

FLORIDA POWER & LIGHT CO
Form 10-Q
November 03, 2010

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, 2010

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 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	59-0247775

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
Light Company Yes No

Florida Power &

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).

Edgar Filing: FLORIDA POWER & LIGHT CO - Form 10-Q

NextEra Energy, Inc. Yes No
Light Company Yes No

Florida Power &

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 <input checked="" type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-Accelerated Filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>
Florida Power & Light Company	Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-Accelerated Filer <input checked="" type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>

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, 2010: 418,420,348 shares.

As of September 30, 2010, 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.

TABLE OF CONTENTS

	Page No.
Forward-Looking Statements	2
PART I - FINANCIAL INFORMATION	
Item 1.	5
Item 2.	34
Item 3.	50
Item 4.	50
PART II - OTHER INFORMATION	
Item 1.	50
Item 1A.	50
Item 2.	51
Item 6.	52
Signatures	53

NextEra Energy, Inc. (formerly known as FPL Group, Inc.), Florida Power & Light Company, FPL Group Capital Inc and NextEra Energy Resources, LLC each has subsidiaries and affiliates with names that may include NextEra Energy, FPL, NextEra Energy Resources, FPL Energy, FPLe and similar references. For convenience and simplicity, in this report the terms NextEra Energy, FPL, FPL Group Capital 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, 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 results of operations may be adversely affected by the extensive regulation of their businesses.

- NextEra Energy's and FPL's financial performance could be negatively affected if FPL is unable to recover, in a timely manner, certain costs, a return on certain assets or an appropriate return on capital from its customers through regulated rates and 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 operation and maintenance of nuclear generation facilities involve risks that could result in fines or the closure of nuclear units owned by FPL or NextEra Energy Resources, LLC (NextEra Energy Resources) 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, and capital improvements to, generation, transmission, distribution and other facilities on schedule and within budget.
- 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 NextEra Energy and FPL.
- 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 results of operations and financial condition.
- 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 and suppliers.
- NextEra Energy's and FPL's results of operations may continue to be negatively affected by slower customer growth and customer usage in FPL's service area.
- NextEra Energy's and FPL's financial position and results of operations 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 impact 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, FPL Group Capital Inc's (FPL Group Capital) 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 results of operations or cash flows.
- 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 results of operations, 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 results of operations of the retail business.
- 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 cause losses.
- 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 may impact the operations of NextEra Energy and FPL in unpredictable ways and could adversely affect NextEra Energy's and FPL's results of operations, financial condition 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 results of operations 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 results of operations, financial position and liquidity.

These factors should be read together with the risk factors included in 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, 2010 (March 2010 Form 10-Q) and investors should refer to that section of the March 2010 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 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,	
	2010	2009	2010	2009
OPERATING REVENUES	\$4,691	\$4,473	\$11,904	\$11,988
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,991	2,164	4,795	5,773
Other operations and maintenance	712	682	2,123	1,972
Depreciation and amortization	531	433	1,330	1,277
Taxes other than income taxes and other	332	345	883	929
Total operating expenses	3,566	3,624	9,131	9,951
OPERATING INCOME	1,125	849	2,773	2,037
OTHER INCOME (DEDUCTIONS)				
Interest expense	(247)	(204)	(732)	(631)
Equity in earnings of equity method investees	33	29	56	49
Allowance for equity funds used during construction	10	15	25	46
Interest income	22	15	69	58
Gains on disposal of assets - net	13	12	61	24
Other than temporary impairment losses on securities held in nuclear decommissioning funds	(1)	-	(16)	(54)
Other - net	5	(1)	(10)	10
Total other deductions - net	(165)	(134)	(547)	(498)
INCOME BEFORE INCOME TAXES	960	715	2,226	1,539
INCOME TAXES	240	182	532	272
NET INCOME	\$720	\$533	\$1,694	\$1,267
Earnings per share of common stock:				
Basic	\$1.75	\$1.32	\$4.14	\$3.14
Assuming dilution	\$1.74	\$1.31	\$4.11	\$3.12
Dividends per share of common stock	\$0.50	\$0.4725	\$1.50	\$1.4175

Edgar Filing: FLORIDA POWER & LIGHT CO - Form 10-Q

Weighted-average number of common shares outstanding:

Basic	410.9	405.1	409.1	403.7
Assuming dilution	413.7	408.0	411.6	406.4

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 NextEra Energy's and FPL's Annual Report on Form 10-K for the year ended December 31, 2009 (2009 Form 10-K).

NEXTERA ENERGY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	September 30, 2010	December 31, 2009
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	\$ 47,489	\$ 46,330
Nuclear fuel	1,488	1,414
Construction work in progress	4,382	2,425
Less accumulated depreciation and amortization	(15,058)	(14,091)
Total property, plant and equipment - net (\$2,425 related to VIEs at September 30, 2010)	38,301	36,078
CURRENT ASSETS		
Cash and cash equivalents	791	238
Customer receivables, net of allowances of \$24 and \$23, respectively	1,595	1,431
Other receivables, net of allowances of \$1 and \$1, respectively	525	816
Materials, supplies and fossil fuel inventory	895	877
Regulatory assets:		
Deferred clause and franchise expenses	416	69
Securitized storm-recovery costs	73	69
Derivatives	391	68
Other	4	3
Derivatives	724	357
Other	362	409
Total current assets	5,776	4,337
OTHER ASSETS		
Special use funds	3,590	3,390
Other investments	1,028	935
Prepaid benefit costs	1,232	1,184
Regulatory assets:		
Securitized storm-recovery costs (\$365 related to a VIE at September 30, 2010)	596	644
Other	354	265
Other	1,857	1,625
Total other assets	8,657	8,043
TOTAL ASSETS	\$ 52,734	\$ 48,458
CAPITALIZATION		
Common stock	\$ 4	\$ 4
Additional paid-in capital	5,283	5,055
Retained earnings	8,817	7,739
Accumulated other comprehensive income	47	169
Total common shareholders' equity	14,151	12,967
Long-term debt (\$1,145 related to VIEs at September 30, 2010)	17,680	16,300
Total capitalization	31,831	29,267

CURRENT LIABILITIES

Commercial paper	1,085	2,020
Current maturities of long-term debt	1,703	569
Accounts payable	1,099	992
Customer deposits	631	613
Accrued interest and taxes	712	466
Regulatory liabilities:		
Deferred clause and franchise revenues	47	377
Other	2	2
Derivatives	818	221
Other	1,090	1,189
Total current liabilities	7,187	6,449

OTHER LIABILITIES AND DEFERRED CREDITS

Asset retirement obligations	2,482	2,418
Accumulated deferred income taxes	5,149	4,860
Regulatory liabilities:		
Accrued asset removal costs	2,230	2,251
Asset retirement obligation regulatory expense difference	725	671
Other	316	260
Derivatives	449	170
Other (\$953 related to VIEs at September 30, 2010)	2,365	2,112
Total other liabilities and deferred credits	13,716	12,742

COMMITMENTS AND CONTINGENCIES

TOTAL CAPITALIZATION AND LIABILITIES	\$ 52,734	\$ 48,458
---	------------------	------------------

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2009 Form 10-K for NextEra Energy and FPL.

NEXTERA ENERGY, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (millions)
 (unaudited)

	Nine Months Ended September 30,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$1,694	\$1,267
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,330	1,277
Nuclear fuel amortization	214	186
Unrealized (gains) losses on marked to market energy contracts	(499)	63
Deferred income taxes	336	182
Cost recovery clauses and franchise fees	(679)	417
Equity in earnings of equity method investees	(56)	(49)
Distributions of earnings from equity method investees	32	33
Changes in operating assets and liabilities:		
Customer receivables	(157)	(146)
Other receivables	(133)	14
Materials, supplies and fossil fuel inventory	(17)	74
Other current assets	(50)	(32)
Other assets	114	(44)
Accounts payable	102	(99)
Customer deposits	18	26
Margin cash collateral	136	(191)
Income taxes	117	39
Interest and other taxes	233	229
Other current liabilities	(5)	(61)
Other liabilities	(21)	8
Other - net	60	133
Net cash provided by operating activities	2,769	3,326
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(2,044)	(1,841)
Independent power and other investments of NextEra Energy Resources	(1,837)	(1,884)
Cash grants under the American Recovery and Reinvestment Act of 2009	556	-
Funds received from a spent fuel settlement	44	86
Nuclear fuel purchases	(157)	(278)
Other capital expenditures	(51)	(37)
Sale of independent power investments	16	15
Proceeds from sale of securities in special use funds	4,092	2,713
Purchases of securities in special use funds	(4,177)	(2,783)
Proceeds from sale of other securities	580	542
Purchases of other securities	(578)	(556)
Other - net	-	5
Net cash used in investing activities	(3,556)	(4,018)

CASH FLOWS FROM FINANCING ACTIVITIES

Issuances of long-term debt	3,018	2,389
Retirements of long-term debt	(571)	(1,412)
Proceeds from sale of differential membership interests	261	-
Net change in short-term debt	(935)	(284)
Issuances of common stock - net	184	186
Dividends on common stock	(616)	(574)
Other - net	(1)	16
Net cash provided by financing activities	1,340	321
Net increase (decrease) in cash and cash equivalents	553	(371)
Cash and cash equivalents at beginning of period	238	535
Cash and cash equivalents at end of period	\$791	\$164

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

Accrued property additions	\$610	\$845
----------------------------	-------	-------

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2009 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,	
	2010	2009	2010	2009
OPERATING REVENUES	\$3,116	\$3,301	\$8,024	\$8,738
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,504	1,786	3,816	4,810
Other operations and maintenance	399	392	1,196	1,108
Depreciation and amortization	333	263	754	786
Taxes other than income taxes and other	296	306	780	821
Total operating expenses	2,532	2,747	6,546	7,525
OPERATING INCOME	584	554	1,478	1,213
OTHER INCOME (DEDUCTIONS)				
Interest expense	(91)	(78)	(270)	(235)
Allowance for equity funds used during construction	10	15	25	46
Other - net	(1)	(5)	(1)	(9)
Total other deductions - net	(82)	(68)	(246)	(198)
INCOME BEFORE INCOME TAXES	502	486	1,232	1,015
INCOME TAXES	194	180	468	369
NET INCOME	\$308	\$306	\$764	\$646

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2009 Form 10-K for NextEra Energy and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	September 30, 2010	December 31, 2009
ELECTRIC UTILITY PLANT		
Plant in service	\$ 29,286	\$ 28,677
Nuclear fuel	726	756
Construction work in progress	2,312	1,549
Less accumulated depreciation and amortization	(10,992)	(10,578)
Total electric utility plant - net	21,332	20,404
CURRENT ASSETS		
Cash and cash equivalents	37	83
Customer receivables, net of allowances of \$21 and \$21, respectively	920	838
Other receivables, net of allowances of \$1 and \$1, respectively	209	182
Materials, supplies and fossil fuel inventory	541	529
Regulatory assets:		
Deferred clause and franchise expenses	416	69
Securitized storm-recovery costs	73	69
Derivatives	391	68
Other	152	123
Total current assets	2,739	1,961
OTHER ASSETS		
Special use funds	2,548	2,408
Prepaid benefit costs	1,047	1,017
Regulatory assets:		
Securitized storm-recovery costs (\$365 related to a VIE at September 30, 2010)	596	644
Other	305	214
Other	173	164
Total other assets	4,669	4,447
TOTAL ASSETS	\$ 28,740	\$ 26,812
CAPITALIZATION		
Common stock	\$ 1,373	\$ 1,373
Additional paid-in capital	5,053	4,393
Retained earnings	3,183	2,670
Total common shareholder's equity	9,609	8,436
Long-term debt (\$486 related to a VIE at September 30, 2010)	6,278	5,794
Total capitalization	15,887	14,230
CURRENT LIABILITIES		
Commercial paper	240	818
Current maturities of long-term debt	45	42
Accounts payable	637	539

Edgar Filing: FLORIDA POWER & LIGHT CO - Form 10-Q

Customer deposits	625	607
Accrued interest and taxes	788	303
Regulatory liabilities - deferred clause and franchise revenues	47	377
Derivatives	400	77
Other	541	659
Total current liabilities	3,323	3,422
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,907	1,833
Accumulated deferred income taxes	3,696	3,509
Regulatory liabilities:		
Accrued asset removal costs	2,230	2,251
Asset retirement obligation regulatory expense difference	725	671
Other	302	244
Other	670	652
Total other liabilities and deferred credits	9,530	9,160
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	\$ 28,740	\$ 26,812

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2009 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,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$764	\$646
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	754	786
Nuclear fuel amortization	102	93
Deferred income taxes	242	383
Cost recovery clauses and franchise fees	(679)	417
Changes in operating assets and liabilities:		
Customer receivables	(83)	(226)
Other receivables	(70)	54
Materials, supplies and fossil fuel inventory	(13)	13
Other current assets	(35)	(31)
Other assets	19	(82)
Accounts payable	130	(44)
Customer deposits	19	26
Income taxes	162	(228)
Interest and other taxes	232	224
Other current liabilities	30	(24)
Other liabilities	9	32
Other - net	29	(8)
Net cash provided by operating activities	1,612	2,031
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(2,044)	(1,841)
Cash grants under the American Recovery and Reinvestment Act of 2009	131	-
Funds received from a spent fuel settlement	32	71
Nuclear fuel purchases	(62)	(132)
Proceeds from sale of securities in special use funds	3,051	1,940
Purchases of securities in special use funds	(3,114)	(1,982)
Other - net	31	(1)
Net cash used in investing activities	(1,975)	(1,945)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	523	505
Retirements of long-term debt	(42)	(263)
Net change in short-term debt	(578)	54
Capital contributions from NextEra Energy	660	-
Dividends	(250)	(485)
Other - net	4	17

Edgar Filing: FLORIDA POWER & LIGHT CO - Form 10-Q

Net cash provided by (used in) financing activities	317	(172)
Net decrease in cash and cash equivalents	(46)	(86)
Cash and cash equivalents at beginning of period	83	120
Cash and cash equivalents at end of period	\$37	\$34

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING
ACTIVITIES

Accrued property additions	\$237	\$318
----------------------------	-------	-------

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2009 Form 10-K for NextEra Energy and FPL.

NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The accompanying condensed consolidated financial statements should be read in conjunction with the 2009 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 (SERP), 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 providing 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,	
	2010	2009	2010	2009	2010	2009	2010	2009
	(millions)							
Service cost	\$15	\$13	\$1	\$2	\$45	\$38	\$4	\$4
Interest cost	25	27	6	6	76	82	17	18
Expected return on plan assets	(60)	(60)	(1)	(1)	(180)	(179)	(2)	(2)
Amortization of transition obligation	-	-	1	1	-	-	3	3
Amortization of prior service benefit	(1)	(1)	-	-	(3)	(3)	-	-
Amortization of gains	-	(5)	-	-	-	(17)	-	-
Net periodic benefit (income) cost at NextEra Energy	\$(21)	\$(26)	\$7	\$8	\$(62)	\$(79)	\$22	\$23
Net periodic benefit (income) cost at FPL	\$(14)	\$(18)	\$6	\$6	\$(41)	\$(55)	\$17	\$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 long-term debt, and to optimize the value of NextEra Energy Resources' power generation assets.

With respect to commodities related to NextEra Energy's competitive energy business, NextEra Energy Resources employs rigorous risk management procedures in order to optimize the value of its power generation assets, provide full energy and capacity requirements services primarily to distribution utilities, and engage 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 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 the expected energy output of these assets for the portion of the output that is not covered by long-term power purchase agreements (PPA). 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 Resources' derivatives are entered into for the purpose of managing commodity price risk, and to reduce the impact of volatility in interest rates stemming from changes in variable interest rates on outstanding debt, 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 commodity price risk, physical delivery for forecasted commodity transactions must be probable. NextEra Energy 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. Generally, NextEra Energy assesses a hedging instrument's effectiveness by using regression analysis for commodity contracts, and 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 for interest rate swaps and foreign currency derivative instruments. 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.

In January 2010, NextEra Energy discontinued hedge accounting for its cash flow hedges related to commodity derivative instruments. NextEra Energy continues to apply hedge accounting to certain interest rate and foreign currency hedges. At September 30, 2010, NextEra Energy's accumulated other comprehensive income (AOCI) included amounts related to the discontinued commodity cash flow hedges which have expiration dates through December 2012. Additionally, at September 30, 2010, NextEra Energy had interest rate cash flow hedges with expiration dates through January 2027 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	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
	(millions)			
Current derivative assets(a)	\$ 724	\$ 357	\$ 10(b)	\$ 10(b)

Edgar Filing: FLORIDA POWER & LIGHT CO - Form 10-Q

Noncurrent other assets(c)	684	329	1	4
Current derivative liabilities(d)	(818)	(221)	(400)	(77)
Noncurrent derivative liabilities(e)	(449)	(170)	(49)(f)	(1)(f)
Total mark-to-market derivative instrument assets (liabilities)	\$ 141	\$ 295	\$ (438)	\$ (64)

-
- (a) At September 30, 2010 and December 31, 2009, NextEra Energy's balances reflect the netting of approximately \$13 million and \$4 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, 2010 and December 31, 2009, NextEra Energy's balances reflect the netting of approximately \$51 million and \$1 million (none at FPL), respectively, in margin cash collateral received from counterparties.
- (d) At December 31, 2009, NextEra Energy's balance reflects the netting of approximately \$75 million (none at FPL) in margin cash collateral provided to counterparties.
- (e) At September 30, 2010, NextEra Energy's balance reflects the netting of approximately \$59 million (none at FPL) in margin cash collateral provided to counterparties.
- (f) Included in noncurrent other liabilities on FPL's condensed consolidated balance sheets.

At September 30, 2010 and December 31, 2009, NextEra Energy had approximately \$24 million and \$18 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 September 30, 2010 and December 31, 2009, NextEra Energy had approximately \$35 million and \$95 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 September 30, 2010 and December 31, 2009, 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. 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, 2010		December 31, 2009	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(millions)			
Commodity contracts:				
Current derivative assets	\$-	\$-	\$54	\$1
Current derivative liabilities	-	-	45	4
Noncurrent other assets	-	-	44	2
Noncurrent derivative liabilities	-	-	8	13
Interest rate swaps:				
Current derivative assets	17	-	-	-
Current derivative liabilities	-	57	-	51
Noncurrent other assets	5	-	61	-
Noncurrent derivative liabilities	-	108	-	27
Foreign currency swaps:				
Current derivative liabilities	-	7	-	-
Noncurrent other assets	22	-	5	-
Total	\$44	\$172	\$217	\$98

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,						Total
	2010			2009			
Commodity Contracts	Interest Rate Swaps	Foreign Currency Swaps	Total	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swap	Total
(millions)							

Edgar Filing: FLORIDA POWER & LIGHT CO - Form 10-Q

Gains (losses) recognized in OCI	\$	-	\$	(76)	\$	5	\$	(71)	\$	22	\$	(37)	\$	8	\$	(7)
Gains (losses) reclassified from AOCI to net income	\$	25(a)	\$	(23)(b)	\$	8(c)	\$	10	\$	62(a)	\$	(17)(b)	\$	9(c)	\$	54
Gains (losses) recognized in income(d)	\$	-	\$	-	\$	-	\$	-	\$	4(a)	\$	-	\$	-	\$	4

- (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.

Nine Months Ended September 30,								
2010					2009			
Commodity Contracts	Interest Rate Swaps	Foreign Currency Swaps	Total	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swap	Total	
(millions)								

Gains (losses) recognized in OCI	\$	19	\$	(181)	\$	9	\$	(153)	\$	179	\$	12	\$	8	\$	199
Gains (losses) reclassified from AOCI to net income	\$	93(a)	\$	(50)(b)	\$	14(c)	\$	57	\$	146(a)	\$	(31)(b)	\$	8(d)	\$	123
Gains (losses) recognized in income(e)	\$	1	\$	-	\$	-	\$	1	\$	14(a)	\$	-	\$	-	\$	14

- (a) Included in operating revenues.
(b) Included in interest expense.
(c) Loss of approximately \$2 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 nine months ended September 30, 2010, NextEra Energy recorded a gain of \$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. For the three and nine months ended September 30, 2009, NextEra Energy recorded a gain of \$1 million and a loss of \$4 million, respectively, on a fair value hedge which is reflected in interest expense in the condensed consolidated statements of income and resulted in a corresponding increase in and reduction of 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, 2010				December 31, 2009			
	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	\$ 2,863	\$ 2,143	\$ 10(a)	\$ -	\$ 611	\$ 303	\$ 11(a)	\$ 1(a)
Current derivative liabilities	544	1,298	4	404	1,002	1,288	18	95
Noncurrent other assets	889	190	1	-	921	699	4	-
Noncurrent derivative liabilities	1,310	1,710	-	49(b)	128	260	-	1(b)
Foreign currency swap:								
Noncurrent other assets	9	-	-	-	-	-	-	-
Noncurrent derivative liabilities	-	-	-	-	-	6	-	-
Total	\$ 5,615	\$ 5,341	\$ 15	\$ 453	\$ 2,662	\$ 2,556	\$ 33	\$ 97

(a) Included in current other assets on FPL's condensed consolidated balance sheets.

(b) 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		Nine Months Ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
(millions)				
Commodity contracts:				
Operating revenues	\$ 354(a)	\$ 24(a)	\$ 615(a)	\$ 156(a)
Fuel, purchased power and interchange	(104)	(3)	(10)	26

Foreign currency swap:						
Other - net		8	9	13	-	
Total	\$	258	\$	30	\$ 618	\$ 182

(a) In addition, 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. For the three and nine months ended September 30, 2009, FPL recorded approximately \$3 million of gains and \$543 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 September 30, 2010, NextEra Energy and FPL had derivative commodity contracts for the following net notional volumes:

Commodity Type	NextEra Energy	FPL
	(millions)	
Power	(38) mwh(a)	-
Natural gas	800 mmbtu(b)	833 mmbtu(b)

(a) Megawatt-hours

(b) One million British thermal units

At September 30, 2010, NextEra Energy had 18 interest rate swaps with a notional amount totaling approximately \$3.1 billion and three foreign currency swaps with a notional amount totaling approximately \$410 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, 2010, the aggregate fair value of NextEra Energy's derivative instruments with credit-risk-related contingent features that were in a liability position was approximately \$2.2 billion (\$0.5 billion for FPL).

If the credit-risk-related contingent features underlying these agreements and other wholesale commodity 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 Group Capital's or FPL's credit ratings were downgraded to BBB/Baa2 (a two level downgrade for FPL and a one level downgrade for FPL Group Capital from the current lowest applicable rating), NextEra Energy would be required to post collateral such that the total posted collateral would be approximately \$700 million (\$250 million at FPL). If FPL Group Capital's and FPL's 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 \$2.6 billion (\$1.0 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 September 30, 2010, NextEra Energy had posted approximately \$236 million (\$18 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 FPL Group Capital 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 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.

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 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 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 load serving 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 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. Non-performance risk is also considered in the determination of fair value for all derivative assets and liabilities, including the consideration of a credit valuation adjustment.

Edgar Filing: FLORIDA POWER & LIGHT CO - Form 10-Q

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, 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	\$ -	\$ 646	\$ -	\$ -	\$ 646	
Special use funds:						
NextEra Energy:						
Equity securities	\$ 646	\$ 1,060(b)	\$ -	\$ -	\$ 1,706	
U.S. Government and municipal bonds	\$ 572	\$ 81	\$ -	\$ -	\$ 653	
Corporate debt securities	\$ -	\$ 508	\$ -	\$ -	\$ 508	
Mortgage-backed securities	\$ -	\$ 543	\$ -	\$ -	\$ 543	
Other debt securities	\$ -	\$ 107	\$ -	\$ -	\$ 107	
FPL:						
Equity securities	\$ 113	\$ 920(b)	\$ -	\$ -	\$ 1,033	
U.S. Government and municipal bonds	\$ 522	\$ 77	\$ -	\$ -	\$ 599	
Corporate debt securities	\$ -	\$ 343	\$ -	\$ -	\$ 343	
Mortgage-backed securities	\$ -	\$ 442	\$ -	\$ -	\$ 442	
Other debt securities	\$ -	\$ 46	\$ -	\$ -	\$ 46	
Other investments:						
NextEra Energy:						
Equity securities	\$ 3	\$ 3	\$ -	\$ -	\$ 6	
U.S. Government and municipal bonds	\$ 17	\$ -	\$ -	\$ -	\$ 17	
Corporate debt securities	\$ -	\$ 36	\$ -	\$ -	\$ 36	
Mortgage-backed securities	\$ -	\$ 47	\$ -	\$ -	\$ 47	
Other	\$ 5	\$ 16	\$ -	\$ -	\$ 21	
Derivatives:						
NextEra Energy:						
Commodity contracts	\$ 2,469	\$ 1,917	\$ 1,220	\$ (4,251)	\$ 1,355(c)	
Interest rate swaps	\$ -	\$ 22	\$ -	\$ -	\$ 22(c)	
Foreign currency swaps	\$ -	\$ 31	\$ -	\$ -	\$ 31(c)	
FPL - commodity contracts	\$ -	\$ 6	\$ 9	\$ (4)	\$ 11(c)	
Liabilities:						
Derivatives:						
NextEra Energy:						
Commodity contracts	\$ 2,497	\$ 2,186	\$ 658	\$ (4,246)	\$ 1,095(c)	
Interest rate swaps	\$ -	\$ 165	\$ -	\$ -	\$ 165(c)	

Edgar Filing: FLORIDA POWER & LIGHT CO - Form 10-Q

Foreign currency swaps	\$	-	\$	7	\$	-	\$	-	\$	7(c)
FPL - commodity contracts	\$	-	\$	452	\$	1	\$	(4)	\$	449(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 \$973 million (\$879 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, 2009

	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	\$ -	\$ 79	\$ -	\$ -	\$ 79
FPL - equity securities	\$ -	\$ 43	\$ -	\$ -	\$ 43
Special use funds:					
NextEra Energy:					
Equity securities	\$ 657	\$ 1,048(b)	\$ -	\$ -	\$ 1,705
U.S. Government and municipal bonds	\$ 275	\$ 299	\$ -	\$ -	\$ 574
Corporate debt securities	\$ -	\$ 452	\$ -	\$ -	\$ 452
Mortgage-backed securities	\$ -	\$ 618	\$ -	\$ -	\$ 618
Other debt securities	\$ -	\$ 41	\$ -	\$ -	\$ 41
FPL:					
Equity securities	\$ 104	\$ 920(b)	\$ -	\$ -	\$ 1,024
U.S. Government and municipal bonds	\$ 230	\$ 278	\$ -	\$ -	\$ 508
Corporate debt securities	\$ -	\$ 346	\$ -	\$ -	\$ 346
Mortgage-backed securities	\$ -	\$ 503	\$ -	\$ -	\$ 503