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NEXTERA ENERGY INC
Form 10-Q
November 07, 2014

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, 2014

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 2-27612	NEXTERA ENERGY, INC. FLORIDA POWER & LIGHT COMPANY 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	59-2449419 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
Company Yes No Florida Power & Light

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.

NextEra Energy, Inc. Yes No
Company Yes No Florida Power & Light

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 the 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

Number of shares of NextEra Energy, Inc. common stock, \$0.01 par value, outstanding as of September 30, 2014: 436,482,306

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Number of shares of Florida Power & Light Company common stock, without par value, outstanding as of September 30, 2014, all of which were held, beneficially and of record, by NextEra Energy, Inc.: 1,000

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.

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NextEra Energy, Inc., Florida Power & Light Company, NextEra Energy Capital Holdings, Inc. and NextEra Energy Resources, LLC each has subsidiaries and affiliates with names that may include NextEra Energy, FPL, NextEra Energy Resources, NextEra, FPL Group Capital, FPL Energy, FPLE and similar references. For convenience and simplicity, in this report the terms NEE, FPL, NEECH and NEER 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 may result, are expected to, will continue, is anticipated, aim, believe, will, could, should, would, estimated, may, plan, potential, future, projection, goals, 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 (NEE) and/or Florida Power & Light Company's (FPL) operations and financial results, and could cause NEE'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 NEE and/or FPL in this combined Form 10-Q, in presentations, on their respective websites, in response to questions or otherwise.

Regulatory, Legislative and Legal Risks

• NEE's and FPL's business, financial condition, results of operations and prospects may be materially adversely affected by the extensive regulation of their business.

• NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected if they are unable to recover in a timely manner any significant amount of costs, a return on certain assets or an appropriate return on capital through base rates, cost recovery clauses, other regulatory mechanisms or otherwise.

• Regulatory decisions that are important to NEE and FPL may be materially adversely affected by political, regulatory and economic factors.

• FPL's use of derivative instruments could be subject to prudence challenges and, if found imprudent, could result in disallowances of cost recovery for such use by the Florida Public Service Commission (FPSC).

• Any reductions to, or the elimination of, governmental incentives that support renewable energy, including, but not limited to, tax incentives, renewable portfolio standards or feed-in tariffs, or the imposition of additional taxes or other assessments on renewable energy, could result in, among other items, the lack of a satisfactory market for the development of new renewable energy projects, NextEra Energy Resources, LLC (NEER) abandoning the development of renewable energy projects, a loss of NEER's investments in renewable energy projects and reduced project returns, any of which could have a material adverse effect on NEE's business, financial condition, results of operations and prospects.

• NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected as a result of new or revised laws, regulations or interpretations or other regulatory initiatives.

• NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected if the rules implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act broaden the scope of its provisions regarding the regulation of over-the-counter (OTC) financial derivatives and make certain provisions applicable to NEE and FPL.

• NEE and FPL are subject to numerous environmental laws, regulations and other standards that may result in capital expenditures, increased operating costs and various liabilities, and may require NEE and FPL to limit or eliminate certain operations.

• NEE's and FPL's business could be negatively affected by federal or state laws or regulations mandating new or additional limits on the production of greenhouse gas emissions.

• Extensive federal regulation of the operations of NEE and FPL exposes NEE and FPL to significant and increasing compliance costs and may also expose them to substantial monetary penalties and other sanctions for compliance failures.

• Changes in tax laws, as well as judgments and estimates used in the determination of tax-related asset and liability amounts, could adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.

NEE's and FPL's business, financial condition, results of operations and prospects may be materially adversely affected due to adverse results of litigation.

Operational Risks

NEE's and FPL's business, financial condition, results of operations and prospects could suffer if NEE and FPL do not proceed with projects under development or are unable to complete the construction of, or capital improvements to, electric generation, transmission and distribution facilities, gas infrastructure facilities or other facilities on schedule or within budget.

NEE and FPL may face risks related to project siting, financing, construction, permitting, governmental approvals and the negotiation of project development agreements that may impede their development and operating activities.

The operation and maintenance of NEE's and FPL's electric generation, transmission and distribution facilities, gas infrastructure facilities and other facilities are subject to many operational risks, the consequences of which could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

NEE's and FPL's business, financial condition, results of operations and prospects may be negatively affected by a lack of growth or slower growth in the number of customers or in customer usage.

NEE's and FPL's business, financial condition, results of operations and prospects can be materially adversely affected by weather conditions, including, but not limited to, the impact of severe weather.

Threats of terrorism and catastrophic events that could result from terrorism, cyber attacks, or individuals and/or groups attempting to disrupt NEE's and FPL's business, or the businesses of third parties, may materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.

The ability of NEE and FPL to obtain insurance and the terms of any available insurance coverage could be materially adversely affected by international, national, state or local events and company-specific events, as well as the financial condition of insurers. NEE's and FPL's insurance coverage does not provide protection against all significant losses.

If supply costs necessary to provide NEE's full energy and capacity requirement services are not favorable, operating costs could increase and materially adversely affect NEE's business, financial condition, results of operations and prospects.

Due to the potential for significant volatility in market prices for fuel, electricity and renewable and other energy commodities, NEE's inability or failure to manage properly or hedge effectively the commodity risks within its portfolios could materially adversely affect NEE's business, financial condition, results of operations and prospects.

Sales of power on the spot market or on a short-term contractual basis may cause NEE's results of operations to be volatile.

Reductions in the liquidity of energy markets may restrict the ability of NEE to manage its operational risks, which, in turn, could negatively affect NEE's results of operations.

NEE's and FPL's hedging and trading procedures and associated risk management tools may not protect against significant losses.

If price movements significantly or persistently deviate from historical behavior, NEE's and FPL's risk management tools associated with their hedging and trading procedures may not protect against significant losses.

If power transmission or natural gas, nuclear fuel or other commodity transportation facilities are unavailable or disrupted, FPL's and NEE's ability to sell and deliver power or natural gas may be limited.

NEE and FPL are subject to credit and performance risk from customers, hedging counterparties and vendors.

NEE and FPL could recognize financial losses or a reduction in operating cash flows if a counterparty fails to perform or make payments in accordance with the terms of derivative contracts or if NEE or FPL is required to post margin cash collateral under derivative contracts.

NEE and FPL are highly dependent on sensitive and complex information technology systems, and any failure or breach of those systems could have a material adverse effect on their business, financial condition, results of operations and prospects.

NEE's and FPL's retail businesses are subject to the risk that sensitive customer data may be compromised, which could result in a material adverse impact to their reputation and/or the results of operations of the retail business.

NEE and FPL could recognize financial losses as a result of volatility in the market values of derivative instruments and limited liquidity in OTC markets.

NEE and FPL may be materially adversely affected by negative publicity.

NEE's and FPL's business, financial condition, results of operations and prospects may be materially adversely affected if FPL is unable to maintain, negotiate or renegotiate franchise agreements on acceptable terms with municipalities and counties in Florida.

Increasing costs associated with health care plans may materially adversely affect NEE's and FPL's results of operations.

NEE's and FPL's business, financial condition, results of operations and prospects could be negatively affected by the lack of a qualified workforce or the loss or retirement of key employees.

NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected by work strikes or stoppages and increasing personnel costs.

NEE'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.

Nuclear Generation Risks

The construction, operation and maintenance of NEE's and FPL's nuclear generation facilities involve environmental, health and financial risks that could result in fines or the closure of the facilities and in increased costs and capital expenditures.

In the event of an incident at any nuclear generation facility in the United States (U.S.) or at certain nuclear generation facilities in Europe, NEE and FPL could be assessed significant retrospective assessments and/or retrospective insurance

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premiums as a result of their participation in a secondary financial protection system and nuclear insurance mutual companies.

U.S. Nuclear Regulatory Commission (NRC) orders or new regulations related to increased security measures and any future safety requirements promulgated by the NRC could require NEE and FPL to incur substantial operating and capital expenditures at their nuclear generation facilities.

The inability to operate any of NEE's or FPL's nuclear generation units through the end of their respective operating licenses could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

Various hazards posed to nuclear generation facilities, along with increased public attention to and awareness of such hazards, could result in increased nuclear licensing or compliance costs which are difficult or impossible to predict and could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

NEE's and FPL's nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, and for other purposes. If planned outages last longer than anticipated or if there are unplanned outages, NEE's and FPL's results of operations and financial condition could be materially adversely affected.

Liquidity, Capital Requirements and Common Stock Risks

Disruptions, uncertainty or volatility in the credit and capital markets may negatively affect NEE's and FPL's ability to fund their liquidity and capital needs and to meet their growth objectives, and can also adversely affect the results of operations and financial condition of NEE and FPL.

NEE's, NextEra Energy Capital Holdings, Inc.'s (NEECH) and FPL's inability to maintain their current credit ratings may adversely affect NEE's and FPL's liquidity and results of operations, limit the ability of NEE and FPL to grow their business, and increase interest costs.

NEE's and FPL's liquidity may be impaired if their creditors are unable to fund their credit commitments to the companies or to maintain their current credit ratings.

Poor market performance and other economic factors could affect NEE's defined benefit pension plan's funded status, which may materially adversely affect NEE's and FPL's business, financial condition, liquidity and results of operations and prospects.

Poor market performance and other economic factors could adversely affect the asset values of NEE's and FPL's nuclear decommissioning funds, which may materially adversely affect NEE's and FPL's liquidity and results of operations.

Certain of NEE's investments are subject to changes in market value and other risks, which may materially adversely affect NEE's liquidity, financial results and results of operations.

NEE 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 NEE.

NEE may be unable to meet its ongoing and future financial obligations and to pay dividends on its common stock if NEE is required to perform under guarantees of obligations of its subsidiaries.

Disruptions, uncertainty or volatility in the credit and capital markets may exert downward pressure on the market price of NEE's common stock.

These factors should be read together with the risk factors included in Part I, Item 1A. Risk Factors in NEE's and FPL's Annual Report on Form 10-K for the year ended December 31, 2013 (2013 Form 10-K), and investors should refer to that section of the 2013 Form 10-K. Any forward-looking statement speaks only as of the date on which such statement is made, and NEE and FPL undertake no obligation to update any forward-looking statement to reflect events or circumstances, including, but not limited to, 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.

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Website Access to U.S. Securities and Exchange Commission (SEC) Filings. NEE 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 NEE's internet website, www.nexteraenergy.com, as soon as reasonably practicable after those documents are electronically filed with or furnished to the SEC. The information and materials available on NEE's website (or any of its subsidiaries' websites) are not incorporated by reference into this combined Form 10-Q. The SEC maintains an internet website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at www.sec.gov.

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		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
OPERATING REVENUES	\$4,654	\$4,394	\$12,357	\$11,506
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,566	1,438	4,337	3,766
Other operations and maintenance	772	818	2,296	2,338
Impairment charge	—	—	—	300
Depreciation and amortization	782	605	1,859	1,523
Taxes other than income taxes and other	371	348	1,012	978
Total operating expenses	3,491	3,209	9,504	8,905
OPERATING INCOME	1,163	1,185	2,853	2,601
OTHER INCOME (DEDUCTIONS)				
Interest expense	(316	) (288	) (940	) (825
Benefits associated with differential membership interests - net	23	37	146	119
Equity in earnings of equity method investees	38	22	60	27
Allowance for equity funds used during construction	7	12	28	50
Interest income	18	20	60	58
Gains on disposal of assets - net	12	20	89	40
Gain (loss) associated with Maine fossil	—	—	21	(67
Other - net	(2	) (13	) (9) —
Total other deductions - net	(220	) (190	) (545	) (598
INCOME FROM CONTINUING OPERATIONS BEFORE	943	995	2,308	2,003
INCOME TAXES				
INCOME TAXES	279	297	723	653
INCOME FROM CONTINUING OPERATIONS	664	698	1,585	1,350
GAIN FROM DISCONTINUED OPERATIONS, NET OF INCOME	—	—	—	231
TAXES				
NET INCOME	664	698	1,585	1,581
LESS NET INCOME ATTRIBUTABLE TO NONCONTROLLING	(4	) —	(4) —
INTERESTS				
NET INCOME ATTRIBUTABLE TO NEXTERA ENERGY, INC.	\$660	\$698	\$1,581	\$1,581
Earnings per share attributable to NextEra Energy, Inc. - basic:				
Continuing operations	\$1.52	\$1.65	\$3.64	\$3.19
Discontinued operations	—	—	—	0.55
Total	\$1.52	\$1.65	\$3.64	\$3.74
Earnings per share attributable to NextEra Energy, Inc. - assuming				
dilution:				
Continuing operations	\$1.50	\$1.64	\$3.60	\$3.18
Discontinued operations	—	—	—	0.54
Total	\$1.50	\$1.64	\$3.60	\$3.72
Dividends per share of common stock	\$0.725	\$0.66	\$2.175	\$1.98
Weighted-average number of common shares outstanding:				

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Basic	434.5	423.8	434.0	422.2
Assuming dilution	440.5	426.8	439.6	424.8

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 the 2013 Form 10-K.

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NEXTERA ENERGY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(millions)

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,		
	2014	2013	2014	2013	
NET INCOME	\$664	\$698	\$1,585	\$1,581	
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX					
Net unrealized gains (losses) on cash flow hedges:					
Effective portion of net unrealized gains (losses) (net of \$18, \$7 and \$36 tax benefit and \$45 tax expense, respectively)	(33	) (18	) (64	) 83
Reclassification from accumulated other comprehensive income to net income (net of \$26, \$5, \$32 and \$27 tax expense, respectively)	45	9	56	48	
Net unrealized gains (losses) on available for sale securities:					
Net unrealized gains (losses) on securities still held (net of \$1 tax benefit, \$22, \$30 and \$49 tax expense, respectively)	(12	) 30	40	72
Reclassification from accumulated other comprehensive income to net income (net of \$4, \$4, \$23 and \$11 tax benefit, respectively)	(6) (7) (35) (17)
Defined benefit pension and other benefits plans (net of \$3 and \$5 tax expense, respectively)	—	—	5	7	
Net unrealized gains (losses) on foreign currency translation (net of \$3 tax benefit, \$2 tax expense, \$3 and \$13 tax benefit, respectively)	(6) 6	(6) (26)
Other comprehensive income (loss) related to equity method investee (net of \$3 tax benefit and \$4 tax expense, respectively)	—	—	(5	) 6
Total other comprehensive income (loss), net of tax	(12	) 20	(9	) 173
COMPREHENSIVE INCOME	652	718	1,576	1,754	
LESS COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(4	) —	(4) —	
COMPREHENSIVE INCOME ATTRIBUTABLE TO NEXTERA ENERGY, INC.	\$648	\$718	\$1,572	\$1,754	

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2013 Form 10-K.

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

	September 30, 2014	December 31, 2013
PROPERTY, PLANT AND EQUIPMENT		
Electric plant in service and other property	\$ 66,223	\$ 62,699
Nuclear fuel	2,150	2,059
Construction work in progress	4,538	4,690
Less accumulated depreciation and amortization	(17,844)	(16,728)
Total property, plant and equipment - net (\$4,976 and \$5,127 related to VIEs, respectively)	55,067	52,720
CURRENT ASSETS		
Cash and cash equivalents	485	438
Customer receivables, net of allowances of \$40 and \$14, respectively	2,022	1,777
Other receivables	389	512
Materials, supplies and fossil fuel inventory	1,269	1,153
Regulatory assets:		
Deferred clause and franchise expenses	237	192
Other	153	116
Derivatives	562	498
Deferred income taxes	31	753
Other	485	403
Total current assets	5,633	5,842
OTHER ASSETS		
Special use funds (\$129 related to a VIE at September 30, 2014)	5,030	4,780
Other investments (\$71 related to a VIE at September 30, 2014)	1,384	1,121
Prepaid benefit costs	1,515	1,456
Regulatory assets:		
Securitized storm-recovery costs (\$190 and \$228 related to a VIE, respectively)	311	372
Other	473	426
Derivatives	842	1,163
Other	1,938	1,426
Total other assets	11,493	10,744
TOTAL ASSETS	\$ 72,193	\$ 69,306
CAPITALIZATION		
Common stock (\$0.01 par value, authorized shares - 800; outstanding shares - 436 and 435, respectively)	\$ 4	\$ 4
Additional paid-in capital	6,555	6,411
Retained earnings	12,204	11,569
Accumulated other comprehensive income	47	56
Noncontrolling interests (\$71 related to a VIE)	334	—
Total common shareholders' equity	19,144	18,040
Long-term debt (\$1,077 and \$1,207 related to VIEs, respectively)	24,853	23,969
Total capitalization	43,997	42,009
CURRENT LIABILITIES		
Commercial paper	685	691
Short-term debt	500	—
Current maturities of long-term debt	3,385	3,766

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Accounts payable	1,496	1,200
Customer deposits	457	452
Accrued interest and taxes	831	473
Derivatives	757	838
Accrued construction-related expenditures	756	839
Other	705	930
Total current liabilities	9,572	9,189
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,935	1,850
Deferred income taxes	7,999	8,144
Regulatory liabilities:		
Accrued asset removal costs	1,881	1,839
Asset retirement obligation regulatory expense difference	2,186	2,082
Other	522	462
Derivatives	568	473
Deferral related to differential membership interests - VIEs	1,847	2,001
Other	1,686	1,257
Total other liabilities and deferred credits	18,624	18,108
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	\$ 72,193	\$ 69,306
This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2013 Form 10-K.		

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

	Nine Months Ended September 30,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$1,585	\$1,581
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,859	1,523
Nuclear fuel and other amortization	259	262
Impairment charge	—	300
Unrealized losses (gains) on marked to market energy contracts	281	(84)
Deferred income taxes	716	799
Cost recovery clauses and franchise fees	(93)	(126)
Benefits associated with differential membership interests - net	(146)	(119)
Equity in earnings of equity method investees	(60)	(27)
Allowance for equity funds used during construction	(28)	(50)
Gains on disposal of assets - net	(89)	(40)
Gain from discontinued operations, net of income taxes	—	(231)
Loss (gain) associated with Maine fossil	(21)	67
Other - net	319	163
Changes in operating assets and liabilities:		
Customer and other receivables	(263)	(384)
Materials, supplies and fossil fuel inventory	(112)	(69)
Other current assets	(65)	(4)
Other assets	(182)	(23)
Accounts payable and customer deposits	147	123
Margin cash collateral	(321)	(448)
Income taxes	(30)	(120)
Interest and other taxes	378	350
Other current liabilities	(149)	(17)
Other liabilities	(17)	(36)
Net cash provided by operating activities	3,968	3,390
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(2,235)	(2,093)
Independent power and other investments of NEER	(2,471)	(2,244)
Cash grants under the American Recovery and Reinvestment Act of 2009	321	170
Nuclear fuel purchases	(237)	(200)
Other capital expenditures and other investments	(115)	(122)
Sale of independent power investments	307	—
Change in loan proceeds restricted for construction	(18)	245
Proceeds from sale or maturity of securities in special use funds and other investments	3,579	2,783
Purchases of securities in special use funds and other investments	(3,701)	(2,854)
Proceeds from the sale of a noncontrolling interest in subsidiaries	438	—
Other - net	54	49

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Net cash used in investing activities	(4,078) (4,266)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt	4,244	3,653	
Retirements of long-term debt	(3,688	) (1,669)
Proceeds from sale of differential membership interests	39	201	
Payments to differential membership investors	(53	) (47)
Net change in short-term debt	495	(495)
Issuances of common stock - net	57	415	
Dividends on common stock	(945	) (836)
Other - net	8	(117)
Net cash provided by financing activities	157	1,105	
Net increase in cash and cash equivalents	47	229	
Cash and cash equivalents at beginning of period	438	329	
Cash and cash equivalents at end of period	\$485	\$558	
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Accrued property additions	\$1,163	\$792	
Sale of hydropower generation plants through assumption of debt by buyer	\$—	\$700	
Changes in property, plant and equipment as a result of a settlement	\$113	\$—	

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2013 Form 10-K.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(millions)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
OPERATING REVENUES	\$3,315	\$3,020	\$8,739	\$7,905
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,255	1,141	3,367	2,979
Other operations and maintenance	414	443	1,186	1,254
Depreciation and amortization	489	351	1,046	780
Taxes other than income taxes and other	323	307	892	847
Total operating expenses	2,481	2,242	6,491	5,860
OPERATING INCOME	834	778	2,248	2,045
OTHER INCOME (DEDUCTIONS)				
Interest expense	(112	) (105	) (325	) (310
Allowance for equity funds used during construction	7	12	27	42
Other - net	—	—	1	1
Total other deductions - net	(105	) (93	) (297	) (267
INCOME BEFORE INCOME TAXES	729	685	1,951	1,778
INCOME TAXES	267	263	720	677
NET INCOME ^(a)	\$462	\$422	\$1,231	\$1,101

(a) FPL's comprehensive income is the same as reported net income.