Conference Call
Fourth Quarter 2011 Earnings Release
January 27, 2012

(1) Fourth Quarter and Full Year 2011 Earnings Conference Call

Rebecca Kujawa:

Thank you, Alicia.

Good morning everyone, and welcome to our fourth quarter and full year 2011 earnings conference call. Joining us this morning are Lew Hay, NextEra Energy's Chairman and Chief Executive Officer, Jim Robo, President and Chief Operating Officer of NextEra Energy, Moray Dewhurst, Vice Chairman and Chief Financial Officer of NextEra Energy, Armando Olivera, Chief Executive Officer of Florida Power & Light Company, and Armando Pimentel, President and Chief Executive Officer of NextEra Energy Resources, LLC. Moray will be providing an overview of our results, following which our senior management team will be available to take your questions.

(2) Safe Harbor Statement and Non-GAAP Financial Information

We will be making statements during this call that are forward-looking. These statements are based on our current expectations and assumptions that 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 today's earnings news release, in the comments made during this conference call, in the risk factors section of the accompanying presentation, or in the latest reports and filings with the Securities and Exchange Commission, each of which can be found in the investor relations section of our website, at www.NextEraEnergy.com. We do not undertake any duty to update any forward-looking statements.

Please also note that today's presentation includes references to adjusted earnings, which is a non-GAAP financial measure. You should refer to the information contained in the slides accompanying this presentation for definitional information and reconciliations of the non-GAAP measure to the closest GAAP financial measure. NextEra Energy's management uses adjusted earnings internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as input in determining whether certain performance targets are met for performance-based compensation under the company's employee incentive compensation plan. NextEra Energy also uses earnings expressed in this fashion when communicating its earnings outlook to investors and analysts. NextEra Energy management believes that adjusted earnings provide a more meaningful representation of NextEra Energy's fundamental earnings power.

With that, I will turn the call over to Moray Dewhurst. Moray?

Moray Dewhurst:

(3) NEXTERA ENERGY OVERVIEW – 2011 DISAPPOINTMENTS AND SUCCESSES

Thank you, Rebecca, and good morning everyone.

2011 was a mixed year for NextEra Energy. We had a number of disappointments; but we also had at least an equal number of successes. On balance we must consider it a good year, as our successes position us well to deliver on our longer term value proposition in spite of a very challenging environment for Energy Resources. We have the building blocks of our growth plan in place; our focus now is on execution.

Let me first say a few words about the disappointments. Although our final adjusted results were well within the range of expectations we originally set out for you in October of 2010, they were not what we had hoped for. Yet a couple of caveats are in order. Despite the challenging environment for Energy Resources, we set another all-time high for adjusted earnings per share, and the growth in adjusted earnings per share, at 2.1%, was roughly in line with the median 10-year earnings per share growth rate for our industry, while our profitability, as reflected in adjusted ROE, continues to be better than the long-term industry median.

But industry-average performance is not what we expect of ourselves, and we know you do not expect it of us, either. There were four principal reasons why we fell short of our expectations in 2011, all associated with Energy Resources.

First, our proprietary trading activities fell well short of our hopes. In retrospect, we were overly optimistic about the market environment for these activities and hence about the results they could achieve. We chose not to increase our risk profile in these areas but instead to accept what the market was giving us. Looking forward we have adjusted our expectations downward for these parts of the business, reflecting our expectation that market conditions will continue to be soft for some time.

Second, we encountered some challenging issues at our Seabrook nuclear facility, which led to unplanned and extended outages and less availability than we had anticipated. Historically, our Energy Resources nuclear assets have run very well, and we expect to revert to historical performance over time. Although we had challenges within the nuclear fleet in 2011, our non-nuclear generating facilities performed exceptionally well, with one of the lowest forced-outage rates on record.

Third, we had hoped to get a few more megawatts of new renewable projects in the ground by the end of 2011. Two projects were pushed into the first quarter of this year. This has relatively minor financial impact on the projects' overall economics, as the projects are still expected to qualify for the relevant tax incentives.

Fourth, as we discussed extensively in the third quarter call, we were negatively impacted by the extreme heat in Texas in August. We were likely to see a negative impact at our retail customer supply business under such extreme adverse conditions, even with the best execution. Nevertheless, we have made a number of operational changes to improve our responsiveness and resilience should such extreme conditions occur again.

Although we were able partially to offset these four challenges in various ways, the net impact was that overall at the enterprise level we were ten cents or so short of where we expected to be.

Two external factors must also count as disappointments. As you all know, the forward curve for natural gas came down significantly. While the effects of this on our results are muted for the next several years by the heavily hedged position at Energy Resources, over the long haul low natural gas prices mean low power prices for our key merchant assets. And finally, and quite separately, we were disappointed that the historically bipartisan issue of federal support for renewables has – for the moment, at least – apparently become one of the casualties of political conflict in Washington prior to a Presidential election year. However, this issue is far from closed, and we remain optimistic that we will continue to see Federal support for renewables generally and wind specifically beyond 2012.

But while these developments were disappointing, we also had many successes in 2011. Chief among these was outstanding progress in the development of Energy Resources' renewable backlog. We continued to build our backlog of contracted renewable assets by entering into contracts for nearly 2,200 megawatts of wind and solar energy already placed in service in 2011 or expected to be placed in service by the end of 2016.

Project development, of course, is more than just executing contracts. Permitting and other approvals, construction execution and other challenges continue to be present on many projects even after a power purchase agreement is in place. But, as a result of the excellent progress we have made in moving our development projects forward in 2011, we now have very high visibility into the evolution of our renewable portfolio for

2012 and beyond, and we know where we are likely to be by the end of 2012. We expect that by the end of this year we will have nearly 10,000 megawatts of wind capacity in our fleet.

With the development success we have had this year, we believe that we are also very well positioned to achieve our longer-term growth goals. Let me emphasize that, while we are optimistic that federal support for renewables will <u>not</u> be eliminated, as I mentioned earlier, the financial expectations that we have previously shared with you and that we are re-affirming today are based solely on projects in our backlog and do not depend upon an extension of the PTC program.

Turning now to Florida, FPL had a very strong year. Unit 3 at our West County Energy Center came into service, on time and under budget, and as a result our fossil system efficiency reached a new record. Construction on the Cape Canaveral modernization made excellent progress and that project is on schedule and on budget. Local officials and residents from Riviera Beach enjoyed witnessing firsthand the demolition of the old plant there, paving the way for another modernization, and we began to pursue a third modernization project, at Port Everglades, that is expected to save customers hundreds of millions of dollars over and above the cost of the plant. We expect a decision from the PSC regarding Port

Everglades by the end of the second quarter.   We believe that all of these projects have significant direct benefits for our customers in the form of fuel savings, broader benefits for Floridians in the form of job creation and lower emissions, and long-term benefits in the form of lower electric bills.

Most important, at FPL we continued to deliver what we firmly believe is the best customer value proposition in the state and one of the best anywhere in the country. Our customers enjoy the lowest bills in the state – bills that are 25% lower than the national average – top-quartile reliability and award-winning customer service.   For the eighth year in a row, FPL received the prestigious ServiceOne award.   This award is given to companies that exhibit exceptional customer service, and FPL is the only utility to have won it eight consecutive times.   Our emissions profile is among the best in the industry, and customers should see little impact from the recently finalized EPA rules covering mercury, now known as the MATS rules.

(4) NEXTERA ENERGY OVERVIEW – 2012 FPL RATE PROCEEDING

Our strategy at FPL is straightforward.   It is to seek continually to find ways in which we can economically improve our customer value proposition.   In recent years, that has translated in large measure into deploying capital to substitute more efficiently for other parts of our cost structure. In particular, we have been spending heavily to make our generation fleet more efficient, which translates directly into fuel savings for our customers. Since 2001, FPL's system heat rate has improved by 19 percent, resulting in more than $5.5 billion in savings for customers, including more than $650 million in 2011, as a result of increased fuel efficiency.

However, while the fuel decreases flow through regularly to our customers via the annual fuel clause proceedings, we must periodically seek recovery for the costs associated with the investments that create the efficiencies our customers enjoy. For the years 2011 through 2013 we will invest an average of about $3 billion per year in generation and infrastructure projects that benefit our customers, including new clean, efficient power generation. And so in 2012 we will be filing a general base rate case seeking new base rates to go into effect in 2013, after the conclusion of our current rate settlement agreement.

We filed a test-year letter with the PSC on January 17th, indicating our intent to seek rate relief starting in 2013. While the details of the numbers may change somewhat as we prepare the required formal filing schedules, we anticipate that the total rate relief requested starting January

1, 2013 will be $525 million, with an additional $170 million at the time the Cape Canaveral modernization comes into service, reflecting the revenue requirements associated with that facility.

The key drivers of our request are simple.

First, we need to address the impact of the accelerated amortization of so-called surplus depreciation ordered by the prior commission and implemented under the rate agreement. As we pointed out at the time, the accelerated amortization provided a short-term means of masking the need for rate relief, at the expense of creating a larger incremental need in the future. Roughly half of our rate request is a direct reflection of the need to address the disappearance of surplus depreciation.

Second, we will seek rate recovery for Cape Canaveral. This modernization will improve system efficiency and reduce our overall fuel consumption, translating into benefits that our customers will see through the fuel clause. We estimate that over the 30-year operational life of this plant, Cape Canaveral will produce net savings of approximately $600 million in fuel charges over and above the $1 billion cost of building the plant.

Third, we expect to request that FPL's allowed retail regulatory ROE be reset to 11.25%, which is roughly the average of the allowed ROEs granted to the other Florida IOUs. We believe it is poor policy for the utility with the best customer value proposition in the state to have the lowest allowed ROE in the state and to rank in the bottom quartile of allowed ROEs in the nation, which is the current situation. We believe both common sense and sound policy suggest that providing the prospect of higher profitability to companies that deliver higher value for their customers offers a strong incentive to improve performance. Accordingly, included in our rate request is a 25 basis point ROE adder, which we believe reflects FPL's current superior value proposition, but to applied only if FPL maintains the lowest customer bill in the state.

(5) NextEra Energy Overview – 2012 FPL Rate Case, Bill Impacts

In seeking rate relief we are mindful of the fact that there is never a good time for a rate increase and our state and our customers are still dealing with considerable economic uncertainty. Still, even with our requested base rate increase, which amounts to about 23 cents per day on the typical residential bill, we expect that our bills will remain the lowest in the state and about 10 percent lower than they were in 2006. So we will continue to offer a service that is extremely affordable and exceptionally valuable. Because of the improved efficiency of our system, as well as because of unrelated changes in other factors, including lower natural gas prices, we currently expect the total bill impact to be no more than 10 cents per day on the typical bill and potentially even less. I should also note that the typical 1,000 kwh bill, which is commonly used as a pricing reference point across the industry, is higher than our typical customer pays. Approximately 53% of our residential customers use less than 1,000 kwh a month on average.

(6) NextEra Energy Overview – 2012 FPL Rate Case, Timeline

The January 17 filing of the test-year letter initiates a process that will likely occupy much of this year. We expect to make our formal filing, with testimony and required detailed data, late in the first quarter and expect that we will have hearings in the third quarter, with a final Commission decision in the fourth quarter in time for new rates to go into effect January 1, 2013. As always, we are open to the possibility of resolving our rate request through a fair settlement agreement. However, we look forward to laying out our case and demonstrating how our proposed rates will help us continue to deliver strong reliability and lower bills for our customers. We are confident that a fair and objective review of our case will lead to a satisfactory outcome for customers and shareholders.

Before turning to the details of our results I would be remiss if I did not say a word or two about Armando Olivera, who will be retiring in May after 40 years of dedicated and successful service to our company. Armando has led FPL with extraordinary success since June 2003 and leaves the business one of the strongest and best-performing utilities anywhere in the nation. In addition to managing the business, however, Armando has always been concerned with developing the next generation of leaders, and we are confident that Eric Silagy, who was named President of FPL in December and who has worked closely with Armando for the last 4 years, will be ready for a seamless transition. We thank Armando for his service, we congratulate him on his great track record, and we wish him well in the next phase of his life.

Let's now look at our results for the fourth quarter and full year 2011.

(7) FPL – Fourth Quarter and Full Year 2011 Results

I'll start with the results at FPL before moving on to Energy Resources and then the consolidated numbers. For the full-year 2011, FPL reported net income of $1.1 billion, or $2.55 per share, up 26 cents per share year-over-year.

(8) FPL – FOURTH QUARTER AND FULL YEAR 2011 DRIVERS

Under the terms of the settlement agreement, FPL's earnings are largely a function of capital employed, equity ratio, and allowed ROE. FPL's retail regulatory return on equity was largely unchanged in 2011 relative to 2010, and we increased our equity commitment to the business in line with the growth in capital employed. As a result, the primary driver of earnings growth is the 11.8% increase in average capital employed for the year, a consequence of having invested over $3 billion to maintain and improve our electric system's reliability and efficiency. These investments collectively produce significant customer benefits in the form of lower fuel costs, better reliability, and cleaner air; and they are key to our ability to keep our customers' electric bills the lowest in the state over the long haul.

For the full year, we recognized $187 million of surplus depreciation amortization. For 2012, assuming normal weather and operating conditions, we expect to amortize between $510 million and $530 million of surplus depreciation.

(9) FPL – Customer Attributes and Economy

During the fourth quarter, we had approximately 25,000 more customers than in the comparable period of 2010, representing an increase of 0.5%. This growth rate has been fairly consistent now for the last six quarters. Total retail sales declined 2.7%, driven primarily by relatively less favorable weather, which was partially offset by an increase in underlying usage and other. As we have indicated before, underlying customer usage can be somewhat volatile on a quarterly basis, and we do not attach particular significance to this quarter's increase. For the full year, weather normalized sales were slightly positive and underlying usage was roughly flat compared to 2010.

The economy in Florida continues to improve, though it remains weaker than we would all desire. In December, the unemployment rate in Florida dropped below ten per cent for the first time since April 2009. Perhaps more important, an annual increase of 113,000 jobs was reported for December, the first time annual job growth has exceeded 100,000 jobs since early 2007. As part of our commitment to job growth in the state, and with the support of the PSC, FPL began offering in 2011 a new Economic Development Rate to help attract more job creators to our state. This new rate provides eligible commercial and industrial businesses with significant savings above and beyond an electric bill that is already the lowest in the state.

(10) ENERGY RESOURCES – FOURTH QUARTER AND FULL YEAR 2011 RESULTS

Let me now turn to Energy Resources, which reported fourth quarter 2011 GAAP earnings of $402 million, or 96 cents per share. Adjusted earnings for the fourth quarter were $128 million, or 30 cents per share. Adjusted earnings exclude the effect of the mark on non-qualifying hedges and net other than temporary impairments on certain investments, or OTTI. The large difference between GAAP and adjusted results reflects the magnitude of the reduction in forward gas and power prices during the quarter.

For the full-year 2011, Energy Resources reported GAAP earnings of $774 million, or $1.85 per share. Adjusted earnings were $679 million, or $1.62 per share. In addition to non-qualifying hedges and OTTI, for the full year, adjusted earnings exclude the net charges related to the sale of the five natural gas-fired generation assets.

(11) ENERGY RESOURCES – ADJUSTED EPS CONTRIBUTION DRIVERS

Energy Resources' fourth quarter adjusted EPS decreased 4 cents from last year's comparable quarter. The only noteworthy negative driver was 5 cents related to Seabrook's unplanned outage. Please see the table in the appendix for additional details on the fourth quarter results.

For the full year 2011, the 31 cent decline in adjusted EPS was driven by several factors. Contributions from our new investments declined 6 cents primarily due to the lower CITC elections in 2011 relative to 2010. We elected CITCs for roughly 275 megawatts of wind projects in 2011 compared to approximately 600 megawatts in 2010. In our existing assets, our wind fleet contributed 23 cents primarily as a result of a greater wind resource. Seabrook's contribution declined by 12 cents as a result of lower hedge prices and an additional 11 cents due to extended and unplanned outages. Our gas infrastructure business contributed 6 cents more than the prior year. Our customer supply and proprietary trading businesses were down 22 cents year over year. And lastly, the "other" category declined 15 cents relative to 2010. This decline was largely the result of the asset impairment charges recognized in the second quarter of 2011 as well as higher interest expense due to growth in the business.

While we typically review our earnings drivers relative to the prior year, as I have just done, we thought it might be helpful also to give you a quick overview of what drove the difference between the expectations we shared with you prior to the beginning of the year and the results the businesses actually generated. We have included a summary in the appendix to this presentation that compares our realized equivalent EBITDA to the initial 2011 EBITDA ranges we provided in our third quarter 2010 earnings materials for the various components of Energy Resources' business. You will see that, with few exceptions, our expectations were fairly close.

We have also included our updated hedging disclosures for 2012 and 2013 in the appendix. There were no significant changes from last quarter; we remain highly hedged in both years.

(12) NextEra Energy Results – Fourth quarter and Full Year 2011

Looking at the company on a consolidated basis, for the fourth quarter of 2011, NextEra Energy's GAAP net income was $667 million or $1.59 per share. NextEra Energy's 2011 fourth quarter adjusted earnings and adjusted EPS were $395 million and 93 cents, respectively.

For the full year 2011, NextEra Energy's GAAP net income was $1.9 billion or $4.59 per share. NextEra Energy's adjusted 2011 earnings and EPS were $1.8 billion and $4.39, respectively.

Corporate and Other's adjusted earnings increased primarily due to consolidated income tax adjustments related to state tax law changes and federal tax benefits.

(13) NEXTERA ENERGY – WIND PORTFOLIO UPDATE

In 2011, the wind portfolio accounted for very roughly 40% of Energy Resources' adjusted earnings. Because of its importance, we recognize that many of you are interested in additional detail around this business. It was an excellent year for the wind business overall. Every year for the last decade or more we have set new records for total production, as the fleet has grown, and 2011 was no exception. In total, our wind business in 2011 generated nearly 25 million megawatt hours. To put this in perspective, this production is comparable to the retail load of a typical good-sized utility, such as OGE Energy, Alliant Energy, or Great Plains Energy. In addition, the fleet set a new record for capacity factor, as the wind resource recovered from well below average levels in 2009 and 2010. Looking forward, and assuming normal wind resource, we expect the average capacity factor to continue to increase slowly as the mix continues to shift towards more modern, higher efficiency turbines. It may also be of interest to note that 2011's capacity factor was significantly higher than the average capacity factor for the nation's natural gas-fired capacity, taken as a whole.

Of the roughly 25 million megawatt hours of production, approximately 70% was eligible for PTCs, the remainder representing output primarily from projects on which we elected to take the CITC or from projects that have passed their ten-year window of eligibility for PTCs. Of the PTCs generated, approximately 29% were allocated to investors under the various differential membership structures we have entered into. Looking forward, we expect this fraction to increase, as we completed transactions of this type on 483 megawatts of capacity in 2011. We will continue to look for additional, economically attractive opportunities to enter into these kinds of structures, commonly known as tax equity.

(14) NEXTERA ENERGY – 2011 ACTUAL AND FUTURE FINANCING PLANS

2011 was also a successful year for the execution of our financing strategy. Overall, we invested roughly $6.5 billion of capital into our businesses, net of amounts received under the American Recovery and

Reinvestment Act. Our cash flow from operations was approximately $4 billion. At FPL, we maintained a consistent capital structure and issued $850 million of long-term debt while committing approximately $1 billion of new equity to the business. Through Capital Holdings and its subsidiaries, including Energy Resources, we issued more than $700 million of project or limited-recourse debt, net of retirements and amortization, and a net of $260 million of corporate debt. We also received a little over $350 million from the sale of differential membership interests in certain wind projects.

As you know, in 2011 we also sold five natural gas-fired assets. The impact of these transactions on our GAAP cash flow statement adds a little complexity, so a few words about the impact on our financing activities is warranted. In total we sold the five assets for a gross value of $1.36 billion, leaving us with proceeds of $840 million after the elimination of the associated project debt obligations, a portion of which was assumed by the purchaser and a portion of which was retired. Of this $840 million, conceptually $465 million was used to retire debt, although this is not evident in the cash flow statements as we simply integrated this effect into our existing financing plans. The remaining $375 million was used to repurchase equity. The net effect of the gas asset sales on our overall capital structure and credit position was essentially neutral.

Looking forward, we expect to continue to employ a balanced financing plan to support our growth while maintaining our balance sheet and credit strength. Because we are continuing to invest at a rate in excess of ongoing operating cash flows we will continue to need to access the capital markets periodically. We expect to use the same broad mix of products, including additional limited-recourse project debt and the sale of differential membership interests that we have used in the past. We will also need to maintain a balance between incremental debt and equity and expect there will be a need to issue a modest amount of equity in order to support our growth plans for 2012 through 2014. Our strong balance sheet and credit position are important to our strategy and we expect to maintain them.

As we decide upon specific transactions, however, we will do so with an eye on where we expect to be in 2014. As we have previously stated, if we were simply to complete the projects that we currently have in backlog and add nothing new, we would expect to flip to become free cash flow positive after dividends in 2014. On the other hand, if we are successful in identifying additional new attractive growth opportunities in the interim we will want to have the balance sheet strength to support them. Consequently, we currently expect that the bulk of incremental equity support will be in the form of equity units, a type of instrument that we have employed in the past which aligns well with the earnings profile of the projects it supports. If we do not add to the current backlog of projects, we expect that the 2014 share count will be slightly lower than it was in 2011.

(15) NextEra Energy – 2012 and Long-Term Expectations

Turning now to expectations for 2012 and beyond, in 2012 we continue to expect adjusted earnings per share will be in the range of $4.35 to $4.65. There have been no significant changes to the supporting logic we discussed with you on the third-quarter call.   Looking beyond 2012, we continue to believe that our adjusted EPS will grow at an average rate of 5 to 7 percent per year through 2014, which translates to a range of $5.05 to $5.65 in adjusted earnings per share in 2014, subject to all the usual caveats we provide including normal weather and operating conditions. Again, the logic has not changed since our third-quarter call, although the excellent progress we have made in the development of Energy Resources' backlog of renewable projects is encouraging.

(16) NextEra Energy – Business Profile Changes

In thinking about the growth of NextEra Energy it is important to recognize the changing nature of our portfolio. The implementation of our strategies for both FPL and Energy Resources, coupled with the changing nature of the external environment, are leading us to a mix that is more heavily oriented towards regulated and long-term contracted assets than in the past. We are in the midst of the largest capital investment program in our history at FPL, which is causing this business to become a larger portion of our portfolio than it has in the recent past. At the same time, the externally driven reduction in the opportunities available for the merchant elements of Energy Resources' portfolio, coupled with our strategy of adding to the portfolio through long-term contracted assets, means that the proportion of Energy Resources' portfolio exposed to commodity market volatility is decreasing. The net result is that, with our present plans, we expect the proportion of our adjusted earnings coming from rate regulated businesses - that is, Florida Power & Light and Lone Star Transmission - to increase from 58% in 2011 to about 65% in 2014. Similarly, we expect the proportion of our adjusted EBITDA coming from regulated businesses and long-term contracted assets to increase from 78% in 2011 to about 84% in 2014. In both cases, this would result in an overall mix comparable with the mix we had back in 2006, when Energy Resources was simply a much smaller business.

(17) NextEra Energy – Critical Success Factors for 2012

Before opening the phones to your questions let me simply summarize what all this means for our 2012 priorities.

Our focus is on execution across all our businesses. At Florida Power & Light we must continue to deliver the best value proposition in the state; we must manage the execution of all our major capital projects successfully; and we must achieve a satisfactory outcome to the base rate case. At Energy Resources we must have outstanding day-to-day execution across all elements of our broad and diverse portfolio of activities; and we must remain on track for the development of our record renewables backlog, including reaching commercial operations on roughly 1,150 to 1,500 megawatts of U.S. wind projects before the end of the year. And at Lone Star Transmission we must continue our construction program to achieve commercial operations by the end of the first quarter in 2013; and we must achieve a satisfactory outcome of the general rate case.

Of course, these are not our only objectives, but they are the most important immediate ones.   If we execute successfully, we will be well positioned to deliver on our 2014 expectations.

And with that, I'll turn the call over to the conference moderator for questions.

(18) QUESTION AND ANSWER SESSION – NEXTERA ENERGY LOGO