust Indenture Act of 1939, as amended.

6. The Agreement has been duly and validly authorized, executed and delivered by FPL.

This opinion is given to you solely for your use as the Underwriters in connection with the Agreement and the transactions contemplated thereunder, and it is not to be quoted, in whole or in part, or otherwise referred to, nor is it to be filed with any governmental agency or any other person, nor is it to be relied upon by any person other than you or for any other purpose without our express written consent. This opinion is expressed as of the date hereof, and we do not assume any obligation to update or supplement it to reflect any fact or circumstance that hereafter comes to our attention, or any change in law that hereafter occurs.

Very truly yours,

June 10, 2011

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, New York 10019

J.P. Morgan Securities LLC
270 Park Avenue
New York, New York 10017

BNY Mellon Capital Markets, LLC
One Wall Street
New York, New York 10286

Mitsubishi UFJ Securities (USA), Inc.
1633 Broadway, 29th Floor
New York, New York 10019

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

$250,000,000

Florida Power & Light Company

First Mortgage Bonds, 5.125% Series due June 1, 2041

Ladies and Gentlemen:

We have acted as counsel for you in connection with your several purchases from Florida Power & Light Company ("FPL") of $250,000,000 aggregate principal amount of First Mortgage Bonds, 5.125% Series due June 1, 2041 (the "Bonds"), issued under FPL's Mortgage and Deed of Trust dated as of January 1, 1944, with Deutsche Bank Trust Company Americas, as Trustee, which has been amended and supplemented in the past and which will be supplemented again by one or more supplemental indentures relating to these Bonds (as so amended and supplemented, the "Mortgage"), pursuant to the Underwriting Agreement, dated June 6, 2011, between you and FPL (the "Agreement"). Capitalized terms used in this letter but not defined shall have the meanings set forth in the Agreement.

In passing on the form of the Registration Statement and the form of the Prospectus, we necessarily assume the correctness and completeness of the statements made or included therein by FPL and take no responsibility therefor, except insofar as such statements relate to us and as set forth in paragraph 3 in our opinion letter to you dated as of the date hereof. Other than with respect to the opinion expressed in said paragraph 3, we have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to matters in the Registration Statement, the Preliminary Prospectus, the Prospectus and the Pricing Term Sheet. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its legal counsel, its independent registered public accounting firm and your representatives.

On the basis of such consideration, review and discussion, but without independent check or verification except as stated, nothing has come to our attention that would lead us to believe that

(i) the Registration Statement, at the Effective Date, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading;

(ii) the Pricing Disclosure Package, at the Applicable Time, included an untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(iii) the Prospectus as of the date of the Agreement included, or at the date hereof includes, an untrue statement of a material fact or the Prospectus as of the date of the Agreement omitted, or at the date hereof omits, to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Subject to and on the basis of the foregoing, we further advise you that

(iv) the Registration Statement, at the Effective Date, and the Prospectus, as of the date of the Agreement, complied as to form in all material respects with the applicable requirements of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder; and

(v) the Incorporated Documents, at the times they were filed with the Commission, complied as to form in all material respects with the applicable requirements of the Exchange Act, and the applicable instructions, rules and regulations of the Commission thereunder.

With respect to the foregoing paragraphs (i) - (v), we express no view or belief and make no statement with respect to (a) the financial statements and other financial or statistical data contained or incorporated by reference in the Registration Statement or the exhibits thereto, the Pricing Disclosure Package or the Prospectus and (b) those parts of the Registration Statement that constitute the Statements of Eligibility.

This letter is furnished solely for your use as the Underwriters in connection with the Agreement and the transactions contemplated thereunder, and it is not to be quoted, in whole or in part, or otherwise referred to, nor is it to be filed with any governmental agency or any other person, nor is it to be relied upon by any person other than you or for any other purpose without our express written consent. This letter is expressed as of the date hereof, and we do not assume any obligation to advise you of facts or circumstances that hereafter come to our attention, or of changes in law that hereafter occur, which could affect the views contained herein.

Very truly yours,

Exhibit 4(b)

Underwriting Agreement, dated December 8, 2011, with respect to the 4.125% Mortgage Bonds.

FLORIDA POWER & LIGHT COMPANY

FIRST MORTGAGE BONDS

UNDERWRITING AGREEMENT

December 8, 2011

To the Representatives named in *Schedule II*
hereto of the Underwriters
named in *Schedule II* hereto

Ladies and Gentlemen:

1. Introductory. Florida Power & Light Company, a Florida corporation ("**FPL**"), proposes to issue and sell its first mortgage bonds ("**First Mortgage Bonds**") of the series designation, with the terms and in the principal amount specified in *Schedule I* hereto (the "**Bonds**"). FPL hereby confirms its agreement with the several Underwriters (as defined below) as set forth herein.

The term "**Underwriters**" as used herein shall be deemed to mean the entity or several entities named in *Schedule II* hereto and any underwriter substituted as provided in *Section 5* hereof, and the term "**Underwriter**" shall be deemed to mean one of such Underwriters. If the entity or entities listed as a Representative in *Schedule II* hereto (the "**Representatives**") are the same as the entity or entities listed as Underwriters in *Schedule II* hereto, then the terms "**Underwriters**" and "**Representatives**," as used herein, shall each be deemed to refer to such entity or entities. The Representatives represent that they have been authorized by each Underwriter to enter into this agreement on behalf of such Underwriter and to act for it in the manner herein provided. All obligations of the Underwriters hereunder are several and not joint. If more than one entity is named as a Representative in *Schedule II* hereto, any action under or in respect of this agreement may be taken by such entities jointly as the Representatives or by one of the entities acting on behalf of the Representatives and such action will be binding upon all the Underwriters.

2. Description of the Bonds. The Bonds will be a series of First Mortgage Bonds issued by FPL under its Mortgage and Deed of Trust, dated as of January 1, 1944, to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee (the "**Mortgage Trustee**"), and The Florida National Bank of Jacksonville (now resigned), as heretofore supplemented and as it will be further supplemented by a supplemental indenture relating to the Bonds (the "**Supplemental Indenture**") in substantially the form heretofore delivered to the Representatives. Such Mortgage and Deed of Trust as it has been and will be so supplemented is hereinafter called the "**Mortgage.**"

3. Representations and Warranties of FPL. FPL represents and warrants to the several Underwriters that:

(a) FPL has filed with the Securities and Exchange Commission (the "**Commission**") a joint registration statement with Florida Power & Light Company Trust I, Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I, "**FPL Trust**"), NextEra Energy, Inc. (formerly known as FPL Group, Inc., "**NEE**"), NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Inc, "**NEE Capital**"), FPL Group Capital Trust II, FPL Group Capital Trust III (together with FPL Group Capital Trust II, "**FPL Group Capital Trust**"), FPL Group Trust I, and FPL Group Trust II (together with FPL Group Trust I, "**FPL Group Trust**") on Form S-3, including a prospectus (Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08) ("**Registration Statement No. 333-160987**"), for the registration under the Securities Act of 1933, as amended (the "**Securities Act**"), of

(i) an unspecified aggregate amount of (A) shares of FPL's serial Preferred Stock, $100 par value and shares of FPL's Preferred Stock without par value, (B) warrants of FPL, (C) First Mortgage Bonds, (D) senior debt securities of FPL, (E) subordinated debt securities of FPL, (F) junior subordinated debentures of FPL, (G) preferred trust securities of Florida Power & Light Company Trust I ("**FPL Trust I Preferred Trust Securities**") and (H) preferred trust securities of Florida Power & Light Company Trust II (together with FPL Trust I Preferred Trust Securities, "**FPL Trust Preferred Trust Securities**");

(ii) an unspecified aggregate amount of guarantees of FPL related to the FPL Trust Preferred Trust Securities;

(iii) an unspecified aggregate amount of (A) shares of NEE's common stock, $.01 par value (the "**Common Stock**"), (B) shares of NEE's preferred stock, $.01 par value ("**NEE Preferred Stock**"), (C) contracts to purchase Common Stock or NEE Preferred Stock or other agreements or instruments requiring NEE to issue Common Stock or NEE Preferred Stock (collectively, "**Stock Purchase Contracts**"), (D) units, each representing ownership of a Stock Purchase Contract and any of debt securities of NEE Capital, debt securities of NEE, FPL Group Trust Preferred Trust Securities (as defined below), FPL Group Capital Trust Preferred Trust Securities (as defined below) or debt securities of third parties, including U.S. Treasury securities, (E) warrants of NEE, (F) senior debt securities of NEE, (G) subordinated debt securities of NEE, (H) junior subordinated debentures of NEE, (I) preferred trust securities of FPL Group Trust I ("**FPL Group Trust I Preferred Trust Securities**") and (J) preferred trust securities of FPL Group Trust II (together with FPL Group Trust I Preferred Trust Securities, "**FPL Group Trust Preferred Trust Securities**");

(iv) an unspecified aggregate amount of (A) guarantees of NEE ("**NEE Guarantees**") related to the NEE Capital Senior Debt Securities (as defined below), NEE Capital Preferred Stock (as defined below), FPL Group Capital

Trust Preferred Trust Securities (as defined below) and FPL Group Trust Preferred Trust Securities and (B) subordinated guarantees related to NEE Capital Junior Subordinated Debentures (as defined below) and NEE Capital Subordinated Debt Securities (as defined below); and

(v) an unspecified aggregate amount of (A) shares of NEE Capital's preferred stock, $.01 par value ("**NEE Capital Preferred Stock**"), (B) senior debt securities of NEE Capital ("**NEE Capital Senior Debt Securities**"), (C) subordinated debt securities of NEE Capital ("**NEE Capital Subordinated Debt Securities**"), (D) junior subordinated debentures of NEE Capital ("**NEE Capital Junior Subordinated Debentures**"), (E) preferred trust securities of FPL Group Capital Trust II ("**FPL Group Capital Trust II Preferred Trust Securities**") and (F) preferred trust securities of FPL Group Capital Trust III (together with FPL Group Capital Trust II Preferred Trust Securities, the "**FPL Group Capital Trust Preferred Trust Securities**").

Such registration statement has become effective and no stop order suspending such effectiveness has been issued under the Securities Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of FPL, threatened by the Commission.

References herein to the term "**Registration Statement**" (i) as of any given time means Registration Statement No. 333-160987, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("**Incorporated Documents**") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Bonds (any reference to any preliminary prospectus supplement or any prospectus supplement shall be understood to include the Base Prospectus (as defined below)) deemed to be a part thereof pursuant to Rule 430B under the Securities Act ("**Rule 430B**") that has not been superseded or modified and (ii) without reference to any given time means the Registration Statement as of 9:05 A.M., New York City time on the date hereof (which date and time is the earlier of the date and time of (A) the first use of the preliminary prospectus supplement relating to the Bonds and (B) the first contract of sale of the Bonds), which time shall be considered the "**Effective Date**" of the Registration Statement. For purposes of the definition of Registration Statement in the preceding sentence, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "**Pricing Prospectus**" means (i) the prospectus relating to FPL and FPL Trust forming a part of Registration Statement No. 333-160987, including all Incorporated Documents (the "**Base Prospectus**"), and (ii) any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Bonds deemed to be a part of such registration statement that has not been superseded or modified (for purposes of the definition of Pricing Prospectus with respect to a particular offering of the Bonds, information contained in a prospectus, preliminary prospectus supplement or prospectus supplement (other than a prospectus, preliminary prospectus supplement or prospectus supplement that relates only to securities issued by NEE, NEE

Capital, FPL Group Trust, FPL Group Capital Trust or FPL Trust or to securities issued by FPL other than the Bonds) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that prospectus, preliminary prospectus supplement or prospectus supplement is filed with the Commission pursuant to Rule 424 under the Securities Act ("**Rule 424**")). References herein to the term "**Prospectus**" means the Pricing Prospectus that discloses the public offering price and other final terms of the Bonds and otherwise satisfies Section 10(a) of the Securities Act.

The prospectus supplement relating to the Bonds proposed to be filed pursuant to Rule 424 shall be substantially in the form delivered to the Representatives prior to the execution of this agreement. Each of the Underwriters acknowledges that on or subsequent to the Closing Date (as defined in *Section 5* hereof), FPL may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel and any documents executed in connection with the offering of the Bonds.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act ("**Rule 405**")) filed within three years of the date hereof; the Registration Statement became effective upon filing; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL and not removed; and with respect to the Bonds, FPL is a "well-known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well-known seasoned issuer" in Rule 405 and is not an "ineligible issuer" (as defined in Rule 405).

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both as of the date hereof and at the Closing Date, and the Registration Statement and the Mortgage, at the Closing Date, will fully comply, in all material respects with the applicable provisions of the Securities Act and the Trust Indenture Act of 1939, as amended (the "**1939 Act**"), respectively, and, in each case, the applicable instructions, rules and regulations of the Commission thereunder; the Registration Statement, at the Effective Date, did not, and at the Closing Date the Registration Statement will not, contain an untrue statement of a material fact, or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; the Prospectus, both as of the date hereof and at the Closing Date, will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading; and the Incorporated Documents, when filed with the Commission, fully complied or will fully comply in all material respects with the applicable provisions of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the applicable instructions, rules and regulations of the Commission thereunder; *provided*, that the foregoing representations and warranties in this Section 3(c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL by or on behalf of any Underwriter through the Representatives expressly for use in connection with the

preparation of the Registration Statement or the Prospectus, or to any statements in or omissions from the Statements of Eligibility on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "**Statements of Eligibility**") or to any statements or omissions made in the Registration Statement or the Prospectus relating to The Depository Trust Company ("**DTC**") Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time (as defined below), the Pricing Disclosure Package (as defined below) did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading; *provided*, that the foregoing representations and warranties in this Section 3(d) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus (as defined below), or to any statements in or omissions from the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. References to the term "**Pricing Disclosure Package**" means the documents listed in *Schedule III*, taken together as a whole. References to the term "**Issuer Free Writing Prospectus**" means an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "**Applicable Time**" means 2:05 P.M., New York City time, on the date hereof. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The financial statements included as part of or incorporated by reference in the Pricing Disclosure Package, the Prospectus and the Registration Statement present fairly the consolidated financial condition and results of operations of FPL and its subsidiaries taken as a whole at the respective dates or for the respective periods to which they apply; such financial statements have been prepared in each case in accordance with generally accepted accounting principles consistently applied throughout the periods involved except as otherwise indicated in the Pricing Disclosure Package, the Prospectus and the Registration Statement; and Deloitte & Touche LLP, who has audited the audited financial statements of FPL, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Except as reflected in or contemplated by the Pricing Disclosure Package, since the respective most recent times as of which information is given in the Pricing Disclosure Package, there has not been any material adverse change in the business, properties or financial condition of FPL and its subsidiaries taken as a whole, whether or not in the ordinary course of business, nor has any transaction been entered into by FPL or any of its subsidiaries that is material to FPL and its subsidiaries taken as a whole, other than changes and transactions contemplated by the Pricing Disclosure Package and transactions in the ordinary course of business. FPL and its subsidiaries have no contingent obligation material to FPL and its subsidiaries taken as a whole, which is not disclosed in or contemplated by the Pricing Disclosure Package.

(h) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL, and the fulfillment of the terms hereof on the part of FPL to be fulfilled, have been duly authorized by all necessary corporate action of FPL in accordance with the provisions of its Restated Articles of Incorporation, by-laws and applicable law, and the Bonds when issued and delivered by FPL as provided herein will constitute valid and binding obligations of FPL enforceable against FPL in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

(i) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL, the fulfillment of the terms hereof on the part of FPL to be fulfilled, and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of any of the terms or provisions of, or constitute a default under, FPL's Restated Articles of Incorporation, by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL or any of its subsidiaries is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL or any of its subsidiaries of any federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL or any of its subsidiaries or any of their respective property, except where such breach, default or violation would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole.

(j) FPL has no direct or indirect significant subsidiaries (as defined in Regulation S-X (17 CFR Part 210)).

(k) FPL has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership of properties or the conduct of its businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole, and has the power and authority as a corporation necessary to own or hold its properties and to conduct the businesses in which it is engaged.

(l) All the property to be subjected to the lien of the Mortgage will be adequately described therein.

(m) The Bonds conform in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.

(n) The Mortgage (i) has been duly authorized by FPL by all necessary corporate action, has been duly executed and delivered by FPL and is a valid and binding instrument enforceable against FPL in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity and (ii) conforms in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.

(o) FPL is not, and, after giving effect to the offering and sale of the Bonds and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus, will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(p) Except as described in the Pricing Disclosure Package and the Prospectus, FPL or its subsidiaries have valid franchises, licenses and permits adequate for the conduct of the business of FPL and its subsidiaries as described in the Pricing Disclosure Package and the Prospectus, except where the failure to have such franchises, licenses and permits would not reasonably be expected to have a material adverse effect on FPL and its subsidiaries taken as a whole.

4. Purchase and Sale. On the basis of the representations and warranties herein contained, and subject to the terms and conditions in this agreement, FPL agrees to sell to the respective Underwriters named in *Schedule II* hereto, severally and not jointly, and the respective Underwriters agree, severally and not jointly, to purchase from FPL for an aggregate purchase price of $593,268,000, the respective principal amounts of the Bonds set forth opposite their respective names in *Schedule II* hereto.

The Underwriters agree to make a *bona fide* public offering of the Bonds as set forth in the Pricing Disclosure Package, such public offering to be made as soon after the execution of this agreement as practicable, subject, however, to the terms and conditions of this agreement. The Underwriters have advised FPL that the Bonds will be offered to the public at the amount per Bond as set forth in *Schedule I* hereto as the Price to Public and to certain dealers selected by the Representatives at a price which represents a concession. Such dealers' concession may not be in excess of 0.500% of the principal amount per Bond under the Price to Public.

Each Underwriter agrees that (i) no information that is presented by it to investors has been or will be inconsistent with the information contained in the Pricing Disclosure Package as it may then be amended or supplemented and (ii) it will make no offer that would constitute a Free Writing Prospectus that is required to be filed by FPL pursuant to Rule 433 under the Securities Act other than an Issuer Free Writing Prospectus in accordance with *Section 6(h)* hereof. References to the term "**Free Writing Prospectus**" means a free writing prospectus as defined in Rule 405.

5. Time, Date and Place of Closing, Default of Underwriter. Delivery of the Bonds and payment therefor by wire transfer in federal funds shall be made at 9:00 A.M., New York City time, on the settlement date set forth on *Schedule I*, at the offices of Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178, or at such other time, date or place as may be agreed upon in writing by FPL and the Representatives. The time and date of such delivery and payment are herein called the "**Closing Date.**"

The Bonds shall be delivered to the Representatives for the respective accounts of the Underwriters against payment by the several Underwriters through the Representatives of the purchase price therefor. Delivery of the Bonds shall be made through the facilities of DTC unless FPL and the Representatives shall otherwise agree. For the purpose of expediting the checking of the Bonds by the Representatives on behalf of the Underwriters, FPL agrees to make such Bonds available to the Representatives for such purpose at the offices of Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178, not later than 2:00 P.M., New York City time, on the business day preceding the Closing Date, or at such other time, date or place as may be agreed upon by FPL and the Representatives.

If any Underwriter shall fail to purchase and pay for the principal amount of the Bonds which such Underwriter has agreed to purchase and pay for hereunder (otherwise than by reason of any failure on the part of FPL to comply with any of the provisions contained herein), the non-defaulting Underwriters shall be obligated to purchase and pay for (in addition to the respective principal amount of the Bonds set forth opposite their respective names in *Schedule II* hereto) the principal amount of the Bonds which such defaulting Underwriter or Underwriters failed to purchase and pay for, up to a principal amount thereof equal to, in the case of each such remaining Underwriter, ten percent (10%) of the aggregate principal amount of the Bonds which are set forth opposite the name of such remaining Underwriter in said *Schedule II*, and such remaining Underwriters shall have the right, within 24 hours of receipt of such notice, either to (i) purchase and pay for (in such proportion as may be agreed upon among them) the remaining principal amount of the Bonds which the defaulting Underwriter or Underwriters agreed but failed to purchase, or (ii) substitute another Underwriter or Underwriters, satisfactory to FPL, to purchase and pay for the remaining principal amount of the Bonds which the defaulting Underwriter or Underwriters agreed but failed to purchase. If any of the Bonds would still remain unpurchased, then FPL shall be entitled to a further period of 24 hours within which to procure another party or other parties, members of the Financial Industry Regulatory Authority (or, if not members of said Authority, who are not eligible for membership in said Authority and who agree (i) to make no sales within the United States, its territories or its possessions or to persons who are citizens thereof or residents therein and (ii) in making sales to comply with said Authority's Conduct Rules) and satisfactory to the Representatives to purchase such Bonds on the terms herein set forth. In the event that, within the respective prescribed periods, (i) the non-defaulting Underwriters notify FPL that they have arranged for the purchase of such Bonds or (ii) FPL notifies the non-defaulting Underwriters that it has arranged for the purchase of such Bonds, the non-defaulting Underwriters or FPL shall have the right to postpone the Closing Date for a period of not more than three full business days beyond the expiration of the respective prescribed periods in order to effect whatever changes may thus be made necessary in the Registration Statement, the Prospectus or in any other documents or arrangements. In the event that neither the non-defaulting Underwriters nor FPL has arranged for the purchase of such Bonds by another party or parties as above provided, then this agreement shall terminate without

any liability on the part of FPL or any Underwriter (other than an Underwriter which shall have failed or refused, otherwise than for some reason sufficient to justify, in accordance with the terms hereof, the cancellation or termination of its obligations hereunder, to purchase and pay for the Bonds which such Underwriter has agreed to purchase as provided in *Section 4* hereof), except as otherwise provided in *Section 9*, *Section 6(d) and Section 6(f)* hereof.

6. Covenants of FPL. FPL agrees with the several Underwriters that:

(a) FPL will timely file the Prospectus and any preliminary prospectus supplement used in connection with the offering of the Bonds with the Commission pursuant to Rule 424. FPL has complied and will comply with Rule 433 under the Securities Act in connection with the offering and sale of the Bonds, including applicable provisions in respect of timely filing with the Commission, legending and record-keeping.

(b) FPL will prepare a final term sheet, containing a description of the pricing terms of the Bonds, substantially in the form of *Schedule I* hereto and approved by the Representatives and will timely file such term sheet with the Commission pursuant to Rule 433 under the Securities Act.

(c) FPL will deliver to the Representatives and to Counsel for the Underwriters (as defined below) one signed copy of the Registration Statement or, if a signed copy is not available, one conformed copy of the Registration Statement certified by an officer of FPL to be in the form as originally filed, including all Incorporated Documents and exhibits, except those incorporated by reference, which relate to the Bonds, including a signed or conformed copy of each consent and certificate included therein or filed as an exhibit thereto. As soon as practicable after the date of this agreement, FPL will deliver or cause to be delivered to the Underwriters through the Representatives as many copies of the Prospectus and any Issuer Free Writing Prospectus as the Representatives may reasonably request for the purposes contemplated by the Securities Act.

(d) FPL has paid or caused to be paid or will pay or cause to be paid all expenses in connection with the (i) preparation and filing of the Registration Statement, any preliminary prospectus supplement, the Prospectus and any Issuer Free Writing Prospectus, (ii) issuance and delivery of the Bonds as provided in *Section 5* hereof, (iii) preparation, execution, filing and recording of the Supplemental Indenture and (iv) printing and delivery to the Representatives for the account of the Underwriters, in reasonable quantities, of copies of the Registration Statement, any preliminary prospectus supplement, the Prospectus, any Issuer Free Writing Prospectus and the Supplemental Indenture. FPL will pay or cause to be paid all taxes, if any (but not including any transfer taxes), on the issuance of the Bonds and recordation of the Supplemental Indenture. FPL shall not, however, be required to pay any amount for any expenses of the Representatives or any of the Underwriters, except that if this agreement shall be terminated in accordance with the provisions of *Section 7*, *Section 8*, or *Section 10* hereof, FPL will pay or cause to be paid the fees and disbursements of Counsel for the Underwriters, whose fees and disbursements the Underwriters agree to pay in any other event, and FPL shall reimburse or cause to be reimbursed the Underwriters for

out-of-pocket expenses, reasonably incurred by them in connection with the transactions contemplated by this agreement, not in excess, however, of an aggregate of $5,000 for such out-of-pocket expenses. FPL shall not in any event be liable to any of the several Underwriters for damages on account of loss of anticipated profits.

(e) During a period of nine months after the date of this agreement, if any event relating to or affecting FPL shall occur which, in the opinion of FPL, should be set forth in a supplement to or an amendment of the Prospectus (including an Issuer Free Writing Prospectus) in order to make the Prospectus not misleading in the light of the circumstances when it is delivered to a purchaser, FPL will forthwith at its expense prepare, file with the Commission, if required, and furnish to the Representatives a reasonable number of copies of such supplement or supplements or amendment or amendments to the Prospectus (including an Issuer Free Writing Prospectus) which will supplement or amend the Prospectus so that as supplemented or amended it will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading; *provided* that should such event relate solely to activities of any of the Underwriters, then the Underwriters shall assume the expense of preparing and furnishing copies of any such amendment or supplement. In case any Underwriter is required to deliver a Prospectus after the expiration of nine months after the date of this agreement, FPL upon the request of the Representatives will furnish to the Representatives, at the expense of such Underwriter, a reasonable quantity of a supplemented or amended Prospectus or supplements or amendments to the Prospectus complying with Section 10 of the Securities Act.

(f) FPL will furnish such proper information as may be lawfully required and otherwise cooperate in qualifying the Bonds for offer and sale under the blue sky laws of such United States jurisdictions as the Representatives may designate and will pay or cause to be paid filing fees and expenses (including fees of counsel not to exceed $5,000 and reasonable disbursements of counsel), *provided* that FPL shall not be required to qualify as a foreign corporation or dealer in securities, or to file any consents to service of process under the laws of any jurisdiction, or to meet other requirements deemed by FPL to be unduly burdensome.

(g) FPL will timely file such reports pursuant to the Exchange Act as are necessary in order to make generally available to its security holders (including holders of the Bonds) as soon as practicable an earnings statement (which need not be audited, unless required so to be under Section 11(a) of the Securities Act) for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the Securities Act.

(h) Prior to the termination of the offering of the Bonds, FPL will not file any amendment to the Registration Statement or any amendment or supplement to the Prospectus or any amendment or supplement to the Pricing Disclosure Package without prior notice to the Representatives and to Hunton & Williams LLP, who are acting as counsel for the several Underwriters ("**Counsel for the Underwriters**"), or any such amendment or supplement to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters. FPL has not

made any offer relating to the Bonds that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a Free Writing Prospectus required to be filed by FPL with the Commission or retained by FPL under Rule 433 under the Securities Act, other than a pricing term sheet substantially in the form as set forth on *Schedule I*, and will not make any such offer without prior notice to the Representatives and to Counsel for the Underwriters, or any such offer to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters.

(i) FPL will advise the Representatives promptly of the filing of the Prospectus pursuant to Rule 424, of the filing of any material pursuant to Rule 433 and of any amendment or supplement to the Pricing Disclosure Package or the Registration Statement or, prior to the termination of the offering of the Bonds hereunder, of official notice of the institution of proceedings for, or the entry of, a stop order suspending the effectiveness of the Registration Statement, of receipt from the Commission of any notice of objection to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act, and, if such a stop order should be entered, or notice of objection should be received, use every commercially reasonable effort to obtain the prompt removal thereof.

(j) On or before the Closing Date, FPL will, if applicable, cause (i) at least one counterpart of the Supplemental Indenture to be duly recorded in the States of Florida or Georgia and (ii) all intangible and documentary stamp taxes due in connection with the issuance of the Bonds and the recording of the Supplemental Indenture to be paid. Within 30 days following the Closing Date, FPL will, if applicable, cause the Supplemental Indenture to be duly recorded in all other counties in which property of FPL which is subject to the lien of the Mortgage is located.

7. Conditions of Underwriters' Obligations to Purchase and Pay for the Bonds. The several obligations of the Underwriters to purchase and pay for the Bonds shall be subject to the performance by FPL of its obligations to be performed hereunder on or prior to the Closing Date and to the following conditions:

(a) The representations and warranties made by FPL herein and qualified by materiality shall be true and correct in all respects and the representations and warranties made by FPL herein that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, in each case, as if made on and as of such date and the Representatives shall have received, prior to payment for the Bonds, a certificate from FPL dated the Closing Date and signed by an officer of FPL to that effect.

(b) No stop order suspending the effectiveness of the Registration Statement shall be in effect on the Closing Date; no order of the Commission directed to the adequacy of any Incorporated Document shall be in effect on the Closing Date; no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL and not removed by such date; and the Representatives shall have received, prior to payment for

the Bonds, a certificate from FPL dated the Closing Date and signed by an officer of FPL to the effect that, to the best of his or her knowledge, no such order is in effect and no proceedings for either such purpose are pending before, or to the knowledge of FPL threatened by, the Commission.

(c) On the Closing Date, there shall be in full force and effect an authorization of the Florida Public Service Commission with respect to the issuance and sale of the Bonds on the terms herein stated or contemplated, and containing no provision unacceptable to the Representatives by reason of the fact that it is materially adverse to FPL, it being understood that no authorization provided to Counsel for the Underwriters and in effect at the date of this agreement contains any such unacceptable provision.

(d) On the Closing Date, the Representatives shall have received from Squire, Sanders & Dempsey (US) LLP, counsel to FPL, Morgan, Lewis & Bockius LLP, counsel to FPL, and Hunton & Williams LLP, Counsel for the Underwriters, opinions (with a copy for each of the Underwriters) in substantially the form and substance prescribed in *Schedule IV*, *Schedule V* and *Schedule VI* hereto (i) with such changes therein as may be agreed upon by FPL and the Representatives, with the approval of Counsel for the Underwriters, and (ii) if the Prospectus relating to the Bonds shall be supplemented or amended after the Prospectus shall have been filed with the Commission pursuant to Rule 424, with any changes therein necessary to reflect such supplementation or amendment.

(e) On the date of this agreement and on the Closing Date, the Representatives shall have received from Deloitte & Touche LLP a letter or letters (which may refer to letters previously delivered to the Representatives) (with copies thereof for each of the Underwriters) dated the respective dates of delivery thereof to the effect that (i) they are an independent registered public accounting firm with respect to FPL within the meaning of the Securities Act and the Exchange Act and the applicable published rules and regulations thereunder; (ii) in their opinion, the consolidated financial statements of FPL audited by them and incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the published rules and regulations thereunder; (iii) on the basis of performing a review of interim financial information as described in the Public Company Accounting Oversight Board (United States) ("**PCAOB**") AU722, Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, a reading of the latest available interim unaudited condensed consolidated financial statements of FPL, if any, since the close of FPL's most recent audited fiscal year, a reading of the minutes and consents of the Board of Directors, the Finance Committee of the Board of Directors, the Stock Issuance Committee of the Board of Directors and of the sole common shareholder of FPL since the end of the most recent audited fiscal year, and inquiries of officials of FPL who have responsibility for financial and accounting matters (it being understood that the foregoing procedures do not constitute an audit made in accordance with standards of the PCAOB and they would not necessarily reveal matters of significance with respect to the

comments made in such letter, and accordingly that Deloitte & Touche LLP makes no representation as to the sufficiency of such procedures for the several Underwriters' purposes), nothing has come to their attention which caused them to believe that (a) the unaudited condensed consolidated financial statements of FPL, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, (1) do not comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the published rules and regulations thereunder and (2) except as disclosed in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements of FPL incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable; (b) at the date of the latest available interim balance sheet read by them and at a specified date not more than five days prior to the date of such letter, there was any change in the common stock or additional paid-in capital or increase in the preferred stock or long-term debt including current maturities and excluding fair value swaps, if any, and unamortized premium and discount on long-term debt of FPL and its subsidiaries, or decrease in common shareholders' equity of FPL and its subsidiaries, in each case as compared with amounts shown in the most recent condensed consolidated balance sheet, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, except in all instances for changes, increases or decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, discloses have occurred or may occur, or as occasioned by the declaration, provision for, or payment of dividends, or which are described in such letter; or (c) for the period from the date of the most recent condensed consolidated balance sheet incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, to the latest available interim balance sheet read by them and for the period from the date of the latest available interim balance sheet read by them to a specified date not more than five days prior to the date of such letter, there were any decreases, as compared with the corresponding period in the preceding year, in total consolidated operating revenues or in net income, except in all instances for decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, discloses have occurred or may occur, or which are described in such letter; and (iv) they have carried out certain procedures and made certain findings, as specified in such letter, with respect to certain amounts included in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, and Exhibit 12(b) to the Registration Statement and such other items as the Representatives may reasonably request.

(f) Since the respective most recent times as of which information is given in the Pricing Disclosure Package, and up to the Closing Date, (i) there shall have been no material adverse change in the business, properties or financial condition of FPL and its subsidiaries taken as a whole, except as disclosed in or contemplated by the Pricing Disclosure Package, and (ii) there shall have been no transaction entered into by FPL or any of its subsidiaries that is material to FPL and its subsidiaries taken as a whole, other than transactions disclosed in or contemplated by the Pricing Disclosure Package, and transactions in the ordinary course of business; and at the Closing Date the

Representatives shall have received a certificate to such effect from FPL signed by an officer of FPL.

(g) All legal proceedings to be taken in connection with the issuance and sale of the Bonds shall have been satisfactory in form and substance to Counsel for the Underwriters.

In case any of the conditions specified above in this Section 7 shall not have been fulfilled, this agreement may be terminated by the Representatives upon mailing or delivering written notice thereof to FPL. Any such termination shall be without liability of any party to any other party except as otherwise provided in *Section 6(d) and Section 6(f)* hereof.

8. Conditions of FPL's Obligations. The obligation of FPL to deliver the Bonds shall be subject to the following conditions:

(a) No stop order suspending the effectiveness of the Registration Statement shall be in effect on the Closing Date; no order of the Commission directed to the adequacy of any Incorporated Document shall be in effect on the Closing Date; no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL and not removed by such date.

(b) On the Closing Date, there shall be in full force and effect an authorization of the Florida Public Service Commission with respect to the issuance and sale of the Bonds on the terms herein stated or contemplated, and containing no provision unacceptable to FPL by reason of the fact that it is materially adverse to FPL, it being understood that no authorization in effect at the date of this agreement contains any such unacceptable provision.

In case the conditions specified above in this Section 8 shall not have been fulfilled, this agreement may be terminated by FPL upon mailing or delivering written notice thereof to the Representatives. Any such termination shall be without liability of any party to any other party except as otherwise provided in *Section 6(d) and Section 6(f)* hereof.

9. Indemnification.

(a) FPL agrees to indemnify and hold harmless each Underwriter, each officer and director of each Underwriter and each person who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act or any other statute or common law, and to reimburse each such Underwriter, officer, director and controlling person for any legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) when and as incurred by them in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based

upon an untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus supplement, including all Incorporated Documents, or in the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; *provided, however*, that the indemnity agreement contained in this Section 9(a) shall not apply to any such losses, claims, damages, liabilities, expenses or actions arising out of, or based upon, any such untrue statement or alleged untrue statement, or any such omission or alleged omission, if such statement or omission was made in reliance upon and in conformity with information furnished in writing, to FPL by or on behalf of any Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus supplement, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof, or arising out of, or based upon, statements in or omissions from the Statements of Eligibility; and *provided, further*, that the indemnity agreement contained in this Section 9(a) in respect of any preliminary prospectus supplement, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus shall not inure to the benefit of any Underwriter (or of any officer or director or person controlling such Underwriter) on account of any such losses, claims, damages, liabilities, expenses or actions arising from the sale of the Bonds to any person in respect of any preliminary prospectus supplement, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus, each as may be then supplemented or amended, furnished by such Underwriter to a person to whom any of the Bonds were sold (excluding in all cases, however, any document then incorporated by reference therein), insofar as such indemnity relates to any untrue or misleading statement made in or omission from such preliminary prospectus supplement, Pricing Prospectus, Issuer Free Writing Prospectus or Prospectus, if a copy of a supplement or amendment to such preliminary prospectus supplement, Pricing Prospectus, Prospectus or Issuer Free Writing Prospectus (excluding in all cases, however, any document then incorporated by reference therein) (i) is furnished on a timely basis by FPL to the Underwriter, (ii) is required by law or regulation to have been conveyed to such person by or on behalf of such Underwriter, at or prior to the entry into the contract of sale of the Bonds with such person, but was not so conveyed (which conveyance may be oral or written) by or on behalf of such Underwriter and (iii) would have cured the defect giving rise to such loss, claim, damage or liability. The indemnity agreement of FPL contained in this Section 9(a) and the representations and warranties of FPL contained in *Section 3* hereof shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, or any such officer, director or controlling person, and shall survive the delivery of the Bonds. The Underwriters agree promptly to notify FPL, and each other Underwriter, of the commencement of any litigation or proceedings against them or any of them, or any such officer, director or controlling person in connection with the issuance and sale of the Bonds.

(b) Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless FPL, its officers and directors, and each person who controls FPL within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any and all losses, claims, damages or liabilities, joint or several, to which they or any of

them may become subject under the Securities Act or any other statute or common law, and to reimburse each of them for any legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) when and as incurred by them in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus supplement, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading if such statement or omission was made in reliance upon and in conformity with information furnished in writing to FPL by or on behalf of such Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus supplement, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof. The Underwriters hereby furnish to FPL in writing, expressly for use in the preliminary prospectus supplement dated December 8, 2011, the Registration Statement, the Pricing Prospectus, the Prospectus and any Issuer Free Writing Prospectus, the following: under "Underwriting" in the preliminary prospectus supplement dated December 8, 2011, the Pricing Prospectus and the Prospectus, the fourth sentence of the third paragraph; the entire fourth paragraph (including the table immediately following the third sentence) except for the first sentence of the fourth paragraph; the entire fifth paragraph; the third sentence in the sixth paragraph; and the entire seventh, eighth and ninth paragraphs. FPL acknowledges that the statements identified in the preceding sentence constitute the only information furnished in writing by or on behalf of the several Underwriters expressly for inclusion in the preliminary prospectus supplement, dated December 8, 2011, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus. The indemnity agreement of the respective Underwriters contained in this Section 9(b) shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of FPL or any of its officers or directors or any such other Underwriter or any such controlling person, and shall survive the delivery of the Bonds. FPL agrees promptly to notify the Representatives of the commencement of any litigation or proceedings against FPL (or any controlling person thereof) or any of its officers or directors in connection with the issuance and sale of the Bonds.

(c) FPL and each of the several Underwriters each agree that, upon the receipt of notice of the commencement of any action against it, its officers and directors, or any person controlling it as aforesaid, in respect of which indemnity or contribution may be sought under the provisions of this Section 9 it will promptly give written notice of the commencement thereof to the party or parties against whom indemnity or contribution shall be sought thereunder, but the omission so to notify such indemnifying party or parties of any such action shall not relieve such indemnifying party or parties from any liability which it or they may have to the indemnified party otherwise than on account of this indemnity agreement. In case such notice of any such action shall be so given, such indemnifying party or parties shall be entitled to participate at its own expense in the defense or, if it so elects, to assume (in conjunction with any other indemnifying parties)

the defense of such action, in which event such defense shall be conducted by counsel chosen by such indemnifying party or parties and reasonably satisfactory to the indemnified party or parties who shall be defendant or defendants in such action, and such defendant or defendants shall bear the fees and expenses of any additional counsel retained by them; but if the indemnifying party or parties shall elect not to assume the defense of such action, such indemnifying party or parties will reimburse such indemnified party or parties for the reasonable fees and expenses of any counsel retained by them; *provided*, *however*, if the defendants in any such action include both the indemnified party and the indemnifying party and counsel for the indemnifying party shall have reasonably concluded that there may be a conflict of interest involved in the representation by such counsel of both the indemnifying party and the indemnified party, the indemnified party or parties shall have the right to select separate counsel, satisfactory to the indemnifying party or parties, to participate in the defense of such action on behalf of such indemnified party or parties at the expense of the indemnifying party or parties (it being understood, however, that the indemnifying party or parties shall not be liable for the expenses of more than one separate counsel representing the indemnified parties who are parties to such action). FPL and each of the several Underwriters each agree that without the prior written consent of the other parties to such action who are parties to this agreement, which consent shall not be unreasonably withheld, it will not settle, compromise or consent to the entry of any judgment in any claim or proceeding in respect of which such party intends to seek indemnity or contribution under the provisions of this Section 9, unless such settlement, compromise or consent (i) includes an unconditional release of such other parties from all liability arising out of such claim or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of such other parties.

(d) If, or to the extent, the indemnification provided for in *Section 9(a)* or *Section 9(b)* above shall be unenforceable under applicable law by an indemnified party, each indemnifying party agrees to contribute to such indemnified party with respect to any and all losses, claims, damages, liabilities and expenses for which each such indemnification provided for in *Section 9(a)* or *Section 9(b)* above shall be unenforceable, in such proportion as shall be appropriate to reflect (i) the relative fault of FPL on the one hand and the Underwriters on the other in connection with the statements or omissions which have resulted in such losses, claims, damages, liabilities and expenses, (ii) the relative benefits received by FPL on the one hand and the Underwriters on the other hand from the offering of the Bonds pursuant to this agreement, and (iii) any other relevant equitable considerations; *provided*, *however*, that no indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution with respect thereto from any indemnifying party not guilty of such fraudulent misrepresentation. Relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by FPL or the Underwriters and each such party's relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. FPL and each of the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 9(d) were to be determined by pro rata allocation or by any other method of allocation which does not take account

of the equitable considerations referred to above. Notwithstanding the provisions of this Section 9(d), no Underwriter shall be required to contribute in excess of the amount equal to the excess of (i) the total price at which the Bonds underwritten by it were offered to the public, over (ii) the amount of any damages which such Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission. The obligations of each Underwriter to contribute pursuant to this Section 9(d) are several and not joint and shall be in the same proportion as such Underwriter's obligation to underwrite the Bonds is to the total principal amount of the Bonds set forth in *Schedule II* hereto.

10. Termination. This agreement may be terminated by the Representatives by delivering written notice thereof to FPL, at any time prior to the Closing Date, if after the date hereof and at or prior to the Closing Date:

(a) (i) there shall have occurred any general suspension of trading in securities on The New York Stock Exchange, Inc. (the "**NYSE**") or there shall have been established by the NYSE or by the Commission or by any federal or state agency or by the decision of any court any limitation on prices for such trading or any general restrictions on the distribution of securities, or trading in any securities of FPL shall have been suspended or limited by any exchange located in the United States or on the over-the-counter market located in the United States or a general banking moratorium declared by New York or federal authorities or (ii) there shall have occurred any material adverse change in the financial markets in the United States, any outbreak of hostilities, including, but not limited to, an escalation of hostilities which existed prior to the date of this agreement, any other national or international calamity or crisis or any material adverse change in financial, political or economic conditions affecting the United States, the effect of any such event specified in this clause (ii) being such as to make it, in the reasonable judgment of the Representatives, impracticable or inadvisable to proceed with the offering of the Bonds as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Bonds; or

(b) (i) there shall have been any downgrading or any notice of any intended or potential downgrading in the ratings accorded to the Bonds or any securities of FPL which are of the same class as the Bonds by either Moody's Investors Service, Inc. ("**Moody's**") or Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("**S&P**"), or (ii) either Moody's or S&P shall have publicly announced that either has under surveillance or review, with possible negative implications, its ratings of the Bonds or any securities of FPL which are of the same class as the Bonds, the effect of any such event specified in (i) or (ii) above being such as to make it, in the reasonable judgment of the Representatives, impracticable or inadvisable to proceed with the offering of the Bonds as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Bonds.

This agreement may also be terminated at any time prior to the Closing Date if in the judgment of the Representatives the subject matter of any amendment or supplement to the Registration Statement or the Prospectus or any Issuer Free Writing Prospectus prepared and furnished by FPL after the date hereof reflects a material adverse change in the business, properties or financial condition of FPL and its subsidiaries taken as a whole which renders it either

inadvisable to proceed with such offering, if any, or inadvisable to proceed with the delivery of the Bonds to be purchased hereunder. Any termination of this agreement pursuant to this Section 10 shall be without liability of any party to any other party except as otherwise provided in *Section 6(d)* and *Section 6(f)* hereof.

11. Miscellaneous.

(a) The validity and interpretation of this agreement shall be governed by the laws of the State of New York without regard to conflicts of law principles thereunder. This agreement shall inure to the benefit of, and be binding upon, FPL, the several Underwriters and, with respect to the provisions of *Section 9* hereof, each officer, director or controlling person referred to in said *Section 9*, and their respective successors. Nothing in this agreement is intended or shall be construed to give to any other person or entity any legal or equitable right, remedy or claim under or in respect of this agreement or any provision herein contained. The term "**successors**" as used in this agreement shall not include any purchaser, as such purchaser, of any Bonds from any of the several Underwriters.

(b) FPL acknowledges and agrees that the Underwriters are acting solely in the capacity of arm's length contractual counterparties to FPL with respect to the offering of the Bonds as contemplated by this agreement and not as financial advisors or fiduciaries to FPL in connection herewith. Additionally, none of the Underwriters is advising FPL as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the offering of the Bonds as contemplated by this agreement. Any review by the Underwriters of FPL in connection with the offering of the Bonds contemplated by this agreement and the transactions contemplated by this agreement will not be performed on behalf of FPL.

12. Notices. All communications hereunder shall be in writing or by telegram and, if to the Underwriters, shall be mailed or delivered to the Representatives at the address set forth in *Schedule II* hereto, or if to FPL, shall be mailed or delivered to it at 700 Universe Boulevard, Juno Beach, Florida 33408, Attention: Treasurer.

13. Counterparts. This agreement may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Andrew D. Kushner
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

Barclays Capital Inc.

By: _____
Name:
Title:

Mizuho Securities USA Inc.

By: _____
Name:
Title:

Citigroup Global Markets Inc.

By: _____
Name:
Title:

Scotia Capital (USA) Inc.

By: _____
Name:
Title:

Goldman, Sachs & Co.

By: _____
(Goldman, Sachs & Co.)

Wells Fargo Securities, LLC

By: _____
Name:
Title:

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Andrew D. Kushner
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

Barclays Capital Inc.

By: _____
Name: Robert Stowe
Title: Managing Director

Mizuho Securities USA Inc.

By: _____
Name:
Title:

Citigroup Global Markets Inc.

By: _____
Name:
Title:

Scotia Capital (USA) Inc.

By: _____
Name:
Title:

Goldman, Sachs & Co.

By: _____
(Goldman, Sachs & Co.)

Wells Fargo Securities, LLC

By: _____
Name:
Title:

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Andrew D. Kushner
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

Barclays Capital Inc.

By: _____
Name:
Title:

Mizuho Securities USA Inc.

By: _____
Name:
Title:

Citigroup Global Markets Inc.

By: _____
Name: BRIAN P. BEDNARSKI
Title: MANAGING DIRECTOR

Scotia Capital (USA) Inc.

By: _____
Name:
Title:

Goldman, Sachs & Co.

By: _____
(Goldman, Sachs & Co.)

Wells Fargo Securities, LLC

By: _____
Name:
Title:

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

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Florida Power & Light Company

By: _____
Name: Andrew D. Kushner
Title: Assistant Treasurer

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the date first above written:

Barclays Capital Inc.

By: _____
Name:
Title:

Mizuho Securities USA Inc.

By: _____
Name:
Title:

Citigroup Global Markets Inc.

By: _____
Name:
Title:

Scotia Capital (USA) Inc.

By: _____
Name:
Title:

Goldman, Sachs & Co.

By: Goldman, Sachs & Co.
(Goldman, Sachs & Co.)

Wells Fargo Securities, LLC

By: _____
Name:
Title:

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Andrew D. Kushner
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

Barclays Capital Inc.

By: _____
Name:
Title:

Mizuho Securities USA Inc.

By: W Scott Trachsel
Name: W Scott Trachsel
Title: Managing Director

Citigroup Global Markets Inc.

By: _____
Name:
Title:

Scotia Capital (USA) Inc.

By: _____
Name:
Title:

Goldman, Sachs & Co.

By: _____
(Goldman, Sachs & Co.)

Wells Fargo Securities, LLC

By: _____
Name:
Title:

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Andrew D. Kushner
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

Barclays Capital Inc.

By: _____
Name:
Title:

Citigroup Global Markets Inc.

By: _____
Name:
Title:

Goldman, Sachs & Co.

By: _____
(Goldman, Sachs & Co.)

Mizuho Securities USA Inc.

By: _____
Name:
Title:

Scotia Capital (USA) Inc.

By: _____
Name: Paul McKeown
Title: Managing Director

Wells Fargo Securities, LLC

By: _____
Name:
Title:

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Andrew D. Kushner
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

Barclays Capital Inc.

By: _____
Name:
Title:

Mizuho Securities USA Inc.

By: _____
Name:
Title:

Citigroup Global Markets Inc.

By: _____
Name:
Title:

Scotia Capital (USA) Inc.

By: _____
Name:
Title:

Goldman, Sachs & Co.

By: _____
(Goldman, Sachs & Co.)

Wells Fargo Securities, LLC

By: _____
Name: Carolyn Hurley
Title: Director

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

SCHEDULE I

FLORIDA POWER & LIGHT COMPANY

Pricing Term Sheet

December 8, 2011

Issuer: Florida Power & Light Company

Bonds:

Designation:	First Mortgage Bonds, 4.125% Series due February 1, 2042
Legal Format:	SEC Registered
Principal Amount:	$600,000,000
Date of Maturity:	February 1, 2042
Interest Payment Dates:	Each February 1 and August 1, beginning August 1, 2012
Coupon Rate:	4.125%
Price to Public:	99.753% of the principal amount thereof
Benchmark Treasury:	3.75% due August 15, 2041
Benchmark Treasury Yield:	2.989%
Spread to Benchmark Treasury Yield:	115 basis points
Reoffer Yield:	4.139%
Trade Date:	December 8, 2011
Settlement Date:	December 13, 2011
Redemption:	Prior to August 1, 2041, at any time at 100% of the principal amount plus accrued and unpaid interest plus make-whole premium at discount rate equal to Treasury Yield plus 20 basis points, and on or after August 1, 2041, at any time at 100% of the principal amount plus accrued and unpaid interest.
CUSIP / ISIN Number:	341081 FF9 / US341081FF99

Expected Credit Ratings:*

Moody's Investors Service Inc.	"Aa3" (stable)
Standard & Poor's Ratings Services	"A" (stable)
Fitch Ratings	"AA-" (stable)

Joint Book-Running Managers:

Barclays Capital Inc.
Citigroup Global Markets Inc.
Goldman, Sachs & Co.
Mizuho Securities USA Inc.
Scotia Capital (USA) Inc.
Wells Fargo Securities, LLC

Co-Managers:

KeyBanc Capital Markets Inc.
Morgan Keegan & Company, Inc.
RBC Capital Markets, LLC
UniCredit Capital Markets LLC
U.S. Bancorp Investments, Inc.

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* A security rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organization.

The terms "make-whole premium" and "Treasury Yield" have the meanings ascribed to those terms in the issuer's Preliminary Prospectus Supplement, dated December 8, 2011.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Barclays Capital Inc. toll free at 1-888-603-5847, Citigroup Global Markets Inc. toll free at 1-877-858-5407, Goldman, Sachs & Co. toll free at 1-866-471-2526, Mizuho Securities USA Inc. toll free at 1-866-271-7403, Scotia Capital (USA) Inc. toll free at 1-800-372-3930, or Wells Fargo Securities, LLC toll free at 1-800-326-5897.

SCHEDULE II

Representatives	Addresses
Barclays Capital Inc.	745 Seventh Avenue New York, New York 10019
Citigroup Global Markets Inc.	388 Greenwich Street New York, New York 10013
Goldman, Sachs & Co.	85 Broad Street New York, New York 10004
Mizuho Securities USA Inc.	1251 Avenue of the Americas, 33rd Floor New York, New York 10020
Scotia Capital (USA) Inc.	1 Liberty Plaza, 25th Floor 165 Broadway New York, New York 10006
Wells Fargo Securities, LLC	301 S. College Street, 6th Floor Charlotte, North Carolina 28202

Underwriters	Principal Amount of Bonds
Barclays Capital Inc.	$ 85,000,000
Citigroup Global Markets Inc.	85,000,000
Goldman, Sachs & Co.	85,000,000
Mizuho Securities USA Inc.	85,000,000
Scotia Capital (USA) Inc.	85,000,000
Wells Fargo Securities, LLC	85,000,000
KeyBanc Capital Markets Inc.	18,000,000
Morgan Keegan & Company, Inc.	18,000,000
RBC Capital Markets, LLC	18,000,000
UniCredit Capital Markets LLC	18,000,000
U.S. Bancorp Investments, Inc.	18,000,000
Total	$600,000,000

SCHEDULE III

PRICING DISCLOSURE PACKAGE

(1) Base Prospectus, dated August 3, 2009

(2) Preliminary Prospectus Supplement, dated December 8, 2011 (which shall be deemed to include the Incorporated Documents filed at or prior to the Applicable Time to the extent not superseded by Incorporated Documents filed at or prior to the Applicable Time)

(3) Issuer Free Writing Prospectuses

(a) Pricing Term Sheet attached as *Schedule I* to this Underwriting Agreement dated December 8, 2011.

SCHEDULE IV

[LETTERHEAD OF SQUIRE, SANDERS & DEMPSEY (US) LLP]

December 13, 2011

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Mizuho Securities USA Inc.
1251 Avenue of the Americas, 33rd Floor
New York, New York 10020

Scotia Capital (USA) Inc.
1 Liberty Plaza, 25th Floor
165 Broadway
New York, New York 10006

Wells Fargo Securities, LLC
301 S. College Street, 6th Floor
Charlotte, North Carolina 28202

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company ("FPL") (a) in connection with the authorization and issuance by FPL of $600,000,000 aggregate principal amount of First Mortgage Bonds, 4.125% Series due February 1, 2042 (the "Bonds"), issued under the Mortgage and Deed of Trust dated as of January 1, 1944, as the same is supplemented by one hundred and eighteen indentures supplemental thereto, the latest of which (the "One Hundred Eighteenth Supplemental Indenture") is dated as of December 1, 2011 (such Mortgage as so supplemented being hereinafter called the "Mortgage") from FPL to Deutsche Bank Trust Company Americas, as Trustee ("Mortgage Trustee"), and (b) in connection with the sale of the Bonds to you in accordance with the Underwriting Agreement, dated December 8, 2011 (the "Agreement"), between you and FPL. Capitalized terms used in this opinion but not defined shall have the meanings set forth in the Agreement.

We have participated in the preparation of or reviewed (1) Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08 ("Registration Statement"), which Registration Statement was filed jointly by FPL, NextEra Energy, Inc. (formerly known as FPL Group, Inc.), NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Inc), FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group

Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"); (2) the Base Prospectus dated August 3, 2009 forming a part of the Registration Statement, as supplemented by a preliminary prospectus supplement, subject to completion, dated December 8, 2011 relating to the Bonds, both such prospectus and preliminary prospectus supplement, subject to completion, filed pursuant to Rule 424(b) under the Securities Act ("Rule 424" and references herein to the "Preliminary Prospectus" as of any given date shall refer to such prospectus, as supplemented by the preliminary prospectus supplement, subject to completion, relating to the Bonds filed pursuant to Rule 424, and as further amended and supplemented to such date, including the Incorporated Documents); (3) the pricing term sheet, dated December 8, 2011 (the "Pricing Term Sheet") substantially in the form set forth on Schedule I to the Agreement; (4) the Base Prospectus dated August 3, 2009 forming a part of the Registration Statement, as supplemented by a prospectus supplement dated December 8, 2011 relating to the Bonds, both such prospectus and prospectus supplement filed pursuant to Rule 424 (references herein to the "Prospectus" as of any given date shall refer to such prospectus, as supplemented by such prospectus supplement, and as further amended and supplemented to such date, including the Incorporated Documents); (5) the Mortgage; (6) the corporate proceedings with respect to the Registration Statement and with respect to the authorization, issuance and sale of the Bonds; (7) FPL's Restated Articles of Incorporation (the "Charter") and Amended and Restated Bylaws as amended to the date hereof (the "Bylaws"); and (8) such other corporate records, certificates and other documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion. We have also reviewed the order issued by the Florida Public Service Commission ("FPSC") authorizing, among other things, the issuance and sale of debt securities in 2011, including the Bonds.

Upon the basis of the foregoing, we advise you that:

I.

FPL is a validly organized and existing corporation and its status is active under the laws of the State of Florida.

II.

FPL is a corporation duly authorized by its Charter to conduct the business which it is now conducting as set forth in the Pricing Disclosure Package and the Prospectus; FPL is subject, as to retail rates and services, issuance of securities, accounting and certain other matters, to the jurisdiction of the FPSC; and FPL is subject, as to wholesale rates, accounting and certain other matters, to the jurisdiction of the Federal Energy Regulatory Commission.

III.

The Mortgage has been duly authorized by FPL by all necessary corporate action, has been duly and validly executed and delivered by FPL, and is a valid and binding obligation of FPL enforceable against FPL in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

IV.

The Bonds are valid and binding obligations of FPL enforceable against FPL in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, and are entitled to the benefit of the security afforded by the Mortgage.

V.

Except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion, and except for those parts of the Registration Statement that constitute the Statements of Eligibility, as to which we express no opinion, the Registration Statement, at the Effective Date, and the Prospectus, as of the date of the Agreement, complied as to form in all material respects with the applicable requirements of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder. The Incorporated Documents (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion), at the times they were filed with the Commission, complied as to form in all material respects with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable instructions, rules and regulations of the Commission thereunder. The Registration Statement is an "automatic shelf registration statement" (as defined in Rule 405) that was filed not more than three years prior to the date of the Agreement. The Registration Statement became, and is, at the date hereof, effective under the Securities Act, and to the best of our knowledge, no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Securities Act.

VI.

The consummation of the transactions contemplated in the Agreement and the fulfillment of the terms contained in the Agreement and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to which FPL is now a party, except where such breach or default would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole.

VII.

The Bonds are being issued and sold pursuant to the authority contained in an order of the FPSC, which authority is adequate to permit the issuance and sale of the Bonds. To the best of our knowledge, said authorization is still in full force and effect, and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the blue sky laws of any jurisdiction, as to which we express no opinion, and other than those which have been already obtained) is legally required for the authorization of the issuance and sale of the Bonds.

VIII.

The statements made in the Pricing Disclosure Package and the Prospectus under the headings "Description of Bonds" and "Certain Terms of the Offered Bonds," insofar as they purport to constitute summaries of the terms of the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

IX.

The Mortgage is duly qualified under the Trust Indenture Act of 1939, as amended.

X.

As to the Mortgaged and Pledged Property, as defined in the Mortgage, FPL has satisfactory title to any easements and personal properties, and good and marketable or insurable title in fee simple to any other real properties (except as FPL's interest is stated to be otherwise), subject only to Excepted Encumbrances, as defined in the Mortgage, to any lien, if any, existing or placed thereon at the time of acquisition thereof by FPL, to minor defects and encumbrances customarily found in the case of properties of like size and character and which, in our opinion, would not impair the use thereof by FPL (all of which title exceptions, encumbrances, liens and defects are hereinafter referred to as "Exceptions"), and to the lien of the Mortgage; the Mortgage constitutes a valid, direct, and first mortgage lien upon the Mortgaged and Pledged Property now owned by FPL, subject, however, to the Exceptions and as set forth in the last sentence of this paragraph; and the description of properties in the Mortgage is adequate to constitute the Mortgage a lien on Mortgaged and Pledged Property hereafter acquired by FPL, subject, however, to the Exceptions and except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity. The One Hundred Eighteenth Supplemental Indenture is in proper form for recording in all places required; and upon such recording, the One Hundred Eighteenth Supplemental Indenture will constitute adequate record notice to perfect the lien of the Mortgage as to all Mortgaged and Pledged Property acquired by FPL subsequent to the recording of the One Hundred Seventeenth Supplemental Indenture to the Mortgage and prior to the recording of the One Hundred Eighteenth Supplemental Indenture.

XI.

Except as stated or referred to in the Pricing Disclosure Package and the Prospectus, to our knowledge after due inquiry, there is no material pending legal proceeding to which FPL or any of its subsidiaries is a party or of which property of FPL or any of its subsidiaries is the subject which is reasonably likely to be determined adversely and, if determined adversely, might reasonably be expected to have a material adverse effect on FPL and its subsidiaries taken as a whole and, to the best of our knowledge, no such proceeding is known to be contemplated by governmental authorities.

XII.

The Agreement has been duly and validly authorized, executed and delivered by FPL.

In rendering the foregoing opinion, we have assumed that the certificates representing the Bonds will conform to specimens examined by us and that the Bonds will be duly authenticated, in accordance with the Mortgage, by the Mortgage Trustee under the Mortgage and will be delivered against payment of the purchase price as provided in the Agreement and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

Other than with respect to the opinion expressed in Paragraph VIII hereof, we have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to matters in the Registration Statement, the Preliminary Prospectus, the Prospectus and the Pricing Term Sheet. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its other legal counsel, its independent registered public accounting firm and your representatives. Additionally, as counsel to FPL, we have responsibility for certain of its legal matters. On the basis of such consideration, review and discussion, but without independent check or verification except as stated, nothing has come to our attention that would lead us to believe (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no belief, and except for those parts of the Registration Statement that constitute the Statements of Eligibility, as to which we express no belief), that (i) the Registration Statement at the Effective Date contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading, (ii) the Pricing Disclosure Package, at the Applicable Time, included an untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (iii) the Prospectus as of the date of the Agreement included, or at the date hereof includes, an untrue statement of a material fact or the Prospectus as of the date of the Agreement omitted, or at the date hereof omits, to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion is limited to the laws of the States of Florida, New York and Georgia and the federal laws of the United States insofar as they bear on matters covered hereby. As to all matters of New York law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Morgan, Lewis & Bockius LLP, New York, New York. As to all matters of law affecting Mortgaged and Pledged Property located in the State of Georgia, we have relied, with your consent, upon an opinion of even date herewith addressed to you and us by McDaniel & Scott, P.C., Decatur, Georgia and our opinion in Paragraph X as to such Mortgaged and Pledged Property is subject to the qualifications and limitations set forth in that opinion. As to all matters of Florida law, Morgan, Lewis & Bockius LLP and Hunton & Williams LLP are hereby authorized to rely upon this opinion as though it were rendered to each of them.

This opinion is rendered to you in connection with the above-described transaction. This opinion may not be relied upon by you for any other purpose, or relied upon or furnished to any other person, firm or corporation without our prior written permission. This opinion is expressed as of the date hereof, and we do not assume any obligation to update or supplement it to reflect

any fact or circumstance that hereafter comes to our attention, or any change in law that hereafter occurs.

Very truly yours,

SQUIRE, SANDERS & DEMPSEY (US) LLP

SCHEDULE V

[LETTERHEAD OF MORGAN, LEWIS & BOCKIUS LLP]

December 13, 2011

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Mizuho Securities USA Inc.
1251 Avenue of the Americas, 33rd Floor
New York, New York 10020

Scotia Capital (USA) Inc.
1 Liberty Plaza, 25th Floor
165 Broadway
New York, New York 10006

Wells Fargo Securities, LLC
301 S. College Street, 6th Floor
Charlotte, North Carolina 28202

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company ("FPL") (a) in connection with the authorization and issuance by FPL of $600,000,000 aggregate principal amount of First Mortgage Bonds, 4.125% Series due February 1, 2042 (the "Bonds"), issued under the Mortgage and Deed of Trust dated as of January 1, 1944, as the same is supplemented by one hundred and eighteen indentures supplemental thereto, the latest of which (the "One Hundred Eighteenth Supplemental Indenture") is dated as of December 1, 2011 (such Mortgage as so supplemented being hereinafter called the "Mortgage") from FPL to Deutsche Bank Trust Company Americas, as Trustee ("Mortgage Trustee"), and (b) in connection with the sale of the Bonds to you in accordance with the Underwriting Agreement, dated December 8, 2011 (the "Agreement"), between you and FPL. Capitalized terms used in this opinion but not defined shall have the meanings set forth in the Agreement.

We have participated in the preparation of or reviewed (1) Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08 ("Registration Statement"), which Registration Statement was filed jointly by FPL, NextEra Energy, Inc. (formerly known as FPL Group, Inc.), NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Inc), FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II

with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"); (2) the Base Prospectus dated August 3, 2009 forming a part of the Registration Statement, as supplemented by a preliminary prospectus supplement, subject to completion, dated December 8, 2011 relating to the Bonds, both such prospectus and preliminary prospectus supplement, subject to completion, filed pursuant to Rule 424(b) under the Securities Act ("Rule 424" and references herein to the "Preliminary Prospectus" as of any given date shall refer to such prospectus, as supplemented by the preliminary prospectus supplement, subject to completion, relating to the Bonds filed pursuant to Rule 424, and as further amended and supplemented to such date, including the Incorporated Documents); (3) the pricing term sheet, dated December 8, 2011 (the "Pricing Term Sheet") substantially in the form set forth on Schedule I to the Agreement; (4) the Base Prospectus dated August 3, 2009 forming a part of the Registration Statement, as supplemented by a prospectus supplement dated December 8, 2011 relating to the Bonds, both such prospectus and prospectus supplement filed pursuant to Rule 424 (references herein to the "Prospectus" as of any given date shall refer to such prospectus, as supplemented by such prospectus supplement, and as further amended and supplemented to such date, including the Incorporated Documents); (5) the Mortgage; (6) the corporate proceedings with respect to the Registration Statement and with respect to the authorization, issuance and sale of the Bonds; (7) FPL's Restated Articles of Incorporation (the "Charter") and Amended and Restated Bylaws as amended to the date hereof (the "Bylaws"); and (8) such other corporate records, certificates and other documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion. We have also reviewed the order issued by the Florida Public Service Commission ("FPSC") authorizing, among other things, the issuance and sale of debt securities in 2011, including the Bonds.

Upon the basis of the foregoing, we advise you that:

I.

The Mortgage has been duly authorized by FPL by all necessary corporate action, has been duly and validly executed and delivered by FPL, and is a valid and binding obligation of FPL enforceable against FPL in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

II.

The Bonds are valid and binding obligations of FPL enforceable against FPL in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, and are entitled to the benefit of the security afforded by the Mortgage.

III.

Except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion, and except for those parts of the Registration Statement that constitute the Statements of Eligibility, as to which we express no opinion, the Registration Statement, at the Effective Date, and the Prospectus, as of the date

of the Agreement, complied as to form in all material respects with the applicable requirements of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder. The Incorporated Documents (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion), at the times they were filed with the Commission, complied as to form in all material respects with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable instructions, rules and regulations of the Commission thereunder. The Registration Statement is an "automatic shelf registration statement" (as defined in Rule 405) that was filed not more than three years prior to the date of the Agreement. The Registration Statement became, and is, at the date hereof, effective under the Securities Act, and to the best of our knowledge, no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Securities Act.

IV.

The consummation of the transactions contemplated in the Agreement and the fulfillment of the terms contained in the Agreement and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to which FPL is now a party, except where such breach or default would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole.

V.

The Bonds are being issued and sold pursuant to the authority contained in an order of the FPSC, which authority is adequate to permit the issuance and sale of the Bonds. To the best of our knowledge, said authorization is still in full force and effect, and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the blue sky laws of any jurisdiction, as to which we express no opinion, and other than those which have been already obtained) is legally required for the authorization of the issuance and sale of the Bonds.

VI.

The statements made in the Pricing Disclosure Package and the Prospectus under the headings "Description of Bonds" and "Certain Terms of the Offered Bonds," insofar as they purport to constitute summaries of the terms of the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

VII.

The Mortgage is duly qualified under the Trust Indenture Act of 1939, as amended.

VIII.

The Agreement has been duly and validly authorized, executed and delivered by FPL.

In rendering the foregoing opinion, we have assumed that the certificates representing the Bonds will conform to specimens examined by us and that the Bonds will be duly authenticated, in accordance with the Mortgage, by the Mortgage Trustee under the Mortgage and will be delivered against payment of the purchase price as provided in the Agreement and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

Other than with respect to the opinion expressed in Paragraph VI hereof, we have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to matters in the Registration Statement, the Preliminary Prospectus, the Prospectus and the Pricing Term Sheet. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its other legal counsel, its independent registered public accounting firm and your representatives. On the basis of such consideration, review and discussion, but without independent check or verification except as stated, nothing has come to our attention that would lead us to believe (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no belief, and except for those parts of the Registration Statement that constitute the Statements of Eligibility, as to which we express no belief), that (i) the Registration Statement at the Effective Date contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading, (ii) the Pricing Disclosure Package, at the Applicable Time, included an untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (iii) the Prospectus as of the date of the Agreement included, or at the date hereof includes, an untrue statement of a material fact or the Prospectus as of the date of the Agreement omitted, or at the date hereof omits, to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion is limited to the laws of the States of New York and Florida and the federal laws of the United States insofar as they bear on matters covered hereby. As to all matters of Florida law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Squire, Sanders & Dempsey (US) LLP, West Palm Beach, Florida. As to all matters of New York law, Squire, Sanders & Dempsey (US) LLP is hereby authorized to rely upon this opinion as though it were rendered to Squire, Sanders & Dempsey (US) LLP.

This opinion is rendered to you in connection with the above-described transaction. This opinion may not be relied upon by you for any other purpose, or relied upon or furnished to any other person, firm or corporation without our prior written permission. This opinion is expressed as of the date hereof, and we do not assume any obligation to update or supplement it to reflect any fact or circumstance that hereafter comes to our attention, or any change in law that hereafter occurs.

Very truly yours,

MORGAN, LEWIS & BOCKIUS LLP

SCHEDULE VI

[LETTERHEAD OF HUNTON & WILLIAMS LLP]

December 13, 2011

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Mizuho Securities USA Inc.
1251 Avenue of the Americas, 33rd Floor
New York, New York 10020

Scotia Capital (USA) Inc.
1 Liberty Plaza, 25th Floor
165 Broadway
New York, New York 10006

Wells Fargo Securities, LLC
301 S. College Street, 6th Floor
Charlotte, North Carolina 28202

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

$600,000,000

Florida Power & Light Company

First Mortgage Bonds, 4.125% Series due February 1, 2042

Ladies and Gentlemen:

We have acted as counsel for you in connection with your several purchases from Florida Power & Light Company ("FPL") of $600,000,000 aggregate principal amount of First Mortgage Bonds, 4.125% Series due February 1, 2042 (the "Bonds"), issued under FPL's Mortgage and Deed of Trust dated as of January 1, 1944, with Deutsche Bank Trust Company Americas, as Trustee, which has been amended and supplemented in the past and which will be supplemented again by one or more supplemental indentures relating to these Bonds (as so amended and supplemented, the "Mortgage"), pursuant to the Underwriting Agreement, dated December 8, 2011, between you and FPL (the "Agreement"). Capitalized terms used in this opinion but not defined shall have the meanings set forth in the Agreement.

In connection with the foregoing, we have examined such documents and satisfied ourselves as to such other matters as we have deemed necessary in order to enable us to express this opinion. We have assumed that the certificates representing the Bonds will conform to specimens examined by us and that the Bonds will be duly authenticated by the Trustee under the Mortgage and will be delivered against payment of the purchase price as provided in the Agreement.

For purposes of the opinions expressed below, we have assumed without verification (i) the authenticity of all documents submitted to us as originals; (ii) the conformity to the originals of all documents submitted as certified or photostatic copies and the authenticity of the originals of such documents; (iii) the genuineness of signatures not witnessed by us; and (iv) the legal capacity of natural persons.

As to factual matters, we have relied upon representations and warranties included in the Agreement and upon certificates of officers of FPL being delivered to you today pursuant to Section 7(a) of the Agreement, and upon certificates of public officials, without independent investigation. Whenever the phrase "to the best of our knowledge" is used herein, it refers to the actual knowledge of the attorneys involved in this transaction, without independent investigation.

We do not purport to express an opinion on any laws other than the laws of the State of New York, the United States of America and, to the extent set forth herein, the laws of the State of Florida. As to all matters of Florida law, we have, with your consent, relied upon the opinion of even date herewith addressed to you by Squire, Sanders & Dempsey (US) LLP, counsel for FPL. We express no opinion or belief as to the incorporation of FPL, titles to property, franchises or the lien of the Mortgage.

Based upon the foregoing, we are of the opinion that:

1. The Mortgage has been duly authorized by FPL by all necessary corporate action, has been duly and validly executed and delivered by FPL, and is a valid and binding obligation of FPL enforceable against FPL in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

2. The Bonds are valid and binding obligations of FPL enforceable against FPL in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, and are entitled to the benefit of the security afforded by the Mortgage.

3. The statements made in the Pricing Disclosure Package and the Prospectus under the headings "Description of Bonds" and "Certain Terms of the Offered Bonds," insofar as such statements purport to constitute summaries of the terms of the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

4. Registration Statement Nos. 333-160987, 333-160987-01, 333-160987-02, 333-160987-03, 333-160987-04, 333-160987-05, 333-160987-06, 333-160987-07 and 333-160987-08 (including the Incorporated Documents, collectively the "Registration Statement"), is an "automatic shelf registration statement" (as defined in Rule 405) that was filed not more than three years prior to the date of the Agreement. The Registration Statement has become, and is, at the Closing Date, effective under the Securities Act, and to the best of our knowledge, no proceedings for a stop order with respect to the Registration Statement are pending or threatened under Section 8 of the Securities Act.

5. The Mortgage is duly qualified under the Trust Indenture Act of 1939, as amended.

6. The Agreement has been duly and validly authorized, executed and delivered by FPL.

This opinion is given to you solely for your use as the Underwriters in connection with the Agreement and the transactions contemplated thereunder, and it is not to be quoted, in whole or in part, or otherwise referred to, nor is it to be filed with any governmental agency or any other person, nor is it to be relied upon by any person other than you or for any other purpose without our express written consent. This opinion is expressed as of the date hereof, and we do not assume any obligation to update or supplement it to reflect any fact or circumstance that hereafter comes to our attention, or any change in law that hereafter occurs.

Very truly yours,

December 13, 2011

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Mizuho Securities USA Inc.
1251 Avenue of the Americas, 33rd Floor
New York, New York 10020

Scotia Capital (USA) Inc.
1 Liberty Plaza, 25th Floor
165 Broadway
New York, New York 10006

Wells Fargo Securities, LLC
301 S. College Street, 6th Floor
Charlotte, North Carolina 28202

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

$600,000,000

Florida Power & Light Company

First Mortgage Bonds, 4.125% Series due February 1, 2042

Ladies and Gentlemen:

We have acted as counsel for you in connection with your several purchases from Florida Power & Light Company ("FPL") of $600,000,000 aggregate principal amount of First Mortgage Bonds, 4.125% Series due February 1, 2042 (the "Bonds"), issued under FPL's Mortgage and Deed of Trust dated as of January 1, 1944, with Deutsche Bank Trust Company Americas, as Trustee, which has been amended and supplemented in the past and which will be supplemented again by one or more supplemental indentures relating to these Bonds (as so amended and supplemented, the "Mortgage"), pursuant to the Underwriting Agreement, dated December 8, 2011, between you and FPL (the "Agreement"). Capitalized terms used in this letter but not defined shall have the meanings set forth in the Agreement.

In passing on the form of the Registration Statement and the form of the Prospectus, we necessarily assume the correctness and completeness of the statements made or included therein by FPL and take no responsibility therefor, except insofar as such statements relate to us and as set forth in paragraph 3 in our opinion letter to you dated as of the date hereof. Other than with respect to the opinion expressed in said paragraph 3, we have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to matters in the Registration Statement, the Preliminary Prospectus, the Prospectus and the Pricing Term Sheet. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its legal counsel, its independent registered public accounting firm and your representatives.

On the basis of such consideration, review and discussion, but without independent check or verification except as stated, nothing has come to our attention that would lead us to believe that

(i) the Registration Statement, at the Effective Date, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading;

(ii) the Pricing Disclosure Package, at the Applicable Time, included an untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(iii) the Prospectus as of the date of the Agreement included, or at the date hereof includes, an untrue statement of a material fact or the Prospectus as of the date of the Agreement omitted, or at the date hereof omits, to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Subject to and on the basis of the foregoing, we further advise you that

(iv) the Registration Statement, at the Effective Date, and the Prospectus, as of the date of the Agreement, complied as to form in all material respects with the applicable requirements of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder; and

(v) the Incorporated Documents, at the times they were filed with the Commission, complied as to form in all material respects with the applicable requirements of the Exchange Act, and the applicable instructions, rules and regulations of the Commission thereunder.

With respect to the foregoing paragraphs (i) - (v), we express no view or belief and make no statement with respect to (a) the financial statements and other financial or statistical data contained or incorporated by reference in the Registration Statement or the exhibits thereto, the Pricing Disclosure Package or the Prospectus and (b) those parts of the Registration Statement that constitute the Statements of Eligibility.

This letter is furnished solely for your use as the Underwriters in connection with the Agreement and the transactions contemplated thereunder, and it is not to be quoted, in whole or in part, or otherwise referred to, nor is it to be filed with any governmental agency or any other person, nor is it to be relied upon by any person other than you or for any other purpose without our express written consent. This letter is expressed as of the date hereof, and we do not assume any obligation to advise you of facts or circumstances that hereafter come to our attention, or of changes in law that hereafter occur, which could affect the views contained herein.

Very truly yours,

Exhibit 4(f)

Commercial Paper Dealer Agreement dated as of June 28, 2011 between FPL and Goldman, Sachs & Co.

COMMERCIAL PAPER DEALER AGREEMENT

3(a)(3) Program

between

FLORIDA POWER & LIGHT COMPANY, as Issuer

and

GOLDMAN, SACHS & CO., as Dealer

Concerning Notes to be issued pursuant to an Issuing and Paying Agency Agreement dated as of August 5, 2005 between the Issuer and JPMorgan Chase Bank, N.A., as Issuing and Paying Agent

Dated as of

June 28, 2011

COMMERCIAL PAPER DEALER AGREEMENT
3(a)(3) Program

This COMMERCIAL PAPER DEALER AGREEMENT, dated as of June 28, 2011, between FLORIDA POWER & LIGHT COMPANY ("**Issuer**") and GOLDMAN, SACHS & CO. ("**Dealer**") (the "**Agreement**"), sets forth the understandings between the Issuer and the Dealer, each named on the cover page hereof, in connection with the issuance and sale by the Issuer of its short-term promissory notes (the "**Notes**") through the Dealer.

Certain terms used in this Agreement are defined in *Section 6* hereof.

The Addendum to this Agreement, and any Exhibits described in this Agreement or such Addendum, are hereby incorporated into this Agreement and made fully a part hereof.

Section 1. Issuance and Sale of Notes

1.1 While (i) the Issuer has and shall have no obligation to sell the Notes to the Dealer or to permit the Dealer to arrange any sale of the Notes for the account of the Issuer, and (ii) the Dealer has and shall have no obligation to purchase the Notes from the Issuer or to arrange any sale of the Notes for the account of the Issuer, the Parties agree that in any case where the Dealer purchases Notes from the Issuer, or arranges for the sale of Notes by the Issuer, such Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of the Issuer contained herein or made pursuant hereto and on the terms and conditions and in the manner provided herein.

1.2 So long as this Agreement shall remain in effect, the Issuer shall not, without the consent of the Dealer, offer, solicit or accept offers to purchase, or sell, any Notes or notes substantially similar to the Notes in reliance upon the exemption from registration under the Securities Act contained in Section 3(a)(3) thereof, except (a) in transactions with one or more dealers, listed on the Addendum hereto, which have executed with the Issuer one or more agreements, or may from time to time after the date hereof become dealers with respect to the Notes by executing with the Issuer one or more agreements (of which the Issuer hereby undertakes to provide the Dealer prompt notice), (b) in transactions with the other dealers listed on the Addendum hereto, if any, which are executing agreements with the Issuer contemporaneously herewith, or (c) directly on its own behalf in transactions with persons other than broker-dealers with respect to which no commission is payable.

1.3 The Notes shall be in a minimum denomination of $100,000 or integral multiples of $1,000 in excess thereof, will bear such interest rates, if interest bearing, or will be sold at such discount from their face amounts, as shall be agreed upon by the Dealer and the Issuer; shall have a maturity not exceeding 270 days from the date of issuance (exclusive of days of grace); and may have such terms as are specified in *Exhibit A* hereto or the Offering Materials. The Notes shall not contain any provision for extension, renewal or automatic "rollover." The Notes shall be issued in the ordinary course of the Issuer's business.

1.4 The authentication and delivery of, and payment for, the Notes shall be effected in accordance with the Issuing and Paying Agency Agreement and the Notes shall be either

individual physical certificates or book-entry Notes evidenced by one or more master notes (each, a "**Master Note**") registered in the name of The Depository Trust Company ("**DTC**") or its nominee in the form or forms annexed to the Issuing and Paying Agency Agreement.

1.5 If the Issuer and the Dealer shall agree on the terms of the purchase of any Note by the Dealer or the sale of any Note arranged by the Dealer (including, but not limited to, agreement with respect to the date of issue, purchase price, principal amount, maturity and interest rate or interest rate index and margin (in the case of interest-bearing Notes) or discount thereof (in the case of Notes issued on a discount basis), and appropriate compensation for the Dealer's services hereunder) pursuant to this Agreement, the Issuer shall cause such Note to be issued and delivered in accordance with the terms of the Issuing and Paying Agency Agreement and payment for such Note shall be made by the purchaser thereof, either directly or through the Dealer, to the Issuing and Paying Agent, for the account of the Issuer. Except as otherwise agreed, in the event that the Dealer is acting as an agent and a purchaser shall fail either to accept delivery of or make payment for a Note on the date fixed for settlement, the Dealer shall promptly notify the Issuer, and if the Dealer has theretofore paid the Issuer for such Note, the Issuer will promptly return such funds to the Dealer against the return of such Note to the Issuer, in the case of a certificated Note, and upon notice of such failure, in the case of a book-entry Note. If such failure occurred for any reason other than default by the Dealer, the Issuer shall reimburse the Dealer on an equitable basis for the Dealer's loss of the use of such funds, if any, to be returned by the Issuer to the Dealer for the period such funds were credited to the Issuer's account.

Section 2. Representations and Warranties of the Issuer

The Issuer represents and warrants to the Dealer that:

2.1 The Issuer is a corporation duly organized and validly existing under the laws of the jurisdiction of its incorporation and has all the requisite power and authority as a corporation necessary to execute, deliver and perform its obligations under the Notes, this Agreement and the Issuing and Paying Agency Agreement.

2.2 This Agreement and the Issuing and Paying Agency Agreement have been duly authorized, executed and delivered by the Issuer and constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, except as limited or affected by applicable bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and subject to any laws or principles of public policy limiting the rights to enforce any limitation on liability or the indemnification, reimbursement or contribution provisions contained therein.

2.3 The Notes have been duly authorized, and when issued and delivered as provided in the Issuing and Paying Agency Agreement, will be duly and validly issued and will constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, except as limited or affected by applicable bankruptcy, insolvency, reorganization, receivership, moratorium or other similar laws affecting creditors' rights and

remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

2.4 The Notes are not required to be registered under the Securities Act, pursuant to the exemption from registration contained in Section 3(a)(3) thereof, and no indenture in respect of the Notes is required to be qualified under the Trust Indenture Act of 1939, as amended; and the Notes are and will be rated upon issuance as "prime quality" commercial paper by at least one nationally recognized statistical rating organization and will rank at least pari passu in respect of payment by the Issuer and priority of lien, charge or other security in respect of assets of the Issuer with all other unsecured and unsubordinated indebtedness of the Issuer.

2.5 No consent or action of, or filing or registration with, any governmental or public regulatory body or authority, including the SEC, is required to authorize, or is otherwise required in connection with the execution, delivery or performance of, this Agreement, the Notes or the Issuing and Paying Agency Agreement, except as may be required by the securities or blue sky laws of any jurisdiction in connection with the offer and sale of the Notes as to which the Issuer makes no representation and warranty (other than with respect to the United States federal securities laws) and except for those consents, actions, filings or registrations (a) as have already been obtained or made or (b) as shall be required to be obtained from or made with the Florida Public Service Commission in the future prior to the issuance and delivery of Notes, all of which shall have been obtained or made prior to the issuance and delivery of such Notes.

2.6 Neither the execution and delivery of this Agreement and the Issuing and Paying Agency Agreement, nor the issuance and delivery of the Notes in accordance with the Issuing and Paying Agency Agreement, nor the fulfillment of or compliance with the terms and provisions hereof or thereof by the Issuer, (i) has resulted or will result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer, or (ii) has violated or will violate or has resulted or will result in a breach or a default under any of the terms of the Issuer's restated articles of incorporation, as amended, or by-laws, any contract or instrument to which the Issuer is a party or by which it or its property is bound, or any law or regulation, or any order, writ, injunction or decree of any court or government instrumentality, to which the Issuer is subject or by which it or its property is bound, which breach, default or violation is reasonably likely to have a material adverse effect on the business, properties or financial condition of the Issuer or the ability of the Issuer to perform its obligations under this Agreement, the Notes or the Issuing and Paying Agency Agreement.

2.7 Except as reflected in or contemplated by the Offering Materials or the other Company Information, there is no material legal or governmental proceeding pending, or to the knowledge of the Issuer threatened, against or affecting the Issuer or any of its subsidiaries (if any) which is reasonably likely to have a material adverse effect on the business, properties or financial condition of the Issuer and its subsidiaries (if any), taken as a whole, or the ability of the Issuer to perform its obligations under this Agreement, the Notes or the Issuing and Paying Agency Agreement.

2.8 The Issuer is not an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

2.9 Neither the Offering Materials, when approved in writing by the Issuer, nor the Company Information, taken as a whole, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.10 Each (a) issuance of Notes by the Issuer hereunder and (b) amendment or supplement of the Offering Materials shall be deemed a representation and warranty by the Issuer to the Dealer, as of the date thereof, that, both before and after giving effect to such issuance and after giving effect to such amendment or supplement, (i) the representations and warranties given by the Issuer set forth in *Section 2* hereof remain true and correct on and as of such date as if made on and as of such date, (ii) in the case of an issuance of Notes, the Notes being issued on such date have been duly and validly issued against payment therefor and constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, except as limited or affected by applicable bankruptcy, insolvency, reorganization, receivership, moratorium or other similar laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), (iii) in the case of an issuance of Notes, since the date of the most recent Offering Materials, there has been no material adverse change in the business, properties or financial condition of the Issuer which has not been reflected in or contemplated by the Offering Materials or the other Company Information or otherwise disclosed to the Dealer in writing and (iv) the Issuer is not in default of any of its obligations hereunder, under the Notes or under the Issuing and Paying Agency Agreement.

Section 3. Covenants and Agreements of the Issuer

The Issuer covenants and agrees that:

3.1 The Issuer will give the Dealer prompt notice (but in any event prior to any subsequent issuance of Notes hereunder) of any amendment to, modification of, or waiver with respect to, the Notes or the Issuing and Paying Agency Agreement, including a complete copy of any such amendment, modification or waiver.

3.2 The Issuer shall, whenever there shall occur any material adverse change in the business, properties or financial condition of the Issuer and its subsidiaries (if any), taken as a whole, or any development or occurrence in relation to the Issuer that would be materially adverse to holders of the Notes or potential holders of the Notes (including any downgrading or receipt of any notice of intended or potential downgrading or any review for potential change in the rating accorded any of the Issuer's securities by any nationally recognized statistical rating organization which has published a rating of the Notes), prior to any subsequent issuance of Notes hereunder, notify the Dealer (by telephone, confirmed in writing) of such change, development, or occurrence unless it is reflected in the Company Information.

3.3 The Issuer shall from time to time furnish to the Dealer such information as the Dealer may reasonably request, including, without limitation, any press releases or material provided by the Issuer to any national securities exchange or rating agency, regarding (i) the operations and financial condition of the Issuer, (ii) the due authorization and execution of the Notes, and (iii) the Issuer's ability to pay the Notes as they mature.

3.4 The Issuer will take all such action as the Dealer may reasonably request to ensure that each offer and each sale of the Notes will comply with any applicable state blue sky laws; *provided, however*, that the Issuer shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

3.5 The Issuer will use the proceeds of each sale of the Notes for "current transactions" within the meaning of Section 3(a)(3) of the Securities Act, consistent with the Issuer's no-action letters from the staff of the Securities and Exchange Commission dated July 12, 1974 and July 30, 1974, and other no-action letters interpreting "current transactions" within the meaning of Section 3(a)(3) of the Securities Act.

3.6 The Issuer will not be in default of any of its obligations hereunder, or under the Notes or the Issuing and Paying Agency Agreement, at any time that any of the Notes are outstanding.

3.7 The Issuer shall not issue Notes hereunder until the Dealer shall have received (a) an opinion of counsel to the Issuer, addressed to the Dealer, reasonably satisfactory in form and substance to the Dealer, (b) a copy of the executed Issuing and Paying Agency Agreement as then in effect, (c) a copy of resolutions adopted by the Board of Directors of the Issuer (or duly authorized designee or committee thereof), reasonably satisfactory in form and substance to the Dealer and certified by the Secretary or similar officer of the Issuer authorizing the execution and delivery by the Issuer of this Agreement, the Issuing and Paying Agency Agreement and the Notes and consummation by the Issuer of the transactions contemplated hereby and thereby, (d) prior to the issuance of any book-entry Notes represented by a Master Note registered in the name of DTC or its nominee, a copy of the executed Letter of Representations among the Issuer, the Issuing and Paying Agent and DTC and of the executed Master Note, (e) prior to the issuance of any Notes in physical form, a copy of such form (unless attached to this Agreement or the Issuing and Paying Agency Agreement), and (f) such other certificates, opinions, letters and documents as the Dealer shall have reasonably requested.

3.8 The Issuer shall reimburse the Dealer for all of the Dealer's reasonable out-of-pocket expenses related to this Agreement, including expenses incurred in connection with its preparation and negotiation, and the transactions contemplated hereby (including, but not limited to, the printing and distribution of the Offering Materials and any advertising expense), and, if applicable, for the reasonable fees and out-of-pocket expenses of the Dealer's counsel.

3.9 The aggregate outstanding principal amount of the Notes and all other short-term and commercial paper indebtedness incurred by the Issuer shall not exceed, at any one time, the amount fixed by the Issuer's Board of Directors from time to time.

3.10 To the extent that the Issuer is required by the Florida Public Service Commission to seek approval for authority to issue and sell securities, including the Notes, the Issuer will take all such action as the Issuer may reasonably determine to ensure that each offer and each sale of the Notes will comply with any orders issued by the Florida Public Service Commission from time to time.

Section 4. Disclosure

4.1 Offering Materials which may be provided to purchasers and prospective purchasers of the Notes shall be prepared for use in connection with the transactions contemplated by this Agreement. The Offering Materials and their contents (other than the Dealer Information) shall be the sole responsibility of the Issuer. The Issuer authorizes the Dealer to distribute the Offering Materials as determined by the Dealer.

4.2 The Issuer agrees promptly to furnish the Dealer the Company Information as it becomes available.

4.3 (a) To the extent that the Issuer is selling Notes in accordance with *Section 1* or the Dealer notifies the Issuer that the Dealer then has Notes that the Dealer is holding in inventory, the Issuer further agrees to notify the Dealer promptly upon the occurrence of any event relating to or affecting the Issuer that would cause the Offering Materials then in existence to contain an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(b) In the event that the Issuer gives the Dealer notice pursuant to *Section 4.3(a)* and the Dealer notifies the Issuer that the Dealer then has Notes that the Dealer is holding in inventory, the Issuer agrees promptly to supplement or amend the Offering Materials so that such Offering Materials, as amended or supplemented, shall not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, and the Issuer shall make such supplement or amendment available to the Dealer.

(c) In the event that (i) the Issuer gives the Dealer notice pursuant to *Section 4.3(a)*, (ii) the Dealer does not notify the Issuer that it is then holding Notes in inventory and (iii) the Issuer chooses not to promptly amend or supplement the Offering Materials in the manner described in clause (b) above, then all solicitations and sales of Notes shall be suspended until such time as the Issuer has so amended or supplemented the Offering Materials, and made such amendment or supplement available to the Dealer.

Section 5. Indemnification and Contribution

5.1 The Issuer will indemnify and hold harmless the Dealer, its respective directors, officers, and employees and each controlling person of the Dealer within the meaning of Section 15 of the Securities Act (hereinafter the "**Indemnitees**") from and against any and all liabilities, penalties, suits, causes of action, losses, damages, claims, costs and expenses (including, to the extent hereinafter provided, reasonable fees and disbursements of counsel) or judgments of whatever kind or nature (each a "**Claim**"), imposed upon, incurred by or asserted

against the Indemnitees arising out of or based upon (i) any allegation that the Offering Materials (*provided* they were approved in writing by the Issuer) or the Company Information included (as of any relevant time) or includes an untrue statement of a material fact or omitted (as of any relevant time) or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or (ii) arising out of or based upon the breach by the Issuer of any agreement, covenant or representation made in or pursuant to this Agreement. This indemnification shall not apply to the extent that the Claim arises out of or is based upon Dealer Information.

5.2 Provisions relating to claims made for indemnification under *Section 5* hereof are set forth on *Exhibit B* to this Agreement.

5.3 In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in *Section 5* hereof is held to be unenforceable, although applicable in accordance with the terms of *Section 5.1*, the Issuer shall contribute to the aggregate costs incurred by the Dealer in connection with any Claim in such proportion as shall be appropriate to reflect (i) the relative fault of the Issuer on the one hand and the Dealer on the other in connection with the statements or omissions which have resulted in such Claims, (ii) the relative benefits received by the Issuer on the one hand and the Dealer on the other hand from the offering of the Notes pursuant to the Agreement, and (iii) any other relevant equitable considerations; *provided, however*, that if the Dealer is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act), the Dealer shall not be entitled to contribution from the Issuer if the Issuer is not guilty of such fraudulent misrepresentation. Relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or the Dealer and each such Party's relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Parties agree that it would not be just and equitable if contribution pursuant to this Section 5.3 was to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this Section 5.3, the Dealer shall not be required to contribute in excess of the amount equal to the aggregate of the commissions and fees earned by the Dealer hereunder with respect to the issue or issues of Notes to which such Claim relates.

Section 6. Definitions

6.1 "**Agreement**" has the meaning specified in the preamble to this Agreement (together with any amendments hereto as may hereafter be executed by the Parties).

6.2 "**Claim**" has the meaning specified in *Section 5.1*.

6.3 "**Company Information**" at any given time means the Offering Materials together with, to the extent applicable, (i) the Issuer's most recent report on Form 10-K filed with the SEC and each report on Form 10-Q or Form 8-K filed by the Issuer with the SEC since the most recent Form 10-K (other than any documents, or portions of documents, not deemed to be filed), (ii) the Issuer's most recent annual audited financial statements and each interim financial statement or report prepared subsequent thereto, if not included in item (i) above, (iii) all other

documents subsequently filed by the Issuer pursuant to Sections 13(a), 13(c) or 15(d) of the Exchange Act, (iv) any other information or disclosure prepared pursuant to *Section 4.3(b)* hereof and (v) any information prepared or approved by the Issuer in writing expressly for dissemination to investors or potential investors in the Notes. Any statement contained in the Company Information shall be deemed to be modified or superseded to the extent that any subsequent document modifies or supersedes such statement.

6.4 "**Dealer Information**" means material concerning the Dealer and provided by the Dealer in writing expressly for inclusion in the Offering Materials.

6.5 "**DTC**" has the meaning specified in *Section 1.4*.

6.6 "**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated pursuant thereto.

6.7 "**Indemnitee**" has the meaning specified in *Section 5.1*.

6.8 "**Issuing and Paying Agency Agreement**" means the issuing and paying agency agreement described on the cover page of this Agreement, as such agreement may be amended or supplemented from time to time.

6.9 "**Issuing and Paying Agent**" means the entity designated as such on the cover page of this Agreement, as issuing and paying agent under the Issuing and Paying Agency Agreement or any successor thereto in accordance with the Issuing and Paying Agency Agreement.

6.10 **"Master Note"** has the meaning specified in *Section 1.4*

6.11 "**Notes**" has the meaning specified in the first paragraph of this Agreement.

6.12 "**Offering Materials**" means offering materials prepared in accordance with *Section 4*, which may be provided to purchasers and prospective purchasers of the Notes, and shall include amendments and supplements thereto which may be prepared from time to time in accordance with this Agreement (other than any amendment or supplement that has been completely superseded by a later amendment or supplement).

6.13 "**Parties**" means the Issuer and the Dealer and "**Party**" means either of them as the context requires.

6.14 "**SEC**" means the U.S. Securities and Exchange Commission.

6.15 "**Securities Act**" means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated pursuant thereto.

Section 7. General

7.1 Unless otherwise expressly provided herein, all notices under this Agreement to Parties shall be in writing and shall be effective when received at the address of the respective

Party set forth in the Addendum to this Agreement, or such other address as either Party may hereafter notify the other in writing.

7.2 This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict of laws provisions.

7.3 The Issuer agrees that any suit, action or proceeding brought by the Issuer against the Dealer in connection with or arising out of this Agreement or the Notes or the offer and sale of the Notes shall be brought solely in the United States federal courts located in the Borough of Manhattan or the courts of the State of New York located in the Borough of Manhattan. EACH OF THE DEALER AND THE ISSUER WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

7.4 This Agreement may be terminated, at any time, by the Issuer upon one business day's prior notice to such effect to the Dealer, or by the Dealer upon one business day's prior notice to such effect to the Issuer. Any such termination, however, shall not affect the obligations of the Issuer and the Dealer under *Section 3.8*, *Section 5* and *Section 7.3* hereof or the respective representations, warranties, agreements, covenants, rights or responsibilities of the Parties made or arising prior to the termination of this Agreement.

7.5 This Agreement is not assignable by either Party without the written consent of the other Party; *provided, however*, that the Dealer may assign its rights and obligations under this Agreement to any affiliate of the Dealer (which assignment will not be effective until the Dealer provides notice thereof to the Issuer).

7.6 This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

7.7 This Agreement is for the exclusive benefit of the Parties, and their respective permitted successors and assigns hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other person whatsoever.

7.8 The Issuer acknowledges and agrees that the Dealer is acting solely in the capacity of an arm's-length contractual counterparty to the Issuer with respect to the purchase and sale of the Notes as contemplated by this Agreement and not as a financial advisor or fiduciary to the Issuer in connection herewith. Additionally, the Dealer is not advising the Issuer as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the purchase and sale of the Notes as contemplated by this Agreement. Any review by the Dealer of the Issuer in connection with the purchase and sale of the Notes contemplated by this Agreement will not be performed on behalf of the Issuer.

7.9 This Agreement supersedes all prior or concurrent agreements and understandings (whether written or oral) between the Issuer and the Dealer with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Parties have caused this Commercial Paper Dealer Agreement to be executed as of the date and year first above written.

Florida Power & Light Company, as Issuer

By: _____
Name: Amy Black
Title: Assistant Treasurer

Goldman, Sachs & Co., as Dealer

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Parties have caused this Commercial Paper Dealer Agreement to be executed as of the date and year first above written.

Florida Power & Light Company, as Issuer

By:_____
Name: Amy Black
Title: Assistant Treasurer

Goldman, Sachs & Co., as Dealer

By:_____
Name: Nicholas Philip
Title: Authorized Signatory

Addendum

The following additional clauses shall apply to the Agreement and be deemed a part thereof.

1. The other dealers referred to in *Section 1.2* of the Agreement that the Issuer has previously entered into agreements with are Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated (successor to Merrill Lynch Money Markets Inc.) and SunTrust Robinson Humphrey, Inc.

2. The addresses of the respective Parties for purposes of notices under *Section 7.1* are as follows:

For the Issuer:

Address:	700 Universe Boulevard Juno Beach, Florida 33408 Attention: Treasurer
Telephone number:	(561) 694-6204
Fax number:	(561) 694-3707

For the Dealer:

Address:	200 West Street New York, New York 10282 Attention: STIR Origination
Telephone number:	(212) 902-2525
Fax number:	(917) 977-4731

EXHIBIT A

Statement of Terms for Interest–Bearing Commercial Paper Notes of Florida Power & Light Company

THE PROVISIONS SET FORTH BELOW ARE QUALIFIED TO THE EXTENT APPLICABLE BY THE TRANSACTION SPECIFIC PRICING SUPPLEMENT (THE "SUPPLEMENT") (IF ANY) SENT TO EACH PURCHASER AT THE TIME OF THE TRANSACTION.

1. General. (a) The obligations of the Issuer to which these terms apply (each a "**Note**") are represented by one or more Master Notes (each, a "**Master Note**") issued in the name of (or of a nominee for) The Depository Trust Company ("**DTC**"), which Master Note includes the terms and provisions for the Issuer's Interest-Bearing Commercial Paper Notes that are set forth in this Statement of Terms, since this Statement of Terms constitutes an integral part of the Underlying Records as defined and referred to in the Master Note.

(b) "**Business Day**" means any day other than a Saturday or Sunday that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, executive order or regulation to be closed in New York City.

2. Interest. (a) Each Note will bear interest at a fixed rate (a "**Fixed Rate Note**").

(b) The Supplement sent to each holder of such Note will describe the following terms: (i) that such Note is a Fixed Rate Note and whether such Note is an Original Issue Discount Note (as defined below); (ii) the date on which such Note will be issued (the "**Issue Date**"); (iii) the Stated Maturity Date (as defined below); (iv) the rate per annum at which such Note will bear interest, if any, and the Interest Payment Dates; and (v) any other terms applicable specifically to such Note. "**Original Issue Discount Note**" means a Note which has a stated redemption price at the Stated Maturity Date that exceeds its issue price by more than a specified de minimis amount and which the Supplement indicates will be an "**Original Issue Discount Note**".

(c) Each Fixed Rate Note will bear interest from its Issue Date at the rate per annum specified in the Supplement until the principal amount thereof is paid or made available for payment. Interest on each Fixed Rate Note will be payable on the dates specified in the Supplement (each an "**Interest Payment Date**" for a Fixed Rate Note) and on the Maturity Date (as defined below). Interest payments on each Interest Payment Date for Fixed Rate Notes will include accrued interest from and including the Issue Date or from and including the last date in respect of which interest has been paid, as the case may be, to, but excluding, such Interest Payment Date. On the Maturity Date, the interest payable on a Fixed Rate Note will include interest accrued to, but excluding, the Maturity Date. Interest on Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months.

If any Interest Payment Date or the Maturity Date of a Fixed Rate Note falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be payable on the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

3. Final Maturity. The "**Stated Maturity Date**" for any Note will be the date so specified in the Supplement, which shall be no later than 270 days from the date of issuance (exclusive of days of grace). On its Stated Maturity Date, or any date prior to the Stated Maturity Date on which the particular Note becomes due and payable by the declaration of acceleration, each such date being referred to as a Maturity Date, the principal amount of each Note, together with accrued and unpaid interest thereon, will be immediately due and payable.

4. Events of Default. The occurrence of any of the following shall constitute an "**Event of Default**" with respect to a Note: (i) default in any payment of principal of or interest on such Note (including on a redemption thereof); (ii) the Issuer makes any compromise arrangement with its creditors generally including the entering into any form of moratorium with its creditors generally; (iii) a court having jurisdiction shall enter a decree or order for relief in respect of the Issuer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or there shall be appointed a receiver, administrator, liquidator, custodian, trustee or sequestrator (or similar officer) with respect to the whole or substantially the whole of the assets of the Issuer and any such decree, order or appointment is not removed, discharged or withdrawn within 90 days thereafter; or (iv) the Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, administrator, liquidator, assignee, custodian, trustee or sequestrator (or similar official), with respect to the whole or substantially the whole of the assets of the Issuer or make any general assignment for the benefit of creditors. Upon the occurrence of an Event of Default, the principal of each obligation evidenced by such Note (together with interest accrued and unpaid thereon) shall become, without any notice or demand, immediately due and payable.

5. Obligation Absolute. No provision of the Issuing and Paying Agency Agreement under which the Notes are issued shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on each Note at the times, place and rate, and in the coin or currency, prescribed herein or in any Supplement.

6. Supplement. Any term contained in the Supplement shall supercede any conflicting term contained herein.

EXHIBIT B

FURTHER PROVISIONS RELATING TO INDEMNIFICATION

(a) The Issuer agrees to reimburse each Indemnitee for all expenses (including reasonable fees and disbursements of external counsel) as they are incurred by it in connection with investigating or defending any loss, claim, damage, liability or action in respect of which indemnification is provided under *Section 5.1* of the Agreement (whether or not it is a party to any such proceedings); *provided, however*, that (except as provided below) the Issuer shall not be obligated to reimburse the fees and disbursements of more than one separate counsel, approved by the Dealer, for all Indemnitees or to reimburse any such expenses which are not otherwise subject to indemnification under *Section 5.1* of the Agreement.

(b) Promptly after receipt by an Indemnitee of notice of the existence of a Claim, such Indemnitee will, if a claim in respect thereof may be made against the Issuer, notify the Issuer in writing of the existence thereof; *provided* that the omission so to notify the Issuer will not relieve it from (i) any liability which the Issuer may have hereunder unless and except to the extent the Issuer did not otherwise learn of such Claim and such failure results in the forfeiture by the Issuer of substantial rights and defenses, and (ii) liability which it may have to an Indemnitee otherwise than on account of this indemnity agreement. In case any such Claim is made against any Indemnitee and it notifies the Issuer of the existence thereof, the Issuer will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the Indemnitee, to assume the defense thereof, with counsel chosen by the Issuer and reasonably satisfactory to such Indemnitee or Indemnitees and such Indemnitee or Indemnitees shall bear the fees and expenses of any additional counsel retained by them; but if the Issuer shall elect not to assume the defense of such action, the Issuer will reimburse such Indemnitee or Indemnitees for the reasonable fees and expenses of any counsel retained by them; *provided, however*, that if the defendants in any such Claim include both an Indemnitee and the Issuer and counsel for the Issuer shall have reasonably concluded that there may be a conflict of interest in the representation by such counsel of both the Issuer and the Indemnitee, the Issuer shall not have the right to direct the defense of such Claim on behalf of such Indemnitee, and the Indemnitee or Indemnitees shall have the right to select separate counsel reasonably satisfactory to the Issuer to participate in the defense of such action on behalf of such Indemnitee or Indemnitees. Upon receipt of notice from the Issuer to such Indemnitee of the Issuer's election so to assume the defense of such Claim and approval by the Indemnitee of counsel, the Issuer will not be liable to such Indemnitee for expenses incurred thereafter by the Indemnitee in connection with the defense thereof unless (i) the Indemnitee shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that the Issuer shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel in the jurisdiction in which any Claim is brought), approved by the Dealer, representing the Indemnitees who are party to such Claim), (ii) the Issuer shall not have employed counsel reasonably satisfactory to the Indemnitee to represent the Indemnitee within a reasonable time after notice of existence of the Claim or (iii) the Issuer has authorized in writing the employment of counsel for the Indemnitee. The indemnity, reimbursement and contribution obligations of the Issuer hereunder shall be in addition to any other liability the Issuer may otherwise have to an Indemnitee and shall be binding upon and inure to the benefit of any successors, assigns, heirs

and personal representatives of the Issuer and any Indemnitee. The Issuer agrees that without the Dealer's prior written consent, which consent shall not be unreasonably withheld, it will not settle, compromise or consent to the entry of any judgment in any Claim in respect of which an Indemnitee is a party and in respect of which such Indemnitee has sought or intends to seek indemnification under the indemnification provision of the Agreement, unless such settlement, compromise or consent (i) includes an unconditional release of the other party from all liability arising out of such Claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any Indemnitee.

FORM OF OPINION OF SQUIRE, SANDERS & DEMPSEY (US) LLP

June 28, 2011

Goldman, Sachs & Co.
200 West Street
New York, New York 10282

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company, a Florida corporation (the "Company"), in connection with the proposed offering and sale from time to time by the Company in the United States of commercial paper in the form of short-term promissory notes in the aggregate principal amount of not to exceed Two Billion Five Hundred Million Dollars ($2,500,000,000) (the "Notes").

We have reviewed (i) specimen forms of Master Notes, (ii) executed copies of the Commercial Paper Dealer Agreement dated as of June 28, 2011, between the Company and you, as Dealer (the "Agreement"), (iii) executed copies of the Commercial Paper Dealer Agreements dated as of August 5, 2005, between the Company and (a) Merrill Lynch, Pierce, Fenner & Smith Incorporated (successor to Merrill Lynch Money Markets Inc.) and (b) SunTrust Robinson Humphrey, Inc. (collectively, the "2005 Agreements"), (iv) an executed copy of the Commercial Paper Dealer Agreement dated as of September 12, 2008, between the Company and Citigroup Global Markets Inc. (the "2008 Agreement"), (v) an executed copy of the Issuing and Paying Agency Agreement dated as of August 5, 2005 (the "Issuing and Paying Agency Agreement") between the Company and JPMorgan Chase Bank, N.A., as issuing and paying agent (the "Issuing and Paying Agent"), (vi) the Company's no-action letters dated July 12, 1974 and July 30, 1974, and other no-action letters addressing Section 3(a)(3) of the Securities Act of 1933, as amended ("Securities Act"), that we deemed relevant, from the staff of the Securities and Exchange Commission, (vii) the corporate proceedings with respect to the authorization, issuance and sale of the Notes, (viii) the Company's Restated Articles of Incorporation (the "Charter") and Bylaws (the "Bylaws"), each as amended to the date hereof, (ix) the Commercial Paper Offering Memorandum of the Company dated June 2011 with respect to the offering of the Notes by you (the "Offering Memorandum"), (x) the Certificate of the Assistant Treasurer of the Company in substantially the form of Attachment A attached hereto and made a part hereof (the "Officer's Certificate") and (xi) such other corporate records, certificates from officers of the Company and documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion.

The documents identified in items (ii) through (v) above are collectively referred to as the "Operative Documents," and the documents identified in items (i) through (x) above are collectively referred to as the "Documents."

In rendering such opinion, we have assumed that the Notes will conform to the specimen forms of master notes examined by us and we have assumed the genuineness of all documents

submitted to us as originals, and the conformity to the originals and genuineness of all documents submitted to us as copies. We have relied without additional investigation upon the factual representations set forth in, and the recitals contained in, the Agreement, the 2005 Agreements, the 2008 Agreement, the Issuing and Paying Agency Agreement, the Officer's Certificate and other certificates from officers of the Company and have assumed compliance by the Company with the terms and provisions of the Agreement, the 2005 Agreements, the 2008 Agreement and the Issuing and Paying Agency Agreement. We have not examined or reviewed any document or instrument (other than the Documents), including, without limitation, any document or instrument referred to in the Documents.

In our examination of the foregoing and in rendering the following opinions, in addition to the assumptions contained elsewhere in this letter, we have, with your consent, assumed without investigation (and we express no opinion regarding the following):

(a) the genuineness of all signatures and the legal capacity of all individuals who executed Operative Documents on behalf of any of the parties thereto, the accuracy and completeness of each Document submitted for our review, the authenticity of all Documents submitted to us as originals, the conformity to original Documents of all Documents submitted to us as certified or photocopies and the authenticity of the originals of such copies, and the conformity to executed documents of all Operative Documents submitted to us as drafts or conformed copies;

(b) that each of the parties to the Operative Documents (other than the Issuer) is a validly existing entity in good standing under the laws of the jurisdiction of its organization or creation;

(c) the due execution and delivery of the Operative Documents by all parties thereto;

(d) that all parties to the Operative Documents (other than, in the case of the Agreement, the Issuer) have the power and authority to execute and deliver the Operative Documents, as applicable, and to perform their respective obligations under the Operative Documents, as applicable;

(e) that each of the Operative Documents is the legal, valid and binding obligation of each party thereto (other than, in the case of the Agreement, the Issuer), enforceable in each case against each such party in accordance with its respective terms;

(f) that each of the Notes will conform to the specimen forms of Master Notes examined by us;

(g) that the conduct of the parties to the Operative Documents has complied with all applicable requirements of good faith, fair dealing and conscionability;

(h) that there are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of any of the Operative Documents (except as specifically set forth in the Operative Documents); and

(i) that none of the addressees of this letter know that the opinions set forth herein are incorrect and there has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence relating to the matters which are the subject of our opinions.

As used in the opinions expressed herein, the phrase "to our knowledge" or "known to us" refers only to the actual current knowledge of those attorneys in our firm who have given substantive attention to the Issuer in connection with the execution by the Issuer of the Agreement and the consummation of the transactions contemplated therein and does not (i) include constructive notice of matters or information, or (ii) imply that we have undertaken any independent investigation (a) with any persons outside our firm or (b) as to the accuracy or completeness of any factual representation or other information made or furnished by the Issuer in connection with the transactions contemplated by the Agreement. Furthermore, such reference means only that we do not know of any fact or circumstance contradicting the statement that follows the reference, and does not imply that we know the statement to be correct or have any basis (other than as described in the second paragraph hereof) for that statement.

Capitalized terms used herein without definition are used as defined in the Agreement.

Upon the basis of the foregoing, it is our opinion that:

1. The Company is a corporation validly existing under the laws of the State of Florida and its status is active and has all the requisite power and authority to execute, deliver and perform its obligations under the Notes, the Agreement, and the Issuing and Paying Agency Agreement.

2. Each of the Agreement and the Issuing and Paying Agency Agreement has been duly and validly authorized by all necessary corporate action of the Company, has been duly and validly executed and delivered by the Company, and is a valid and binding instrument enforceable against the Company in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium, or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and subject to any laws or principles of public policy limiting the rights to enforce any limitation on liability or the indemnification, reimbursement or contribution provisions contained therein.

3. The Notes have been duly authorized, and when issued and delivered against consideration therefor as provided in the Issuing and Paying Agency Agreement, will be duly and validly issued and delivered and will constitute valid and binding instruments enforceable against the Company in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium, or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4. The offer, issuance, sale and delivery of Notes under the circumstances contemplated by, and in accordance with the provisions of, the Agreement and the Issuing and Paying Agency Agreement do not require registration of the Notes under the Securities Act,

pursuant to the exemption from registration contained in Section 3(a)(3) thereof, and do not require compliance with any provision of the Trust Indenture Act of 1939, as amended.

5. No consent or action of, or filing or registration with, any governmental or public regulatory body or authority (other than the Florida Public Service Commission with respect to the Notes) is required to authorize, or is otherwise required in connection with, the execution, delivery or performance of the Agreement, the Notes, or the Issuing and Paying Agency Agreement, except as may be required by the securities or blue sky laws of any jurisdiction in connection with the offer and sale of the Notes as to which we express no opinion (other than with respect to the United States federal securities laws) and except for those consents, actions, filings or registrations as have already been obtained or made.

6. The Notes are being issued and sold during 2011 and 2012 pursuant to the authority contained in the order of the Florida Public Service Commission issued January 31, 2011, which authority is adequate to permit the issuance and sale of the Notes during 2011 and 2012 in an amount such that the aggregate principal amount of the Notes outstanding at the time of sale (taking the sale into account), when aggregated with all other short-term securities issued by the Company and outstanding at such time, does not exceed Four Billion Dollars ($4,000,000,000). To our knowledge after due investigation, said authorization is in full force and effect, and no further approval, authorization, consent or order of the Florida Public Service Commission is legally required for the authorization of the issuance and sale of the Notes during 2011 and 2012.

7. Neither the execution and delivery of the Agreement and the Issuing and Paying Agency Agreement, nor the issuance of the Notes in accordance with the Issuing and Paying Agency Agreement, nor the fulfillment of or compliance with the terms and provisions thereof by the Company, has resulted or will result in a breach by the Company of (i) any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws, or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to which the Company is a party, except in the case of any such indenture, mortgage, deed of trust or other agreement or instrument where such breach or default would not have a material adverse effect on the business, properties or financial condition of the Company, together with its subsidiaries, taken as a whole, or (ii) any law or regulation, or any order (other than laws, regulations or orders addressed in paragraphs numbered 4, 5 and 6 above), writ, injunction or decree of any court or government instrumentality known to us, to which the Company is subject or by which it or its property is bound.

8. Except as stated or referred to in the Offering Materials or the Company Information, to our knowledge after due inquiry, there is no material pending legal proceeding to which the Company is a party or of which property of the Company is the subject which is reasonably likely to be determined adversely and, if determined adversely, might reasonably be expected to have a material adverse effect on the Company and its subsidiaries taken as a whole or on the ability of the Company to perform its obligations under the Agreement, the Notes or the Issuing and Paying Agency Agreement, and, to the best of our knowledge, no such proceeding is known to be contemplated by governmental authorities.

9. The Company is not an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

The opinions expressed herein are given as of the date hereof, and we assume no obligation to update or supplement such opinions to reflect any fact or circumstance that may hereafter come to our attention or any change in law that may hereafter occur or hereafter become effective.

This opinion is limited to matters expressly set forth herein and no opinion is to be implied or may be inferred beyond the matters expressly stated herein.

This opinion may be relied upon by you only in connection with the transactions contemplated by the Agreement and the Issuing and Paying Agency Agreement and may not otherwise be used or relied upon by you or any other person for any purpose whatsoever, without in each instance our prior written consent. This opinion may be delivered to the Issuing and Paying Agent and to any nationally recognized rating agency (in connection with the rating of the Notes), each of which may rely on this opinion to the same extent as if such opinion were addressed to it.

We have made such examinations of the federal law of the United States and the laws of the State of Florida as we have deemed relevant for the purposes of this opinion, and have not made any independent review of the law of any other state or other jurisdiction; provided, however, we have made no investigation as to, and we express no opinion with respect to, any securities or blue sky laws of any jurisdiction (other than with respect to the United States federal securities laws), any laws of the United States relating to siting or permitting of electric generation or ancillary facilities or the protection of human health or safety with respect to hazardous materials or the protection of the environment from contamination by hazardous materials, or tax laws of any state or the United States or any matters relating to the Public Utility Holding Company Act of 2005, the Public Utility Regulatory Policies Act of 1978, the Federal Power Act, the Natural Gas Act of 1938, the Natural Gas Policy Act of 1978, or the Energy Policy Act of 2005, in each case as amended, or the rules, regulations and orders under any of the foregoing, local statutes, ordinances, administrative decisions, or regarding the rules and regulations of counties, towns, municipalities or special political subdivisions (whether created or enabled through legislative action at the state or regional level), or regarding judicial decisions to the extent they deal with any of the foregoing (collectively, the "Excluded Laws"). The opinions expressed herein are limited solely to the federal law of the United States insofar as they bear on matters covered hereby and the laws of the States of Florida and New York, except for Excluded Laws (collectively, the "Applicable Laws").

We are members of the Florida Bar and do not hold ourselves out as experts on the laws of any other state, and accordingly, this opinion is limited to the Applicable Laws. As to all matters of New York law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Morgan, Lewis & Bockius LLP, New York, New York. As to all matters of Florida law, Morgan, Lewis & Bockius LLP is hereby authorized to rely upon this opinion as though it were rendered to such firm.

Very truly yours,

SQUIRE, SANDERS & DEMPSEY (US) LLP

FORM OF OPINION OF MORGAN, LEWIS & BOCKIUS LLP

June 28, 2011

Goldman, Sachs & Co.
200 West Street
New York, New York 10282

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company, a Florida corporation (the "Company"), in connection with the proposed offering and sale from time to time by the Company in the United States of commercial paper in the form of short-term promissory notes in the aggregate principal amount of not to exceed Two Billion Five Hundred Million Dollars ($2,500,000,000) (the "Notes").

We have reviewed (i) specimen forms of Master Notes, (ii) executed copies of the Commercial Paper Dealer Agreement dated as of June 28, 2011, between the Company and you, as Dealer (the "Agreement"), (iii) executed copies of the Commercial Paper Dealer Agreements dated as of August 5, 2005, between the Company and (a) Merrill Lynch, Pierce, Fenner & Smith Incorporated (successor to Merrill Lynch Money Markets Inc.) and (b) SunTrust Robinson Humphrey, Inc. (collectively, the "2005 Agreements"), (iv) an executed copy of the Commercial Paper Dealer Agreement dated as of September 12, 2008, between the Company and Citigroup Global Markets Inc. (the "2008 Agreement"), (v) an executed copy of the Issuing and Paying Agency Agreement dated as of August 5, 2005 (the "Issuing and Paying Agency Agreement") between the Company and JPMorgan Chase Bank, N.A., as issuing and paying agent (the "Issuing and Paying Agent"), (vi) the Company's no-action letters dated July 12, 1974 and July 30, 1974, and other no-action letters addressing Section 3(a)(3) of the Securities Act of 1933, as amended ("Securities Act"), that we deemed relevant, from the staff of the Securities and Exchange Commission, (vii) the corporate proceedings with respect to the authorization, issuance and sale of the Notes, (viii) the Company's Restated Articles of Incorporation (the "Charter") and Bylaws (the "Bylaws"), each as amended to the date hereof, (ix) the Commercial Paper Offering Memorandum of the Company dated June 2011 with respect to the offering of the Notes by you (the "Offering Memorandum"), (x) the Certificate of the Assistant Treasurer of the Company in substantially the form of Attachment A attached hereto and made a part hereof (the "Officer's Certificate") and (xi) such other corporate records, certificates from officers of the Company and documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion.

The documents identified in items (ii) through (v) above are collectively referred to as the "Operative Documents," and the documents identified in items (i) through (x) above are collectively referred to as the "Documents."

In rendering such opinion, we have assumed that the Notes will conform to the specimen forms of master notes examined by us and we have assumed the genuineness of all documents submitted to us as originals, and the conformity to the originals and genuineness of all documents submitted to us as copies. We have relied without additional investigation upon the factual representations set forth in, and the recitals contained in, the Agreement, the 2005 Agreements, the 2008 Agreement, the Issuing and Paying Agency Agreement, the Officer's Certificate and other certificates from officers of the Company and have assumed compliance by the Company with the terms and provisions of the Agreement, the 2005 Agreements, the 2008 Agreement and the Issuing and Paying Agency Agreement. We have not examined or reviewed any document or instrument (other than the Documents), including, without limitation, any document or instrument referred to in the Documents.

In our examination of the foregoing and in rendering the following opinions, in addition to the assumptions contained elsewhere in this letter, we have, with your consent, assumed without investigation (and we express no opinion regarding the following):

(a) the genuineness of all signatures and the legal capacity of all individuals who executed Operative Documents on behalf of any of the parties thereto, the accuracy and completeness of each Document submitted for our review, the authenticity of all Documents submitted to us as originals, the conformity to original Documents of all Documents submitted to us as certified or photocopies and the authenticity of the originals of such copies, and the conformity to executed documents of all Operative Documents submitted to us as drafts or conformed copies;

(b) that each of the parties to the Operative Documents (other than the Issuer) is a validly existing entity in good standing under the laws of the jurisdiction of its organization or creation;

(c) the due execution and delivery of the Operative Documents by all parties thereto;

(d) that all parties to the Operative Documents (other than, in the case of the Agreement, the Issuer) have the power and authority to execute and deliver the Operative Documents, as applicable, and to perform their respective obligations under the Operative Documents, as applicable;

(e) that each of the Operative Documents is the legal, valid and binding obligation of each party thereto (other than, in the case of the Agreement, the Issuer), enforceable in each case against each such party in accordance with its respective terms;

(f) that each of the Notes will conform to the specimen forms of Master Notes examined by us;

(g) that the conduct of the parties to the Operative Documents has complied with all applicable requirements of good faith, fair dealing and conscionability;

(h) that there are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of any of the Operative Documents (except as specifically set forth in the Operative Documents); and

(i) that none of the addressees of this letter know that the opinions set forth herein are incorrect and there has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence relating to the matters which are the subject of our opinions.

As used in the opinions expressed herein, the phrase "to our knowledge" or "known to us" refers only to the actual current knowledge of those attorneys in our firm who have given substantive attention to the Issuer in connection with the execution by the Issuer of the Agreement and the consummation of the transactions contemplated therein and does not (i) include constructive notice of matters or information, or (ii) imply that we have undertaken any independent investigation (a) with any persons outside our firm or (b) as to the accuracy or completeness of any factual representation or other information made or furnished by the Issuer in connection with the transactions contemplated by the Agreement. Furthermore, such reference means only that we do not know of any fact or circumstance contradicting the statement that follows the reference, and does not imply that we know the statement to be correct or have any basis (other than as described in the second paragraph hereof) for that statement.

Capitalized terms used herein without definition are used as defined in the Agreement.

Upon the basis of the foregoing, it is our opinion that:

1. Each of the Agreement and the Issuing and Paying Agency Agreement has been duly and validly authorized by all necessary corporate action of the Company, has been duly and validly executed and delivered by the Company, and is a valid and binding instrument enforceable against the Company in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium, or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and subject to any laws or principles of public policy limiting the rights to enforce any limitation on liability or the indemnification, reimbursement or contribution provisions contained therein.

2. The Notes have been duly authorized, and when issued and delivered against consideration therefor as provided in the Issuing and Paying Agency Agreement, will be duly and validly issued and delivered and will constitute valid and binding instruments enforceable against the Company in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium, or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

3. The offer, issuance, sale and delivery of Notes under the circumstances contemplated by, and in accordance with the provisions of, the Agreement and the Issuing and Paying Agency Agreement do not require registration of the Notes under the Securities Act, pursuant to the exemption from registration contained in Section 3(a)(3) thereof, and do not require compliance with any provision of the Trust Indenture Act of 1939, as amended.

4. No consent or action of, or filing or registration with, any governmental or public regulatory body or authority (other than the Florida Public Service Commission with respect to the Notes) is required to authorize, or is otherwise required in connection with, the execution, delivery or performance of the Agreement, the Notes, or the Issuing and Paying Agency Agreement, except as may be required by the securities or blue sky laws of any jurisdiction in connection with the offer and sale of the Notes as to which we express no opinion (other than with respect to the United States federal securities laws) and except for those consents, actions, filings or registrations as have already been obtained or made.

5. The Notes are being issued and sold during 2011 and 2012 pursuant to the authority contained in the order of the Florida Public Service Commission issued January 31, 2011, which authority is adequate to permit the issuance and sale of the Notes during 2011 and 2012 in an amount such that the aggregate principal amount of the Notes outstanding at the time of sale (taking the sale into account), when aggregated with all other short-term securities issued by the Company and outstanding at such time, does not exceed Four Billion Dollars ($4,000,000,000). To our knowledge after due investigation, said authorization is in full force and effect, and no further approval, authorization, consent or order of the Florida Public Service Commission is legally required for the authorization of the issuance and sale of the Notes during 2011 and 2012.

6. Neither the execution and delivery of the Agreement and the Issuing and Paying Agency Agreement, nor the issuance of the Notes in accordance with the Issuing and Paying Agency Agreement, nor the fulfillment of or compliance with the terms and provisions thereof by the Company, has resulted or will result in a breach by the Company of (i) any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws, or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to which the Company is a party, except in the case of any such indenture, mortgage, deed of trust or other agreement or instrument where such breach or default would not have a material adverse effect on the business, properties or financial condition of the Company, together with its subsidiaries, taken as a whole, or (ii) any law or regulation, or any order (other than laws, regulations or orders addressed in paragraphs numbered 3, 4 and 5 above), writ, injunction or decree of any court or government instrumentality known to us, to which the Company is subject or by which it or its property is bound.

7. The Company is not an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

The opinions expressed herein are given as of the date hereof, and we assume no obligation to update or supplement such opinions to reflect any fact or circumstance that may hereafter come to our attention or any change in law that may hereafter occur or hereafter become effective.

This opinion is limited to matters expressly set forth herein and no opinion is to be implied or may be inferred beyond the matters expressly stated herein.

This opinion may be relied upon by you only in connection with the transactions contemplated by the Agreement and the Issuing and Paying Agency Agreement and may not otherwise be used or relied upon by you or any other person for any purpose whatsoever, without in each instance our prior written consent. This opinion may be delivered to the Issuing and Paying Agent and to any nationally recognized rating agency (in connection with the rating of the Notes), each of which may rely on this opinion to the same extent as if such opinion were addressed to it.

We have made such examinations of the federal law of the United States and the laws of the State of New York as we have deemed relevant for the purposes of this opinion, and have not made any independent review of the law of any other state or other jurisdiction; provided, however, we have made no investigation as to, and we express no opinion with respect to, any securities or blue sky laws of any jurisdiction (other than with respect to the United States federal securities laws), any laws of the United States relating to siting or permitting of electric generation or ancillary facilities or the protection of human health or safety with respect to hazardous materials or the protection of the environment from contamination by hazardous materials, or tax laws of any state or the United States, or the rules, regulations and orders under any of the foregoing, local statutes, ordinances, administrative decisions, or regarding the rules and regulations of counties, towns, municipalities or special political subdivisions (whether created or enabled through legislative action at the state or regional level), or regarding judicial decisions to the extent they deal with any of the foregoing (collectively, the "Excluded Laws"). The opinions expressed herein are limited solely to the federal law of the United States insofar as they bear on matters covered hereby and the laws of the States of New York and Florida, except for Excluded Laws (collectively, the "Applicable Laws").

We are members of the New York Bar and do not hold ourselves out as experts on the laws of any other state, and accordingly, this opinion is limited to the Applicable Laws. We do not pass upon matters relating to the incorporation of the Company. As to all matters of Florida law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Squire, Sanders & Dempsey (US) LLP, West Palm Beach, Florida. As to all matters of New York law, Squire, Sanders & Dempsey (US) LLP is hereby authorized to rely upon this opinion as though it were rendered to Squire, Sanders & Dempsey (US) LLP

Very truly yours,

MORGAN, LEWIS & BOCKIUS LLP

Exhibit 5(a)

(i) See Exhibit 3(b), cover page (as to fee) and Page S-17 (as to Underwriters) of the Prospectus Supplement with respect to the 5.125% Mortgage Bonds.

(ii) See Exhibit 3(c), cover page (as to fee) and Page S-19 (as to the Underwriters) of the Prospectus Supplement with respect to the 4.125% Mortgage Bonds.