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CREDIT OPINION
25 January 2019

Update

Rate this Research

RATINGS

**NextEra Energy, Inc.**

| | |
|---|---|
| Domicile | Juno Beach, Florida, United States |
| Long Term Rating | Baa1 |
| Type | LT Issuer Rating - Dom Curr |
| Outlook | Stable |

*Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.*


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# NextEra Energy, Inc.

Update to credit analysis

## Summary

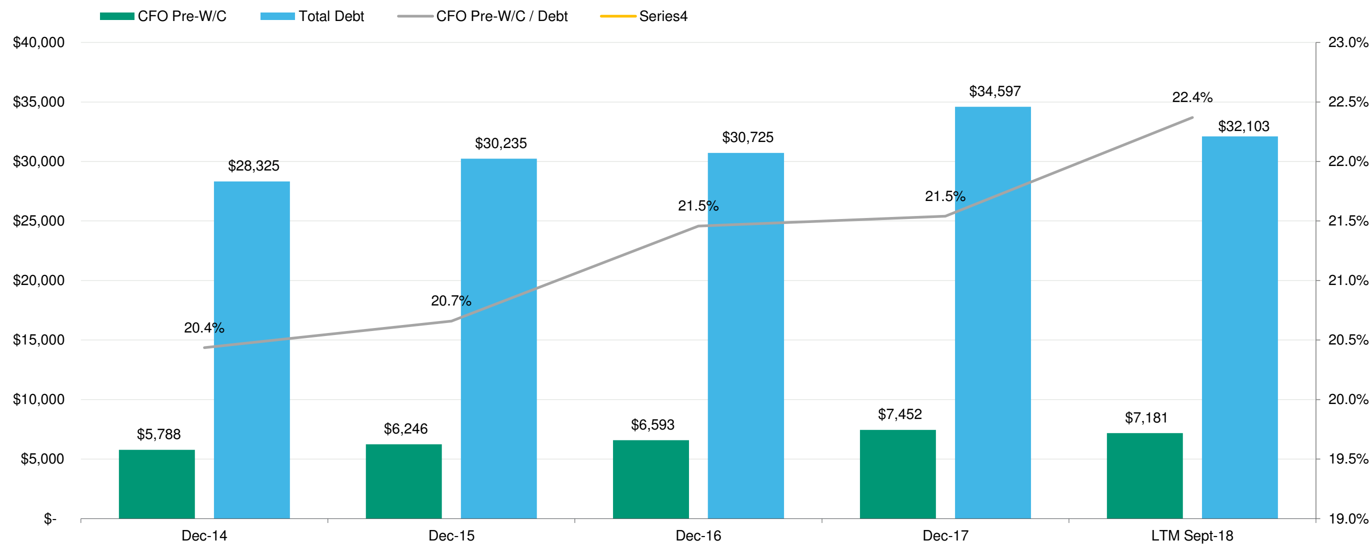

NextEra Energy, Inc.'s (NEE) credit profile reflects its industry-leading positions in the utility and renewable energy sectors as well as its stable financial profile. Its principal utility subsidiary, Florida Power and Light Company (FPL, A1 stable), is one of the largest and financially strongest regulated electric utilities in the US and accounts for about 62% of NEE's consolidated EBITDA. The vast majority of NEE's remaining EBITDA is generated by NextEra Energy Resources LLC (NEER, unrated), which holds the largest private portfolio of renewable power projects in North America. NEER is the principal subsidiary of NextEra Energy Capital Holdings, Inc. (NEECH, Baa1 stable on senior unsecured debt guaranteed by NEE), an intermediate holding company of NEE and the principal debt financing vehicle for NEE's non-FPL related businesses. NEER also owns a majority stake in NextEra Energy Partners, LP (NEP, Ba1 stable), a yieldco that acquires, manages and owns contracted clean energy projects and pipelines with stable long-term cash flows. We expect NEE's consolidated ratio of cash from operations pre-working capital (CFO pre-W/C) to debt will continue to remain around 20% and support its credit profile. At the same time, NEE's credit is constrained by an elevated level of holding company debt, which we estimate approximates 43% of consolidated debt, including the proportional consolidation of NEP and pro forma for the recent Gulf Power acquisition.

Our credit analysis incorporates NEE's strengthening business profile as its regulated businesses' EBITDA contributions increase to around 70% of total EBITDA, primarily through organic growth of FPL, increased FERC regulated transmission investments, ongoing exit of the merchant generation business, US GAAP deconsolidation of NEP in 2018 and the acquisition of Gulf Power. As NEE's regulated business mix increases to approximately 70% of total EBITDA in 2019, we lowered NEE's financial metric downgrade threshold, such that a downgrade of NEE could occur if there was a deterioration of NEE's financial metrics such that its ratio of CFO pre-W/C to debt fell below 18% for an extended period of time.


## Recent Developments

On 1 January 2019, NextEra Energy, Inc. (NEE, Baa1 stable), through a wholly owned subsidiary, 700 Universe, LLC (unrated), completed the acquisition of Florida utility Gulf Power Company (A2 stable) from The Southern Company (Southern, Baa2 stable). NEE acquired Gulf Power for approximately $5.75 billion, which included $4.35 billion in cash plus the assumption of approximately $1.4 billion of Gulf Power debt. In order to finance the acquisition, NextEra Energy Capital Holdings, Inc. (NEECH, Baa1 stable), a wholly owned subsidiary of NEE, has temporarily borrowed $1.125 billion under each of four separate bilateral term loan agreements for a total of $4.5 billion. Amounts outstanding under the loan agreements mature on June 25, 2019 at which point they are expected to be refinanced with long-term debt.

Exhibit 1
**Historical CFO Pre-W/C, Total Debt and ratio of CFO Pre-W/C to Debt ($ MM)**




*Source: Moody's Financial Metrics*

## Credit strengths

» Large size and leading position in the utility and renewable energy sectors

» FPL's strong credit quality is the foundation of NEE's credit profile

» Continued focus on growing regulated assets strengthens business risk profile

» NEER, a leading player in the renewable energy sector, has a higher risk profile that is mitigated by long-term power contracts largely with investment grade counterparties

## Credit challenges

» Holding company debt of 43% of consolidated debt is high and increasing, constraining the ratings of the corporate family

» Large negative free cash flow and $3.6 billion funding gap at NEECH

» Project execution risk at the peak of construction cycle

» Aggressive acquisition appetite including expected pursuit of South Carolina Public Service Authority (Santee Cooper, A2 negative)

» Geographic concentration in Florida owing primarily to its largest utility subsidiary, FPL

## Rating outlook

The stable rating outlook is based on our expectation that FPL and Gulf Power will continue to operate in a highly credit supportive Florida regulatory environment, that NEE's renewable asset portfolio will maintain a steady performance, that execution of construction projects will remain on time and within budget, and that the company will continue to have unfettered access to the capital markets. The stable outlook also reflects our expectation that M&A activity will be financed in a manner that maintains a financial profile that supports the current credit quality such that NEE's ratio of CFO pre-W/C to debt remains around 20% range and CFO pre-W/C less dividends to debt in the mid-teens range.

## Factors that could lead to an upgrade

Unlikely in the near future due to the high percentage of holding company debt, significant capital projects, and aggressive M&A appetite. Longer term, substantial debt reduction at NEECH/NEER such that the percentage of holding company debt is less than 25% and consolidated financial metrics improve such that NEE's ratio of CFO pre-W/C to Debt is sustained in the mid-to-high-20% range.

## Factors that could lead to a downgrade

NEE's ratings could be downgraded if its ratio of CFO pre-W/C to debt declines to below 18% for an extended period of time. The ratings could be downgraded if there is a substantial rise in regulatory contentiousness in Florida such that there is a delay in cost recovery at FPL or there are adverse tax or environmental policy developments that negatively impact NEECH. Downgrades could also result if the holding company level debt is sustained above 40%, or if the dividend payout increased and was sustained above 70% A downgrade of NEE and NEECH could lead to a downgrade of FPL, due to affiliation with a weaker parent.

# Key indicators

Exhibit 2

**Key Indicators [1]**

**NextEra Energy, Inc.**

| | Dec-14 | Dec-15 | Dec-16 | Dec-17 | LTM Sept-18 |
|---|---|---|---|---|---|
| CFO Pre-W/C + Interest / Interest | 5.3x | 5.8x | 6.6x | 5.6x | 6.7x |
| CFO Pre-W/C / Debt | 20.4% | 20.7% | 21.5% | 21.5% | 22.4% |
| CFO Pre-W/C – Dividends / Debt | 15.8% | 15.9% | 15.9% | 15.9% | 15.9% |
| Debt / Capitalization | 48.8% | 47.6% | 45.5% | 49.3% | 41.6% |

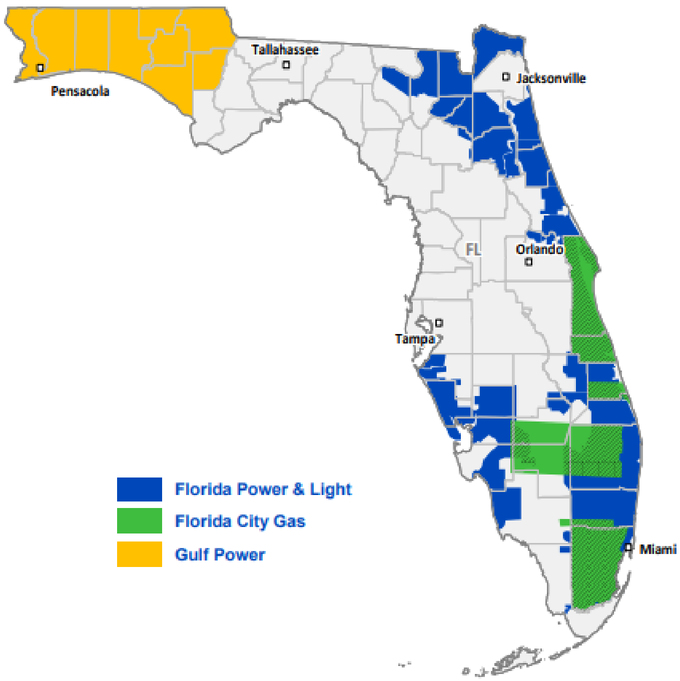
[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Financial Metrics™
*Source: Moody's Financial Metrics*

# Profile

Headquartered in Juno Beach, Florida, NextEra Energy, Inc. is one of the largest regulated utility holding companies in our global rated universe. NEE's principal operating utility, Florida Power & Light Company (FPL, A1 stable) is one of the largest vertically integrated regulated utilities in the US serving approximately 5 million customer accounts or an estimated 10 million people across nearly half of the state of Florida. FPL accounts for about 62% of NEE's consolidated EBITDA. NEE also owns another small vertically integrated utility, Gulf Power Company (A2 stable), in the panhandle of Florida. NEE is also the holding company of NextEra Energy Capital Holdings, Inc. (NEECH, Baa1 stable), which is the principal debt financing vehicle for the non-FPL businesses and an intermediate holding company of NextEra Energy Resources (NEER, unrated). NEER is an intermediate holding company for NEE's independent power projects and its yieldco, NextEra Energy Partners, LP (NEP, Ba1 stable), as well as interests in natural gas pipelines. NEECH's other subsidiaries include NextEra Energy Transmission (NEET, unrated), which holds FERC regulated electric transmission assets. NEE has no debt of its own but guarantees the debt that resides at NEECH.

Beginning January 2018, because of governance changes at NEP, NEP was deconsolidated from NEE's results on a US GAAP accounting basis. For more details about the credit considerations of NEP please refer to its Credit Opinion available on www.moodys.com

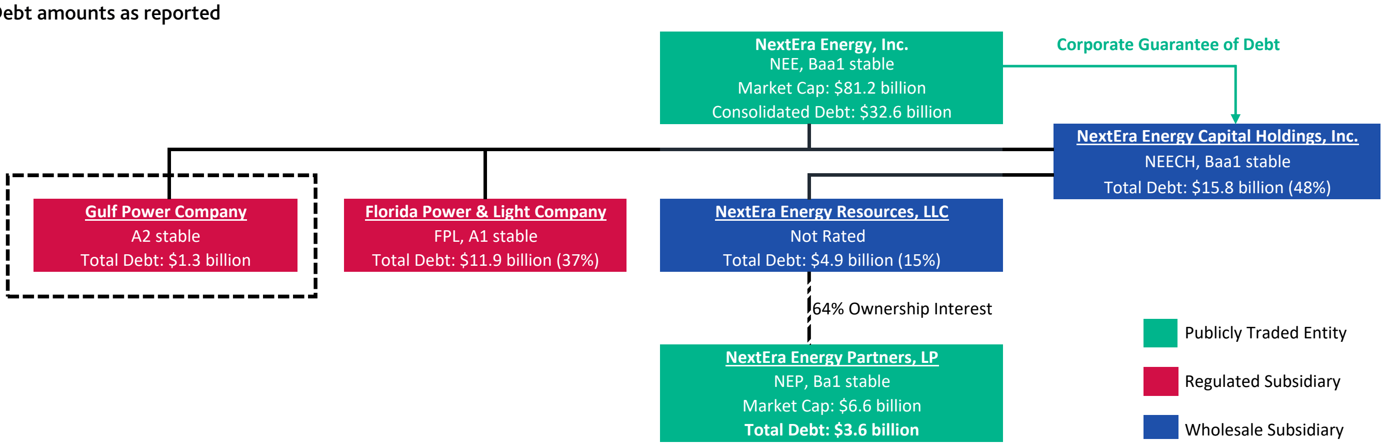
Exhibit 3
**NEE's regulated utility service area map**




*Source: Company Presentations*

## Detailed credit considerations

Exhibit 4
**Organizational Chart**
**Debt amounts as reported**




Note: As of 30 September 2018; Market Capitalizations as of 3 January 2018; NEE Consolidated Debt excludes Gulf Power Company which was acquired on 1 January 2019.
*Source: Company Filings, Marketwatch*

### FPL'S STRONG CREDIT QUALITY IS THE FOUNDATION OF NEE'S CREDIT PROFILE

FPL is NEE's principal subsidiary and "crown jewel." FPL is one of the financially strongest regulated electric utilities in the US and forms the core foundation of NEE's credit quality. At the same time, FPL's geographic concentration in Florida exposes NEE to the state's economic cycles, weather events, and any significant changes to the political and regulatory environment. A rarity amongst US regulated electric utilities, FPL's growing service territory generates organic sales and load growth as well as new investment opportunities that provide steady earnings and cash flow growth potential.

FPL has modernized its generation portfolio to be predominantly gas, a strategy which has lowered customer rates and minimized the environmental risks related to coal. FPL incorporated a strategy of buying coal plants with which it had above-market power purchase agreements, retiring those plants and replacing them with cleaner generation. FPL will eliminate its only remaining coal plant in Florida by the end of 2019, which is after the company shut down two coal plants in Jacksonville in 2016 and 2018, respectively. Additionally, FPL plans to continue increasing the fuel efficiency of its natural gas power plants.

As of 31 December 2017, approximately 1% of FPL's 27,000 megawatts (MW) of generation capacity was solar. In its 2018 10-year power plant site plan, FPL is projecting an additional 4,134 MW of solar power by the end of 2027, which equates to adding roughly 500 MW each year. In its 2016 rate case settlement, FPL is allowed timely recovery of up to 300 MW annually of new solar generation from 2017 to 2020 through a Solar Base Rate Adjustment (SoBRA) mechanism. The company recently announced its plan to install more than 30 million solar panels by 2030, which could double its stated goal of over 4,000 MW.

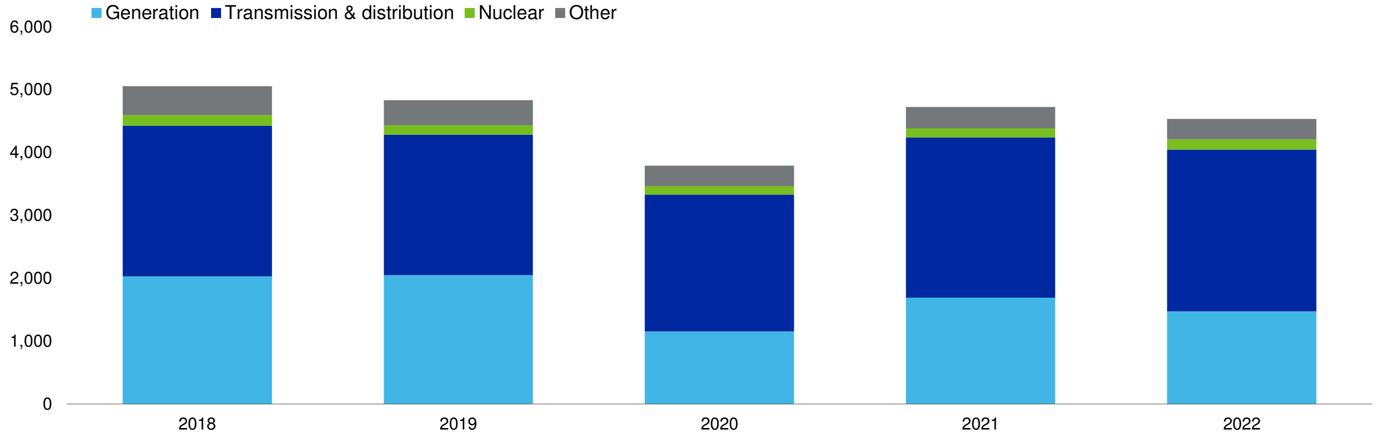
In November 2016, FPL's rate case settlement order demonstrated the stable credit supportive regulatory environment in Florida. The settlement became effective on 1 January 2017 and provided revenue visibility over its four-year term (a total of $811 million in rate increases) through 2020. The rate order included an allowed mid-point ROE of 10.55% with a range of 9.6% to 11.6%.

The 2016 rate settlement retained the cost recovery mechanisms that have allowed FPL to produce consistently above-average credit metrics. An example includes storm cost recovery provisions, which are important in Florida where hurricanes are prevalent. The new SoBRA mechanism was included in the settlement order, which provides FPL the ability to increase base rates on a timely basis without a rate case for the addition of new solar generation assets. This mechanism is similar to the Generation Base Rate Adjustment that allowed for FPL's three large gas plant modernization projects to be reflected in rates once they entered service.

Changes to the US tax law in December 2017 are not expected to have a material impact on FPL's financial metrics. FPL used the federal tax savings arising from tax reform to offset approximately $1.3 billion of storm restoration costs resulting from Hurricane Irma in September 2017. FPL's latest rate case settlement agreement set parameters for base rates and storm surcharges from January 2017 through at least December 2020. In addition to avoiding a Hurricane Irma surcharge, FPL may be able to use future federal tax savings to continue operating under the current rate agreement and potentially avoid a general base rate increase for customers for at least another year beyond 2020.

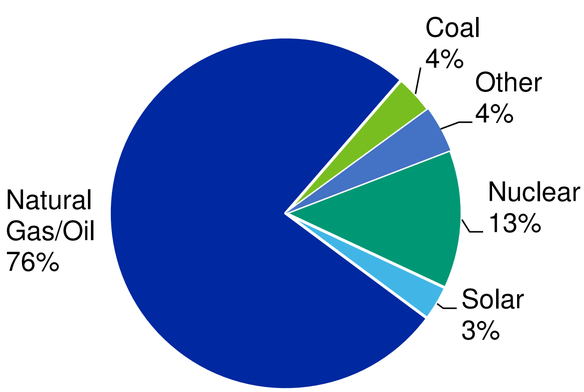
The state Office of Public Counsel (OPC), which represents consumers in utility rate hearings, the Florida Retail Federation (FRF) and the Florida Industrial Power Users Group, filed a petition on 5 December 2018 with the FPSC calling for FPL to return to customers up to $736.8 million in savings from tax reform. The OPC claims that FPL will earn above its allowed ROE if the tax reform savings are not returned. FPL intends to fight this claim as the company believes it is acting within the parameters of its latest rate case settlement approved by the FPSC. The FPSC has scheduled several hearings for consideration of the tax impacts associated with tax reform. We will monitor the situation, however, when considering the changes to customer rates from tax reform we believe FPL acted in a similar manner as other Florida investor owned utilities by largely offsetting the costs from Hurricane Irma.

Exhibit 5
**Projected annual capital expenditures at FPL**
**($ millions)**




*Source: Company Filings*

Exhibit 6
**FPL Generation fuel mix by MW**




As of September 30, 2018
*Source: Company Filings*

## DEBT FINANCED ACQUISITION OF GULF POWER HAS DRIVEN HOLDING COMPANY LEVERAGE HIGHER, A CREDIT NEGATIVE

On 1 January 2019, NEE completed the acquisition of Gulf Power from Southern for approximately $5.75 billion, which included $4.35 billion in cash plus the assumption of approximately $1.4 billion of Gulf Power debt. In order to finance the acquisition, NEECH temporarily borrowed $1.125 billion under each of four separate bilateral term loan agreements for a total of $4.5 billion. Amounts outstanding under the loan agreements, which mature on 25 June 2019 and have the right to be extended, are expected to be refinanced with long-term debt.

The Gulf Power acquisition was the final and largest component of the transaction between NEE and Southern announced in May 2018, in which NEE was to acquire Gulf Power, Florida City Gas Company (unrated) and two contracted gas-fired merchant power plants in Florida for a total purchase price of $6.5 billion. The acquisition of Gulf Power, Florida City Gas and the contracted merchant power plants added modest business diversity to NEE in a credit supportive Florida regulatory environment where NEE already has a large presence in FPL. Although relatively modest, the acquisition is consistent with management's stated strategy to pursue rate regulated assets to add to NEE's regulated businesses and strengthen its business risk profile.

At the same time, the announced leveraged transaction was priced at a relatively high multiple of about 13x EBITDA and increased leverage at the parent level via debt issued at NEECH, a credit negative. When calculating holdco debt as a percentage of consolidated debt, pro forma for the recent Gulf Power acquisition, we estimate NEE's holdco debt is about 43% of consolidated debt, including the proportional consolidation of its ownership in yieldco, NEP. Excluding NEP, NEE's holdco debt would approximate 51% of consolidated debt. As a result, NEE's holding company debt is the highest it has been in recent years, a credit negative, and is a constraint on the ratings within the corporate family.

### NEER IS A LEADING PLAYER IN THE RENEWABLE ENERGY SECTOR WITH A HIGHER RISK PROFILE THAT IS MITIGATED THROUGH LONG TERM CONTRACTS

NEER, which accounts for about 38% of NEE's EBITDA, has increased the contracted portion of its large portfolio of renewable assets to approximately 75% in 2018 and expects to increase it up to 78% by 2020. At the same time, we expect NEE's regulated and contracted assets combined will account for 90% of adjusted EBITDA by 2020.

NEER has a large, diverse generation portfolio, and is the largest owner of wind and solar generation in North America. Strong demand for renewable energy provides NEER with growth opportunities to sell renewable energy under long-term contracts, primarily to investment-grade utilities that are attracted to the declining prices of renewable power and seeking to satisfy environmental mandates as well as meet customer preferences. The long term revenue visibility from the contracted assets and the predominance of renewables, which typically entail little fuel risk or capital maintenance after construction, is in contrast to the typically higher risk associated with unregulated power companies that are exposed to merchant power sales and challenged coal and nuclear plants.

Although there is somewhat greater uncertainty over environmental policy and supportiveness for renewables after the US exit from the Paris accords, the withdrawal of the Clean Power Plan, as well as changes related to tax reform, tax incentives for renewables continue to remain in place through the end of the decade (2022 for solar) and will continue to support growth for NEER over the near-term. With many utilities having met their near-term renewable portfolio standards, NEER is continuing its efforts to contract with large corporations to further diversify its customer base before utilities are expected to come back to the market as major buyers in order to meet increasing renewable portfolio standards.

NEER’s cash flow has risen from new generation capacity that has been added over the last several years. NEER generally manages the construction of renewable projects to make the most of the federal tax credits available. The company is in the midst of a large construction phase, including peak spending levels of about $6.4 billion in 2018, largely due to increased renewable investments. NEER has grown its renewable capacity from approximately 16 GW in 2016 to about 20 GW in 2018.

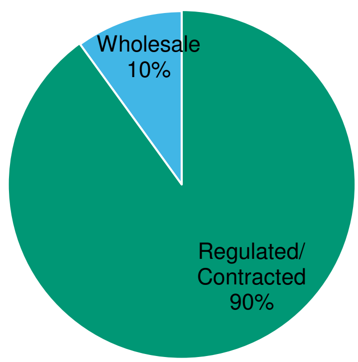
Gas pipelines and energy storage also contribute to the increase in NEER’s capital investments. The company continues to make modest but growing investments in energy storage, which is not only an emerging technology growth area in the renewable sector, but it will also support further growth in wind and solar energy installations.

The $1.5 billion Sabal Trail and the related $500 million Florida Southeast Connection gas pipelines came on line in June of 2017, and the $4.6 billion Mountain Valley pipeline, of which NEE has 31% ownership, is due to go in-service at the end of 2019, depending on receipt of state environmental approvals and a final permit from the Army Corps of Engineers. These pipelines are expected to generate stable cash flow under 20-year contracts and will help support NEE’s credit metrics.

Exhibit 7
**NEER projected annual capital expenditures**
**($ billions)**

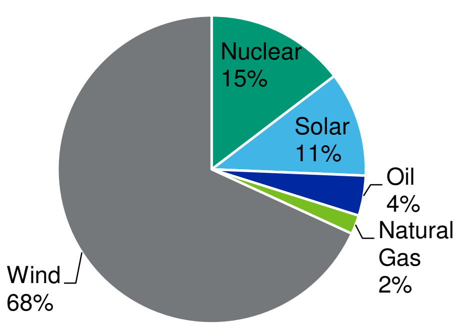

*Source: Company Presentations*

Exhibit 8
**Moody's estimate of NextEra's business mix by adjusted EBITDA (pro forma for Gulf Power acquisition)**




Regulated includes FPL, transmission assets and FERC pipelines.
*Source: Company Presentations*

Exhibit 9
**NEER Generation fuel mix by MW**
**Includes NEP**




As of September 30, 2018
*Source: Company Filings*

### FINANCIAL PROFILE EXPECTED TO REMAIN STABLE

For the 12-months ended 30 September 2018, NEE's ratio of CFO pre-W/C to debt was 22.4% which is almost the same as its 3-year average ending the same period of 22.3%. As mentioned previously, beginning in 2018, NEE deconsolidated NEP based on US GAAP accounting rules. When proportionally consolidating NEP based on NEE's 64% ownership interest, and pro forma for the recent acquisition of Gulf Power, we estimated that NEE's consolidated ratio of CFO pre-W/C to debt ratio is approximately 20%. Even with significant capital investments at NEER and FPL, we expect NEE's financial profile to remain steady including a ratio of CFO pre-W/C to debt of around 20% range.

We expect that NEE will manage its balance sheet in a manner that maintains its current financial profile and supports its credit quality. Historically, the company has sold assets (e.g., the January 2017 sale of its telecom subsidiary for $1.5 billion) and has issued equity to maintain a balanced capital structure. In addition, $1.5 billion of equity units sold in 2016 will convert to equity in 2019. We do not expect NEE's financial metrics to be materially impacted by the December 2017 changes in tax legislation as we expect NEE's unregulated business to benefit from the lower tax rate and FPL should be able to offset hurricane restoration costs with the federal tax savings.

NEE has a relatively high percentage of holding company debt obligations (approximately 43% including proportional consolidation of NEP and pro forma for the acquisition of Gulf Power) compared to its peers, but this, along with the presence of a higher risk unregulated, but heavily contracted, business are incorporated in our credit analysis and reflected in the relatively wide differential between the credit quality of NEE and its principal utility subsidiary, FPL.

### MODERATE CARBON TRANSITION RISK

NEE has moderate carbon transition risk within the utility sector because of its low exposure to coal but substantial ownership of natural gas-fired generation assets. NEE's coal exposure includes FPL's ownership of approximately 75% of a unit at the Scherer coal plant in Georgia (655 MW) and 100% ownership of the 330 MW Indiantown coal plant (expected to be shut down by 2021) in Florida as well as Gulf Power's 25% share of the Scherer coal plant (205 MW), 50% of the Daniel coal plant in Mississippi (500 MW) and the 970 MW coal-fired Crist Generating Plant in Flroida. In January 2018, FPL closed its 632 MW St. Johns River Power Park coal plant, with which it previously had a PPA, and subsequently purchased the plant for retirement. NEE, including FPL, owns approximately 22 GW of natural gas generation out of a total owned generation of approximately 50 GW. NEE continues to invest in renewable energy, including at FPL where renewable assets are included in rate base and in rates on a timely basis. Moody's framework for assessing carbon transition risk in this industry is discussed in “Prudent regulation key to mitigating risk, capturing opportunities of decarbonization” (2 Nov 2017).

## Liquidity analysis

NEE's corporate family of companies have sufficient liquidity, with FPL maintaining the strongest liquidity profile. NEECH's liquidity is somewhat constrained by its large capital investment program and the need to repay/refinance a substantial amount of maturing debt and provide for material contingent calls related to its hedging and marketing activities. However, NEECH has demonstrated an ability to manage its liquidity profile sufficiently, primarily through solid access to bank and debt capital markets.

For the last twelve months ended 30 September 2018, FPL's cash flow from operations was $4.0 billion compared to capital expenditures of $5.1 billion, largely driven by spending on transmission and distribution infrastructure, investments at its Okeechobee Clean Energy Center (expected to go into service in June 2019) as well as solar generation investments. The shortfall in funding capital investments using internally generated cash flow was supplemented by short and long-term borrowings as well as capital contributions from its parent. Going forward, we expect FPL will fund its capital investments using internally generated cash flow and any shortfalls will be supplemented with debt borrowings and equity contributions from its parent in a balanced manner in order to maintain its targeted capital structure.

As of 30 September 2018, FPL had net available liquidity of about $4.8 billion, which included $2.9 billion of bank revolving line of credit facilities that also backstop its commercial paper (CP) program of which $205 million was outstanding. The utility had full availability on its $2 billion of bilateral revolving credit facilities and about $103 million of cash on-hand. Owing to its strong credit profile, FPL also maintains unfettered access to capital markets which typically allows the utility to easily refinance its debt maturities. Commitments under the core revolver are laddered, with the vast majority terminating in 2023. FPL's credit facilities do not contain a material adverse change clause that could prevent borrowings. The next debt maturity at FPL is $74 million of FPL Recovery Funding senior bonds maturing in August 2019.

NEECH's liquidity profile is impacted by its large capital investment program and the continuous development of power projects, which typically results in a negative free cash flow position. The funding gap has ranged from about $2 billion to almost $8 billion over the last five years. For the LTM September 2018, NEECH's cash flow from operations was $2.3 billion compared to capital expenditures of $6.2 billion. As of 30 September 2018, NEECH had $5.2 billion of short-term debt outstanding. NEECH expects to finance the resulting funding gap of $9.1 billion through a combination of project finance debt, tax equity, recycling of capital through asset sales and long-term debt issuances at NEECH.

As of 30 September 2018, NEECH had $3.6 billion of net available liquidity, which included $391 million of cash and $5.9 billion of availability on its revolving credit facilities, net against about $2.7 billion of commercial paper borrowings. The largest of these credit facilities is NEECH holdco's almost $5 billion bank revolving line of credit facility, which backstops its CP program. As with FPL's core revolvers, the commitments are laddered, with the vast majority terminating in 2023. This facility does not contain a material adverse change clause that could prevent borrowings. NextEra's nearest debt maturity is $500 million of senior notes at NEECH that mature in April 2019.

## Rating methodology and scorecard factors

Exhibit 10

### Rating Factors

NextEra Energy, Inc.

| Regulated Electric and Gas Utilities Industry Grid [1][2] | Current LTM 9/30/2018 | | Moody's 12-18 Month Forward View As of Date Published [3] | |
|---|---|---|---|---|
| **Factor 1 : Regulatory Framework (25%)** | **Measure** | **Score** | **Measure** | **Score** |
| a) Legislative and Judicial Underpinnings of the Regulatory Framework | A | A | A | A |
| b) Consistency and Predictability of Regulation | Aa | Aa | Aa | Aa |
| **Factor 2 : Ability to Recover Costs and Earn Returns (25%)** | | | | |
| a) Timeliness of Recovery of Operating and Capital Costs | Baa | Baa | Baa | Baa |
| b) Sufficiency of Rates and Returns | Baa | Baa | Baa | Baa |
| **Factor 3 : Diversification (10%)** | | | | |
| a) Market Position | Aa | Aa | Aa | Aa |
| b) Generation and Fuel Diversity | A | A | A | A |
| **Factor 4 : Financial Strength (40%)** | | | | |
| a) CFO pre-WC + Interest / Interest (3 Year Avg) | 6.5x | Aa | 5.8x - 6.2x | Aa |
| b) CFO pre-WC / Debt (3 Year Avg) | 22.3% | A | 18% - 22% | Baa |
| c) CFO pre-WC – Dividends / Debt (3 Year Avg) | 16.5% | Baa | 12% - 15% | Baa |
| d) Debt / Capitalization (3 Year Avg) | 44.6% | A | 44% - 48% | Baa |
| **Rating:** | | | | |
| Grid-Indicated Rating Before Notching Adjustment | | A3 | | A3 |
| HoldCo Structural Subordination Notching | -2 | -2 | -2 | -2 |
| a) Indicated Rating from Grid | | Baa2 | | Baa2 |
| b) Actual Rating Assigned | | (P)Baa1 | | (P)Baa1 |

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 9/30/2018(LTM)
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
*Source: Moody's Financial Metrics*

# Appendix

Exhibit 11

## Cash Flow and Credit Metrics [1]

| CF Metrics | Dec-14 | Dec-15 | Dec-16 | Dec-17 | LTM Sept-18 |
|---|---|---|---|---|---|
| As Adjusted | | | | | |
| **FFO** | **6,020** | **6,475** | **6,663** | **7,519** | **7,234** |
| +/- Other | (232) | (229) | (70) | (67) | (53) |
| **CFO Pre-WC** | **5,788** | **6,246** | **6,593** | **7,452** | **7,181** |
| +/- ΔWC | (373) | 313 | (388) | (869) | (899) |
| **CFO** | **5,415** | **6,559** | **6,205** | **6,583** | **6,282** |
| - Div | 1,304 | 1,448 | 1,714 | 1,967 | 2,089 |
| - Capex | 6,889 | 8,256 | 9,501 | 10,626 | 11,296 |
| **FCF** | **(2,778)** | **(3,145)** | **(5,010)** | **(6,010)** | **(7,103)** |
| | | | | | |
| (CFO Pre-W/C) / Debt | 20.4% | 20.7% | 21.5% | 21.5% | 22.4% |
| (CFO Pre-W/C - Dividends) / Debt | 15.8% | 15.9% | 15.9% | 15.9% | 15.9% |
| FFO / Debt | 21.3% | 21.4% | 21.7% | 21.7% | 22.5% |
| RCF / Debt | 16.6% | 16.6% | 16.1% | 16.0% | 16.0% |
| | | | | | |
| Revenue | 17,021 | 17,486 | 16,155 | 17,195 | 16,361 |
| Cost of Good Sold | 5,677 | 5,410 | 4,113 | 4,131 | 3,835 |
| Interest Expense | 1,346 | 1,289 | 1,181 | 1,631 | 1,253 |
| Net Income | 2,261 | 2,490 | 2,512 | 4,779 | 5,530 |
| Total Assets | 74,477 | 82,358 | 89,858 | 97,713 | 98,489 |
| Total Liabilities | 54,271 | 59,462 | 65,121 | 69,095 | 63,827 |
| Total Equity | 20,206 | 22,896 | 24,737 | 28,618 | 34,662 |

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months
*Source: Moody's Financial Metrics*

Exhibit 12

## Peer Comparison Table [1]

| | NextEra Energy, Inc. (P)Baa1 Stable | | | Berkshire Hathaway Energy Company A3 Stable | | | Duke Energy Corporation Baa1 Stable | | | Sempra Energy Baa1 Negative | | | Dominion Energy, Inc. Baa2 Negative | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (in US millions) | FYE Dec-16 | FYE Dec-17 | LTM Sept-18 | FYE Dec-16 | FYE Dec-17 | LTM Sept-18 | FYE Dec-16 | FYE Dec-17 | LTM Sept-18 | FYE Dec-16 | FYE Dec-17 | LTM Sept-18 | FYE Dec-16 | FYE Dec-17 | LTM Sept-18 |
| Revenue | 16,155 | 17,195 | 16,361 | 17,422 | 18,614 | 19,681 | 22,743 | 23,565 | 24,205 | 10,183 | 11,207 | 11,430 | 11,737 | 12,586 | 13,215 |
| CFO Pre-W/C | 6,593 | 7,452 | 7,181 | 5,924 | 6,729 | 6,938 | 7,263 | 8,015 | 8,439 | 2,309 | 3,608 | 3,280 | 4,010 | 4,702 | 5,209 |
| Total Debt | 30,725 | 34,597 | 32,103 | 39,612 | 41,967 | 41,628 | 49,843 | 54,169 | 56,580 | 18,959 | 21,331 | 27,683 | 36,454 | 38,825 | 39,725 |
| CFO Pre-W/C / Debt | 21.5% | 21.5% | 22.4% | 15.0% | 16.0% | 16.7% | 14.6% | 14.8% | 14.9% | 12.2% | 16.9% | 11.8% | 11.0% | 12.1% | 13.1% |
| CFO Pre-W/C – Dividends / Debt | 15.9% | 15.9% | 15.9% | 15.0% | 16.0% | 16.7% | 9.9% | 10.3% | 10.6% | 8.2% | 12.8% | 8.2% | 6.1% | 7.0% | 7.6% |
| Debt / Capitalization | 45.5% | 49.3% | 41.6% | 50.9% | 53.4% | 51.9% | 47.5% | 53.0% | 52.8% | 50.3% | 54.7% | 56.8% | 58.0% | 61.1% | 60.1% |

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade
*Source: Moody's Financial Metrics*

## Ratings

Exhibit 13

| Category | Moody's Rating |
|---|---|
| **NEXTERA ENERGY, INC.** | |
| Outlook | Stable |
| Issuer Rating | Baa1 |
| Senior Unsecured Shelf | (P)Baa1 |
| Jr Subordinate Shelf | (P)Baa2 |
| Pref. Shelf | (P)Baa3 |
| **NEXTERA ENERGY CAPITAL HOLDINGS, INC.** | |
| Outlook | Stable |
| Bkd Senior Unsecured | Baa1 |
| Bkd Jr Subordinate | Baa2 |
| BACKED Pref. Shelf | (P)Baa3 |
| Commercial Paper | P-2 |
| **FLORIDA POWER & LIGHT COMPANY** | |
| Outlook | Stable |
| Issuer Rating | A1 |
| First Mortgage Bonds | Aa2 |
| Senior Secured | Aa2 |
| Senior Unsecured | A1 |
| Commercial Paper | P-1 |
| Other Short Term | VMIG 1 |
| **GULF POWER COMPANY** | |
| Outlook | Stable |
| Issuer Rating | A2 |
| Senior Unsecured | A2 |
| Pref. Shelf | (P)Baa1 |
| **NEXTERA ENERGY OPERATING PARTNERS, LP** | |
| Outlook | Stable |
| Bkd Senior Unsecured | Ba1 |
| **NEXTERA ENERGY US PARTNERS HOLDINGS, LLC** | |
| Outlook | Stable |
| Sr Sec Bank Credit Facility | Ba1/LGD4 |
| **NEXTERA ENERGY PARTNERS, LP** | |
| Outlook | Stable |
| Corporate Family Rating | Ba1 |
| Speculative Grade Liquidity | SGL-2 |

*Source: Moody's Investors Service*

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