NEXTERA ENERGY AND NEXTERA ENERGY PARTNERS CONFERENCE CALL

Amanda Finnis:

Good morning and welcome to this NextEra Energy and NextEra Energy Partners conference call.

With me this morning are Jim Robo, Chairman and Chief Executive Officer of NextEra Energy, Moray Dewhurst, Vice Chairman and Chief Financial Officer of NextEra Energy, Armando Pimentel, President and Chief Executive Officer of NextEra Energy Resources, and Mark Hickson, Senior Vice President of NextEra Energy, all of whom are also officers of NextEra Energy Partners, as well as John Ketchum, Senior Vice President of NextEra Energy.

We will be making forward-looking statements during this call based on current expectations and assumptions which are subject to risks and uncertainties. Actual results could differ materially from our forward-looking statements if any of our key assumptions are incorrect or because of other factors discussed in the comments made during this conference call, or in our latest reports and filings with the Securities and Exchange Commission.

Today's presentation also includes references to non-GAAP financial measures. Following today's call, definitional information will be posted on our websites.

With that, I will turn the call over to Jim.

Jim Robo:

Thanks, Amanda, and good morning everyone.

On our second quarter earnings call held on August 3rd we announced that NextEra Energy Partners had entered into an agreement to purchase NET Midstream. In addition to being what we believe is an attractive investment opportunity in its own right, the NET Midstream transaction also helped support our view that we could increase the near-term distribution profile at NEP while deferring the acquisition of certain wind projects from NextEra Energy Resources and still supporting reasonable expectations of achieving 12-15% per year growth in LP unit distributions through the end of the decade. In addition, not only did the NET Midstream transaction enable NEP to forego for the moment the acquisition of certain assets from the sponsor, it also allowed NEP to target a higher level of distributions per unit of $1.23 for only a moderate amount of additional equity.

Before I take you through our more detailed logic, I want to let you all know that we have re-evaluated our financing need for the balance of 2015 for NEP to achieve the $1.23 unit distribution target in light of current market conditions. Our current plan is to issue roughly $200 million of equity to the public and we will provide you further details of the other elements of our financing plan later in the call.

At the time of the second quarter earnings call we discussed a long-term financing structure for the NET acquisition and noted that we had secured a bridge loan facility to ensure certainty of closing, but we did not provide details of our thinking about how the long term financing would be accomplished, nor the time frame over which we might reach the long term capital structure. At that time we were considering various scenarios and had not decided on a particular path. We recognize that many investors want to hear more about our thinking, and of course since that time there has been a significant change in market conditions, which has unfortunately negatively affected the market value of NEP LP units. Clearly, the change in market conditions has affected our thinking about how we will achieve our longer term financing goals, and we have arranged this call to provide investors the opportunity to understand how our thinking has evolved.

Let me start by reminding you of the breakdown of the total transaction size of the NET acquisition, which totals approximately $2.1 billion. Of the $2.1 billion, roughly $500 million will be deferred - $200 million payable 18 months after closing contingent upon no breach of reps and warranties by the seller, and $300 million for certain expansion projects, contingent on the successful execution of definitive agreements for the expansion projects. These expansion projects are expected to be financed with incremental future project debt.

Of the $1.6 billion payable at closing, roughly $650 million is expected to be debt - $450 million in the assumption of existing project debt and $200 million of new project debt in the form of a credit facility – all secured by NET Midstream assets.

Thus the total equity commitment envisioned by this structure is $1.15 billion - $ 950 million at closing and the $200 million contingent payment 18 months after closing. Closing of the transaction is expected to occur on or before October 15 of this year.

We all understand that what may be valid in the long run may not be true in the short run. It is clear that investors understand that the business model for a company like NEP, which grows through acquisitions and which expects to pay out a very high proportion of its ongoing cash flows essentially as soon as they are generated, is founded upon regular access to equity capital markets for the issuance of new equity to fund growth. This model has been shown to work effectively in the MLP and diversified energy infrastructure space, and we see no reason to believe it cannot work just as effectively in the yieldco space. We continue to believe that the yieldco concept has long term viability for a company like NEP that can offer its investors high visibility into a large portfolio of attractive projects operated by a world-class operator and supported by the development capabilities of North America's largest renewable developer.

In the short-term, however, market conditions can make it difficult to execute financing transactions on terms that fairly reflect fundamental values, and that seems to be the case today. While we continue to have confidence in the NEP business model, the company's valuation today is clearly being adversely affected both by macro market volatility and by sector effects. Our thinking on how tactically to proceed with financing the NET Midstream acquisition must of course be informed by those short-term impacts.

In the very short term, our ability to close the acquisition is supported by the bridge financing facility. NEP has received a commitment from a group of banks for a $1 billion bridge facility that would be payable one-year following the NET Midstream closing. In order to close the $1 billion bridge facility, NEP will need to repay the $313 million bridge loan that was used to finance its previously announced acquisition of four wind projects in the second quarter of this year.

In addition to NET Midstream, we are also announcing plans today to seek NEP Conflicts Committee approval for NextEra Energy Partners to move forward on the acquisition of the Jericho wind project from NextEra Energy Resources. The timing of the acquisition in the fourth quarter of 2015 is primarily for Canadian tax planning purposes. Jericho is located in Ontario, Canada and is a 149 megawatt wind project with a remaining contract life of 19 years.

The Jericho acquisition is expected to add roughly $250 million to NEP's 2015 financing need. Together with the $950 million for the NET acquisition required to be paid at closing and the $313 million for the repayment of the bridge loan that was used to finance the four wind project acquisitions announced in the second quarter, NEP's total capital requirements for the remainder of 2015 are expected to be $1.5 billion. NEP does not expect to acquire any additional assets beyond NET and Jericho in 2015.

We have a number of options for meeting the total $1.5 billion needed for this year. However, in essence, there are two things we can do: we can increase the overall leverage of NEP for a period; and we can slow down the rate at which NextEra Energy's ownership in NEP is diluted down. In the case of the NET Midstream acquisition, funding the long term equity portion of the purchase with all new NEP equity would have diluted NextEra Energy's ownership more rapidly than we had originally expected, and we have always said that while we expected NextEra Energy's ownership to be diluted down over time there was no special 'magic' to any particular dilution path.

Our current thinking is that we should do both - add additional leverage to optimize the NEP balance sheet because we believe there is incremental debt capacity in the NEP portfolio that can be tapped for the short term; and slow down NextEra Energy's rate of dilution. Together, we believe these should substantially ease the pressure on NEP by materially reducing the amount of NEP public equity that will need to be issued in 2015.

NEP currently expects to finance its $1.5 billion capital need as follows:

- By raising roughly $600 million of non-amortizing 2 to 5 year NEP holdco debt;
- By issuing roughly $200 million of NEP limited partnership units to the public;
- And by NextEra Energy slowing its rate of ownership dilution by investing in additional NEP operating company units for up to $700

million on economically the same terms as NEP's issuance to the public,

Together with the announcement of this financing plan, both NEP and NextEra Energy are also reaffirming their financial expectations for 2015 and 2016 and 2015 through 2018, respectively, as communicated on the second quarter earnings call. As always, these expectations assume, among other things, normal weather and operating conditions, and, for NEP, trading yields consistent with current market conditions.

In closing, we believe that NextEra Energy Partners is the premier yieldco vehicle in the space, and that NextEra Energy is the premier sponsor. We remain very comfortable with the NEP structure, which we believe promotes an alignment of interest between NEP LP unit holders and NextEra Energy. NEP has access to capital, visibility into NextEra Energy's extensive pipeline of renewable and pipeline assets and ownership of a de-risked set of long-term contracted cash flows with an average contract life of over 18 years backed by strong credits.

While the current market trading environment is certainly challenging, we believe it is important that we remain focused on the fundamentals. We have never felt better about the future of renewables in North America. Energy Resources' renewables pipeline has never been more robust. The combination of improving renewables economics, bipartisan support in the Senate Finance Committee for a Production Tax Credit extension, and increased targets for renewables in the Clean Power Plan, suggest that the long-term growth prospects for our renewables business have never been stronger.

In addition, NextEra Energy is building a strong presence in the natural gas pipeline business as well, with three projects in the FERC permitting process, the NET pipeline acquisition, and another project recently announcing its open season.

In summary, I am very optimistic about NextEra Energy's short and long-term growth prospects in renewables and gas infrastructure. We believe NEP, of all the yieldco's in the space, is uniquely positioned to take advantage of that growth.

With that we would like to open the lines to give people a chance to ask questions.