

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** December 22, 2023

**TO:** Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

**FROM:** Samuel Day, Public Utility Analyst II, Office of Industry Development & Market Analysis *SD*

**RE:** Docket No. 20230138-TX – Application for certificate to provide local telecommunications service by FPL Energy Services, Inc.

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Attached includes 3 consecutive years of consolidated financial statements to satisfy question 9(c) in the Application for Authority to Provide Telecommunications Service. This information was obtained by visiting the Nextera Energy website as advised by the company in their application.<sup>1</sup> Nextera Energy is the ultimate parent company of FPL Energy Services, Inc. Please add to docket file.

If you have any questions, please contact me at (850)413-6504.

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<sup>1</sup> Nextera Energy, Annual Reports, <https://www.investor.nexteraenergy.com/reports-and-filings/annual-reports>, accessed December 22, 2023

**NEXTERA ENERGY, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(millions, except per share amounts)

	Years Ended December 31,		
	2022	2021	2020
OPERATING REVENUES	<u>\$ 20,956</u>	<u>\$ 17,069</u>	<u>\$ 17,997</u>
OPERATING EXPENSES			
Fuel, purchased power and interchange	6,389	4,527	3,539
Other operations and maintenance	4,428	3,981	3,934
Depreciation and amortization	4,503	3,924	4,052
Taxes other than income taxes and other – net	2,077	1,801	1,709
Total operating expenses – net	<u>17,397</u>	<u>14,233</u>	<u>13,234</u>
GAINS ON DISPOSAL OF BUSINESSES/ASSETS – NET	522	77	353
OPERATING INCOME	<u>4,081</u>	<u>2,913</u>	<u>5,116</u>
OTHER INCOME (DEDUCTIONS)			
Interest expense	(585)	(1,270)	(1,950)
Equity in earnings (losses) of equity method investees	203	666	(1,351)
Allowance for equity funds used during construction	112	142	93
Gains on disposal of investments and other property – net	80	70	50
Change in unrealized gains (losses) on equity securities held in NEER's nuclear decommissioning funds – net	(461)	267	163
Other net periodic benefit income	202	257	200
Other – net	200	130	92
Total other income (deductions) – net	<u>(249)</u>	<u>262</u>	<u>(2,703)</u>
INCOME BEFORE INCOME TAXES	3,832	3,175	2,413
INCOME TAXES	586	348	44
NET INCOME	3,246	2,827	2,369
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	901	746	550
NET INCOME ATTRIBUTABLE TO NEE	<u>\$ 4,147</u>	<u>\$ 3,573</u>	<u>\$ 2,919</u>
Earnings per share attributable to NEE:			
Basic	\$ 2.10	\$ 1.82	\$ 1.49
Assuming dilution	\$ 2.10	\$ 1.81	\$ 1.48

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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

	Years Ended December 31,		
	2022	2021	2020
<b>NET INCOME</b>	<b>\$ 3,246</b>	<b>\$ 2,827</b>	<b>\$ 2,369</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX</b>			
Reclassification of unrealized losses on cash flow hedges from accumulated other comprehensive income (loss) to net income (net of \$2 tax benefit, \$2 tax benefit and \$4 tax benefit, respectively)	6	6	12
Net unrealized gains (losses) on available for sale securities:			
Net unrealized gains (losses) on securities still held (net of \$29 tax benefit, \$4 tax benefit and \$4 tax expense, respectively)	(84)	(11)	12
Reclassification from accumulated other comprehensive income (loss) to net income (net of \$3 tax benefit, \$2 tax expense and \$1 tax expense, respectively)	10	(4)	(3)
Defined benefit pension and other benefits plans:			
Net unrealized gain (loss) and unrecognized prior service benefit (cost) (net of \$41 tax benefit, \$30 tax expense and \$11 tax expense, respectively)	(133)	95	37
Reclassification from accumulated other comprehensive income (loss) to net income (net of \$2 tax benefit, \$1 tax benefit and \$1 tax benefit, respectively)	7	5	2
Net unrealized gains (losses) on foreign currency translation	(44)	(1)	13
Other comprehensive income related to equity method investees (net of \$0 tax expense, \$1 tax expense and \$1 tax expense, respectively)	1	1	1
Total other comprehensive income (loss), net of tax	(237)	91	74
<b>IMPACT OF DISPOSAL OF A BUSINESS (NET OF \$19 TAX BENEFIT)</b>	<b>—</b>	<b>—</b>	<b>10</b>
<b>COMPREHENSIVE INCOME</b>	<b>3,009</b>	<b>2,918</b>	<b>2,453</b>
<b>COMPREHENSIVE LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>	<b>920</b>	<b>747</b>	<b>543</b>
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO NEE</b>	<b>\$ 3,929</b>	<b>\$ 3,665</b>	<b>\$ 2,996</b>

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,	
	2021	2020
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 639	\$ 1,105
Customer receivables, net of allowances of \$35 and \$67, respectively	3,378	2,263
Other receivables	730	711
Materials, supplies and fuel inventory	1,561	1,552
Regulatory assets	1,125	377
Derivatives	689	570
Other	1,166	804
Total current assets	<u>9,288</u>	<u>7,382</u>
Other assets:		
Property, plant and equipment — net (\$20,521 and \$18,084 related to VIEs, respectively)	99,348	91,803
Special use funds	8,922	7,779
Investment in equity method investees	6,159	5,728
Prepaid benefit costs	2,243	1,707
Regulatory assets	4,578	3,712
Derivatives	1,135	1,647
Goodwill	4,844	4,254
Other	4,395	3,672
Total other assets	<u>131,624</u>	<u>120,302</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 140,912</u></b>	<b><u>\$ 127,684</u></b>
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY</b>		
Current liabilities:		
Commercial paper	\$ 1,382	\$ 1,551
Other short-term debt	700	458
Current portion of long-term debt (\$58 and \$27 related to VIEs, respectively)	1,785	4,138
Accounts payable (\$752 and \$1,433 related to VIEs, respectively)	6,935	4,615
Customer deposits	485	474
Accrued interest and taxes	525	519
Derivatives	1,263	311
Accrued construction-related expenditures	1,378	991
Regulatory liabilities	289	245
Other	2,695	2,256
Total current liabilities	<u>17,437</u>	<u>15,558</u>
Other liabilities and deferred credits:		
Long-term debt (\$1,125 and \$493 related to VIEs, respectively)	50,960	41,944
Asset retirement obligations	3,082	3,057
Deferred income taxes	8,310	8,020
Regulatory liabilities	11,273	10,735
Derivatives	1,713	1,199
Other	2,468	2,242
Total other liabilities and deferred credits	<u>77,806</u>	<u>67,197</u>
<b>TOTAL LIABILITIES</b>	<b><u>95,243</u></b>	<b><u>82,755</u></b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>REDEEMABLE NONCONTROLLING INTERESTS — VIE</b>	<b><u>245</u></b>	<b><u>—</u></b>
<b>EQUITY</b>		
Common stock (\$0.01 par value, authorized shares — 3,200; outstanding shares — 1,963 and 1,960, respectively)	20	20
Additional paid-in capital	11,271	11,222
Retained earnings	25,911	25,363
Accumulated other comprehensive loss	—	(92)
Total common shareholders' equity	<u>37,202</u>	<u>36,513</u>
Noncontrolling interests (\$8,217 and \$8,413 related to VIEs, respectively)	8,222	8,416
<b>TOTAL EQUITY</b>	<b><u>45,424</u></b>	<b><u>44,929</u></b>
<b>TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY</b>	<b><u>\$ 140,912</u></b>	<b><u>\$ 127,684</u></b>

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,	
	2022	2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,601	\$ 639
Customer receivables, net of allowances of \$54 and \$35, respectively	4,349	3,378
Other receivables	744	730
Materials, supplies and fuel inventory	1,934	1,561
Regulatory assets	2,165	1,125
Derivatives	1,590	689
Other	1,107	1,166
Total current assets	<u>13,490</u>	<u>9,288</u>
Other assets:		
Property, plant and equipment — net (\$22,927 and \$20,521 related to VIEs, respectively)	111,059	99,348
Special use funds	7,496	8,922
Investment in equity method investees	6,582	6,159
Prepaid benefit costs	1,832	2,243
Regulatory assets	5,992	4,578
Derivatives	1,935	1,135
Goodwill	4,854	4,844
Other	5,695	4,395
Total other assets	<u>145,445</u>	<u>131,624</u>
<b>TOTAL ASSETS</b>	<b>\$ 158,935</b>	<b>\$ 140,912</b>
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY</b>		
Current liabilities:		
Commercial paper	\$ 1,709	\$ 1,382
Other short-term debt	1,368	700
Current portion of long-term debt (\$61 and \$58 related to VIEs, respectively)	6,633	1,785
Accounts payable (\$1,250 and \$752 related to VIEs, respectively)	8,312	6,935
Customer deposits	560	485
Accrued interest and taxes	719	525
Derivatives	2,102	1,263
Accrued construction-related expenditures	1,760	1,378
Regulatory liabilities	350	289
Other	3,182	2,695
Total current liabilities	<u>26,695</u>	<u>17,437</u>
Other liabilities and deferred credits:		
Long-term debt (\$1,108 and \$1,125 related to VIEs, respectively)	55,256	50,960
Asset retirement obligations	3,245	3,082
Deferred income taxes	9,072	8,310
Regulatory liabilities	9,626	11,273
Derivatives	2,909	1,713
Other	2,696	2,468
Total other liabilities and deferred credits	<u>82,804</u>	<u>77,806</u>
<b>TOTAL LIABILITIES</b>	<b>109,499</b>	<b>95,243</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>REDEEMABLE NONCONTROLLING INTERESTS — VIEs</b>	<b>1,110</b>	<b>245</b>
<b>EQUITY</b>		
Common stock (\$0.01 par value, authorized shares — 3,200; outstanding shares — 1,987 and 1,963, respectively)	20	20
Additional paid-in capital	12,720	11,271
Retained earnings	26,707	25,911
Accumulated other comprehensive loss	(218)	—
Total common shareholders' equity	<u>39,229</u>	<u>37,202</u>
Noncontrolling interests (\$9,092 and \$8,217 related to VIEs, respectively)	9,097	8,222
<b>TOTAL EQUITY</b>	<b>48,326</b>	<b>45,424</b>
<b>TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY</b>	<b>\$ 158,935</b>	<b>\$ 140,912</b>

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,		
	2022	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	\$ 3,246	\$ 2,827	\$ 2,369
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	4,503	3,924	4,052
Nuclear fuel and other amortization	287	290	263
Unrealized losses on marked to market derivative contracts – net	1,378	2,005	533
Unrealized losses (gains) on equity securities held in NEER's nuclear decommissioning funds – net	461	(267)	(163)
Foreign currency transaction losses (gains)	(104)	(94)	45
Deferred income taxes	534	436	(78)
Cost recovery clauses and franchise fees	(1,465)	(599)	(121)
Equity in losses (earnings) of equity method investees	(203)	(666)	1,351
Distributions of earnings from equity method investees	541	526	456
Gains on disposal of businesses, assets and investments – net	(602)	(146)	(403)
Recoverable storm-related costs	(811)	(138)	(69)
Other – net	85	(59)	352
Changes in operating assets and liabilities:			
Current assets	(1,340)	(1,267)	(364)
Noncurrent assets	(89)	(324)	(234)
Current liabilities	1,702	1,053	(6)
Noncurrent liabilities	139	52	—
Net cash provided by operating activities	<u>8,262</u>	<u>7,553</u>	<u>7,983</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditures of FPL	(9,067)	(7,408)	(7,489)
Independent power and other investments of NEER	(9,541)	(8,247)	(6,851)
Nuclear fuel purchases	(223)	(275)	(245)
Other capital expenditures	(452)	(147)	(25)
Sale of independent power and other investments of NEER	1,564	2,761	1,012
Proceeds from sale or maturity of securities in special use funds and other investments	3,857	4,995	3,916
Purchases of securities in special use funds and other investments	(4,586)	(5,310)	(4,100)
Other – net	89	40	83
Net cash used in investing activities	<u>(18,359)</u>	<u>(13,591)</u>	<u>(13,699)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issuances of long-term debt, including premiums and discounts	13,856	16,683	12,404
Retirements of long-term debt	(4,525)	(9,594)	(6,103)
Proceeds from differential membership investors	4,158	2,779	3,522
Net change in commercial paper	327	(169)	(965)
Proceeds from other short-term debt	1,755	—	2,158
Repayments of other short-term debt	(1,125)	(257)	(2,100)
Payments from (to) related parties under a cash sweep and credit support agreement – net	240	47	(2)
Issuances of common stock/equity units – net	1,460	14	(92)
Proceeds from sale of noncontrolling interests	—	65	501
Dividends on common stock	(3,352)	(3,024)	(2,743)
Other – net	(565)	(737)	(406)
Net cash provided by financing activities	<u>12,229</u>	<u>5,807</u>	<u>6,174</u>
Effects of currency translation on cash, cash equivalents and restricted cash	(7)	1	(20)
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>2,125</u>	<u>(230)</u>	<u>438</u>
Cash, cash equivalents and restricted cash at beginning of year	<u>1,316</u>	<u>1,546</u>	<u>1,108</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 3,441</u>	<u>\$ 1,316</u>	<u>\$ 1,546</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>			
Cash paid for interest (net of amount capitalized)	\$ 1,375	\$ 1,323	\$ 1,432
Cash paid (received) for income taxes – net	\$ (32)	\$ (69)	\$ 235
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>			
Accrued property additions	\$ 6,005	\$ 4,995	\$ 4,445
Decrease in property, plant and equipment – net and contract liabilities (2022 activity, see Note 1)	\$ 668	\$ 155	\$ —
Right-of-use asset in exchange for finance lease liability	\$ 204	\$ 120	\$ 90
Increase in property, plant and equipment related to an acquisition	\$ —	\$ —	\$ 68
Decrease in joint venture investments related to an acquisition	\$ —	\$ —	\$ 145

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.