

FILE



08-1081-EL-CRS 66

Original CRS Case Number	Version
08-1081-EL-CRS	May 2016

## RENEWAL APPLICATION FOR RETAIL GENERATION PROVIDERS AND POWER MARKETERS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit C-10 Corporate Structure). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division; 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may input information directly onto the form.  
You may also download the form, by saving it to your local disk, for later use.

### A. RENEWAL INFORMATION

#### A-1 Applicant intends to be renewed as: (check all that apply)

☐ Retail Generation Provider  
☒ Power Marketer

☐ Power Broker  
☐ Aggregator

#### A-2 Applicant's legal name, address, telephone number, PUCO certificate number, and web site address

Legal Name NextEra Energy Services Ohio, LLC

Address 20455 State Highway 249, Suite 200, Houston, TX 77070

PUCO Certificate # and Date Certified 08-145E(4) 10/17/2014

Telephone # (877) 528-2890 Web site address (if any) www.nexteraenergyservices.com

#### A-3 List name, address, telephone number and web site address under which Applicant does business in Ohio

Legal Name NextEra Energy Services Ohio, LLC

Address 20455 State Highway 249, Suite 200, Houston, TX 77070

Telephone # (877) 528-2890 Web site address (if any) www.nexteraenergyservices.com

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.

Technician DM Date Processed SEP 16 2016

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2016 SEP 16 PM 1:47  
PUCO

**A-4 List all names under which the applicant does business in North America**  
NextEra Energy Services Ohio, LLC \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**A-5 Contact person for regulatory or emergency matters**

Name Aundrea Williams  
Title Assistant Vice President, Regulatory  
Business address 20455 State Highway 249, Suite 200, Houston, TX 77070  
Telephone # (713) 401-5936 Fax # \_\_\_\_\_  
E-mail address aundrea.williams@nexteraenergyservices.com

**A-6 Contact person for Commission Staff use in investigating customer complaints**

Name George Jefferson  
Title Business Analyst  
Business address 20455 State Highway 249, Suite 200, Houston, TX 77070  
Telephone # (713) 401-5608 Fax # (866) 599-4392  
E-mail address puccomplaints@nexteraenergyservices.com

**A-7 Applicant's address and toll-free number for customer service and complaints**

Customer Service address 20455 State Highway 249, Suite 200, Houston, TX 77070  
Toll-free Telephone # (800) 882-1276 Fax # \_\_\_\_\_  
E-mail address custserv@nexteraenergyservices.com

**A-8 Applicant's federal employer identification number #** 26-3266283

**A-9 Applicant's form of ownership (check one)**

☐ Sole Proprietorship ☐ Partnership  
☐ Limited Liability Partnership (LLP) ☒ Limited Liability Company (LLC)  
☐ Corporation ☐ Other \_\_\_\_\_

**PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:**

**A-10 Exhibit A10 "Principal Officers, Directors & Partners"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

## **B. MANAGERIAL CAPABILITY AND EXPERIENCE**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- B-1** Exhibit B-1 "Jurisdictions of Operation," provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services.
- B-2** Exhibit B-2 "Experience & Plans," provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.
- B-3** Exhibit B-3 "Disclosure of Liabilities and Investigations," provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.
- B-4** Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.  
☒ No      ☐ Yes

If yes, provide a separate attachment labeled as Exhibit B-4 "Disclosure of Consumer Protection Violations" detailing such violation(s) and providing all relevant documents.

- B-5** Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service denied, curtailed, suspended, revoked, or cancelled within the past two years.  
☒ No      ☐ Yes

If yes, provide a separate attachment labeled as Exhibit B-5 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation" detailing such action(s) and providing all relevant documents.

## **C. FINANCIAL CAPABILITY AND EXPERIENCE**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- C-1** Exhibit C-1 "Annual Reports," provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why. (This is generally only applicable to publicly traded companies who publish annual reports.)

- C-2** **Exhibit C-2 “SEC Filings,”** provide the most recent 10-K/8-K Filings with the SEC. If the applicant does not have such filings, it may submit those of its parent company. An applicant may submit a current link to the filings or provide them in paper form. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.
- C-3** **Exhibit C-3 “Financial Statements,”** provide copies of the applicant’s two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns (with social security numbers and account numbers redacted).
- C-4** **Exhibit C-4 “Financial Arrangements,”** provide copies of the applicant's financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.,).

Renewal applicants can fulfill the requirements of Exhibit C-4 by providing a current statement from an Ohio local distribution utility (LDU) that shows that the applicant meets the LDU’s collateral requirements.

First time applicants or applicants whose certificate has expired as well as renewal applicants can meet the requirement by one of the following methods:

1. The applicant itself stating that it is investment grade rated by Moody’s, Standard & Poor’s or Fitch and provide evidence of rating from the rating agencies.
2. Have a parent company or third party that is investment grade rated by Moody’s, Standard & Poor’s or Fitch guarantee the financial obligations of the applicant to the LDU(s).
3. Have a parent company or third party that is not investment grade rated by Moody’s, Standard & Poor’s or Fitch but has substantial financial wherewithal in the opinion of the Staff reviewer to guarantee the financial obligations of the applicant to the LDU(s). The guarantor company’s financials must be included in the application if the applicant is relying on this option.
4. Posting a Letter of Credit with the LDU(s) as the beneficiary.

If the applicant is not taking title to the electricity or natural gas, enter "N/A" in Exhibit C-4. An N/A response is only applicable for applicants seeking to be certified as an aggregator or broker.

- C-5 **Exhibit C-5 “Forecasted Financial Statements,”** provide two years of forecasted income statements for the applicant’s **ELECTRIC related business activities in the state of Ohio Only**, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer. The forecasts should be in an annualized format for the two years succeeding the Application year.
- C-6 **Exhibit C-6 “Credit Rating,”** provide a statement disclosing the applicant’s credit rating as reported by two of the following organizations: Duff & Phelps, Fitch IBCA, Moody’s Investors Service, Standard & Poor’s, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or an affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant’s parent or affiliate organization that guarantees the obligations of the applicant. If an applicant or its parent does not have such a credit rating, enter “N/A” in Exhibit C-6.
- C-7 **Exhibit C-7 “Credit Report,”** provide a copy of the applicant’s credit report from Experian, Dun and Bradstreet or a similar organization. An applicant that provides an investment grade credit rating for Exhibit C-6 may enter “N/A” for Exhibit C-7.
- C-8 **Exhibit C-8 “Bankruptcy Information,”** provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.
- C-9 **Exhibit C-9 “Merger Information,”** provide a statement describing any dissolution or merger or acquisition of the applicant within the two most recent years preceding the application.
- C-10 **Exhibit C-10 “Corporate Structure,”** provide a description of the applicant’s corporate structure, not an internal organizational chart, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required and applicant may respond by stating that they are a stand-alone entity with no affiliate or subsidiary companies.

## **D. TECHNICAL CAPABILITY**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- D-1 **Exhibit D-1 "Operations"** provide a written description of the operational nature of the applicant's business. Please include whether the applicant's operations include the generation of power for retail sales, the scheduling of retail power for transmission and delivery, the provision of retail ancillary services as well as other services used to arrange for the purchase and delivery of electricity to retail customers.
- D-2 **Exhibit D-2 "Operations Expertise,"** given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations.
- D-3 **Exhibit D-3 "Key Technical Personnel,"** provide the names, titles, e-mail addresses, telephone numbers, and the background of key personnel involved in the operational aspects of the applicant's business.
- D-4 **Exhibit D-4 "FERC Power Marketer License Number,"** provide a statement disclosing the applicant's FERC Power Marketer License number. (Power Marketers only)

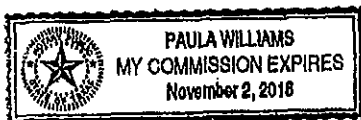
Paula Williams  
Signature of Applicant and Title

Assistant Vice President, Regulatory

Sworn and subscribed before me this 13<sup>th</sup> day of September, 2016  
Month Year

Paula Williams  
Signature of official administering oath

Paula Williams, Notary  
Print Name and Title



My commission expires on 11-2-2018

# **AFFIDAVIT**

State of TEXAS :

HOUSTON ss.  
(Town)

County of HARRIS :

Aundrea Williams, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the Assistant VP, Regulatory (Office of Affiant) of NextEra Energy Services Ohio, LLC (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant,

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification renewal are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.
2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.
3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.
4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.
5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.
6. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
7. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
8. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the renewal application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

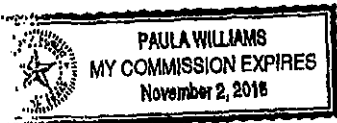
Chadron Williams  
Signature of Affiant & Title

Assistant Vice President, Regulatory

Sworn and subscribed before me this 13<sup>th</sup> day of September, 2016  
Month Year

Paula Williams  
Signature of official administering oath

Paula Williams, Notary  
Print Name and Title



My commission expires on 11-2-2018



**EXHIBIT A-10: Principal Officers,  
Directors, and Partners**  
NextEra Energy Services Ohio, LLC  
CRES # 08-145(4) Renewal Application

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**A-10: PRINCIPAL OFFICERS, DIRECTORS, AND PARTNERS**

<b>Name</b>	<b>Title</b>	<b>Address</b>	<b>Telephone Numbers</b>
Brian Landrum	President	20455 State Highway 249, Suite 200 Houston, TX 77070	713.401.5561
Richard Cribbs	Chief Financial Officer	601 Travis Street Suite 1900 Houston, TX 77002	713.951.5304
Kenneth Matula	Vice President	20455 State Highway 249, Suite 200 Houston, TX 77070	713.401.5651
Deena Morgan	Vice President	20455 State Highway 249, Suite 200 Houston, TX 77070	713.401.5921
Kathy A. Beilhart	Treasurer	700 Universe Boulevard Juno Beach, FL 33408	561.694.6405
Mark Palanchian	Vice President	700 Universe Boulevard Juno Beach, FL 33408	561.304.6015
Melissa Plotsky	Secretary	700 Universe Boulevard Juno Beach, FL 33408	561.304.5349
W. Scott Seeley	Assistant Secretary	700 Universe Boulevard Juno Beach, FL 33408	561.691.7038
Aundrea Williams	Assistant Vice President, Regulatory	20455 State Highway 249, Suite 200 Houston, TX 77070	713.401.5936

**B-1: JURISDICTIONS OF OPERATION**

NextEra Energy Services Ohio, LLC (“NextEra Energy Services”) is a wholly owned indirect subsidiary of NextEra Energy, Inc. (“NEE”), which is one of the nation’s largest providers of electricity-related services and is nationally known as a high-quality, efficient and customer-driven organization. NEE companies engage retail and wholesale electric markets, as well as retail and wholesale natural gas markets throughout the United States. Wholesale electric services are provided through NextEra Energy Power Marketing, LLC (“NEPM”), a NextEra Energy, Inc. company that was created to aggregate the non-rate regulated energy-related operation of NextEra Energy, Inc. NEE owns, develops, constructs, manages and operates domestic generating facilities in wholesale energy markets in 24 states. With respect to retail electric services, certain NextEra affiliates engage in the retail sale of electricity to residential, commercial and industrial customer in Texas and other jurisdictions, as described in Exhibits B-2 and B-3. Please refer to Exhibit C-10 which provides information concerning the corporate structure and operations of NextEra Energy, Inc.

**B-2: EXPERIENCE & PLANS”**

NextEra Energy Services Ohio, LLC (“NextEra Energy Services”) has been established to engage in the retail sale of electricity in the State of Ohio.

**Experience**

The experience and expertise of NextEra Energy Services’ management and affiliates in the competitive retail electricity supply market is substantial. NextEra Energy Services and its’ affiliate based in Houston, Texas, has over 300 employees. Through its affiliates NextEra Energy Services serves over 500,000 residential and commercial customers in 25 competitive markets across the United States. As a company, NextEra Energy Services has been engaged in the competitive sale of retail electricity in Texas since 2002, when the Texas market first became competitive. The following NextEra Energy Services’ affiliates engage in competitive retail electricity supply in the respective states in which each operates: Gexa Energy LP (Texas), Gexa Energy California, LLC, NextEra Retail of Texas, LP, NextEra Energy Services Connecticut, LLC, NextEra Energy Services Delaware, LLC, NextEra Energy Services Illinois, LLC, NextEra Energy Services Maine, LLC, NextEra Energy Services Maryland, LLC, NextEra Energy Services Massachusetts, LLC, NextEra Energy Services New Hampshire, LLC, NextEra Energy Services New Jersey, LLC, NextEra Energy Services New York, LLC, NextEra Energy Services Ohio, LLC, NextEra Energy Services Pennsylvania, LLC, NextEra Energy Services Rhode Island, LLC and NextEra Energy Services District of Columbia, LLC.

**Plan for Contracting and Providing Contracted Services**

NextEra Energy Services offers a variety of competitive and market-driven products to customers in compliance with applicable laws and PUCO rules. Contract forms clearly

**EXHIBIT B-2: Experience & Plans**  
NextEra Energy Services Ohio, LLC  
CRES # 08-145(4) Renewal Application

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disclose pricing, charges and other material terms including any rights of rescission. Please refer to Exhibit D-1 for a description of the manner in which NextEra Energy Services manages and services its electricity supply obligations.

**Provision of Billing Statements.**

NextEra Energy Services Ohio, LLC and its corporate affiliates will ultimately manage its billing responsibilities through its highly experienced key personnel in Texas, which ultimately manages its billing responsibilities and related customer service for approximately 500,000 NextEra Energy Services affiliate customer accounts in California, Connecticut, Delaware, Illinois, Maine, Massachusetts, Maryland, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Texas and Washington, D.C. NextEra Energy Services will use Energy Services Group to manage EDI transactions. Customers are generally invoiced on a consolidated basis by the applicable utility, with necessary coordination and review by NextEra Energy Services. Where required for more sophisticated products, NextEra Energy Services will manage the billing of the energy portion of the charges. Bills prepared at the direction of NextEra Energy Services are done so in accordance with all applicable rules of Ohio Public Utility Commission.

**Response to Customer Inquiries and Complaints**

As mentioned above, customer service will be ultimately managed by NextEra Energy Services' key personnel in Texas. Any customer with a question or complaint regarding billing or other generation service matters may contact a NextEra Energy Services Customer Care representative at a dedicated toll free number or email address provided in the customer contract. NextEra Energy Services Customer Care personnel will make every effort to respond to the customer's inquiry or resolve its complaint in a timely and satisfactory fashion. In the event that a customer complaint cannot be resolved by a Customer Care service representative, the customer may request a review by a NextEra Energy Services Customer Care manager or supervisor. If a mutually agreeable resolution

**EXHIBIT B-2: Experience & Plans**  
NextEra Energy Services Ohio, LLC  
CRES # 08-145(4) Renewal Application

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cannot be reached at that level, the Customer Care manager or supervisor will review the complaint and then notify the customer of the outcome. At that time, the customer will also be notified of its right to file a complaint with the PUCO and NextEra Energy Services will provide the telephone number, facsimile number and website of the PUCO for the customer's convenience.

NextEra Energy Services will exercise rigorous quality control and will ensure that its customer service representatives are well trained in applicable law and PUCO rules governing the provision of retail electric service. NextEra Energy Services also expects that it will work closely with the applicable utilities to resolve billing disputes for those customers who can only be billed for delivery service by the utilities under applicable Ohio law.

NextEra Energy Services provides training to all personnel and stresses the importance and understanding of each of the following objectives:

- Knowledge and aware NextEra Energy Services of applicable Ohio laws and regulations governing marketing and consumer protection.
- Knowledge and understanding of responsible and ethical sales practices.
- Knowledge of the Company's products and services.
- Knowledge of the Company's rates, rate structures and payment options.
- Knowledge of the customers' right to rescind and cancel contracts.
- Knowledge of the applicability of early termination fees for contract cancellation.
- Knowledge of and adherence to Company-developed scripts.
- Knowledge on the proper completion of contract and enrollment documents.
- Knowledge of relevant terms and definitions.
- Knowledge of how customers may contact the Company to obtain information about billing, disputes, and complaints

**EXHIBIT B-3: Disclosure of Liabilities and Investigations**  
NextEra Energy Services Ohio, LLC  
CRES # 08-145(4) Renewal Application

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**B-3: DISCLOSURE OF LIABILITIES AND INVESTIGATIONS**

Pursuant to an audit of all retail electric providers in the ERCOT market in 2010, the Public Utility Commission of Texas (PUCT) contended that Gexa Energy, LP, an affiliate of NextEra Energy Services Ohio, LLC, violated certain PUCT customer protection rules. Gexa Energy corrected all contended violations in 2010.

**EXHIBIT C-1: ANNUAL REPORTS**  
NextEra Energy Services Ohio, LLC  
CRES # 08-145(4) Renewal Application

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**C-1: ANNUAL REPORTS**

Please find herein as Exhibit C-1 the link to the two most recent Annual Reports for NextEra Energy Services Ohio, LLC's parent affiliate, NextEra Energy Inc.

**NextEra Energy, Inc. 2015 and 2014 Annual Reports:**

**<http://www.investor.nexteraenergy.com/phoenix.zhtml?c=88486&p=irol-reportsCorporate>**

**EXHIBIT C-2: SEC FILINGS**  
NextEra Energy Services Ohio, LLC  
CRES # 08-145(4) Renewal Application

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**C-2: SEC FILINGS**

Please find herein as Exhibit C-2 the link to the two most recent SEC Filings for NextEra Energy Services Ohio, LLC's parent affiliate, NextEra Energy Inc.

**NextEra Energy, Inc. FORM 10-K:**

2015: <https://www.sec.gov/Archives/edgar/data/753308/000075330816000337/0000753308-16-000337-index.htm>

2014: <https://www.sec.gov/Archives/edgar/data/753308/000075330815000079/0000753308-15-000079-index.htm>

**NextEra Energy, Inc. FORM 10-Q:**

1Q2016: <https://www.sec.gov/Archives/edgar/data/753308/000075330816000372/0000753308-16-000372-index.htm>

2Q2016: <https://www.sec.gov/Archives/edgar/data/753308/000075330816000402/0000753308-16-000402-index.htm>



**C-3: FINANCIAL STATEMENTS**

NextEra Energy Services Ohio, LLC (“NEES-OH”) does not prepare stand-alone audited financial statements, but is included in the audited financial statement of NextEra Energy, Inc., its ultimate parent company.

Please refer to Exhibit C-1 or C-2 which contains NextEra Energy Inc.’s two most recent years of audited financial statements.

**C-4: FINANCIAL ARRANGEMENTS**

NextEra Energy Services Ohio, LLC intends to rely upon NextEra Energy Inc. (“NextEra Energy”) affiliates for funding of its retail electricity operations in Ohio. Financing, investment and banking activities for NextEra Energy affiliates are sourced through an affiliate of NextEra Energy as part of an overall cash management and corporate funding program. NextEra Energy affiliates make cash, cash equivalents, letters of credit, guarantees and other cash resources available to NextEra Energy Services Ohio, LLC on an as needed basis.

**NOTE: PORTIONS OF EXHIBIT C-4 IS CONFIDENTIAL AND FILED UNDER  
SEAL**

**EXHIBIT C-5: Forecasted Financial Statements**  
NextEra Energy Services Ohio, LLC  
CRES # 08-145(4) Renewal Application

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**C-5: FORECASTED FINANCIAL STATEMENTS**

NextEra Energy Services Ohio, LLC's forecasted financial statements are "CONFIDENTIAL" and are being filed separately under seal.

**NOTE: CONFIDENTIAL EXHIBIT C-5 IS ATTACHED. FILED UNDER SEAL**

**C-6: CREDIT RATING**

Please see attached a copy of the credit rating of NextEra Energy Inc., as reported by S&P. Please also refer to Exhibit C-4 providing that NextEra Energy Services Ohio, LLC intends to rely upon NextEra Energy Inc.'s affiliates for funding of its retail electricity operations in Ohio.

EXHIBIT C-6: Credit Rating  
NextEra Energy Services Ohio, LLC  
CRES # 08-145(4) Renewal  
Application

**NextEra Energy, Inc.  
Credit Ratings**

	Moody's <sup>1</sup>	Standard & Poor's <sup>1</sup>	Fitch Ratings <sup>1</sup>
<b>NextEra Energy, Inc.</b>			
Corporate credit rating	Baa1	A-	A-
Outlook	Stable	Stable	Stable
<b>Florida Power &amp; Light Company</b>			
Corporate credit rating	A1	A-	A
First mortgage bonds	Aa2	A	AA-
Pollution control bonds	VMIG-1	A	A+
Commercial paper	P-1	A-2	F-1
Outlook	Stable	Stable	Stable
<b>NextEra Energy Capital Holdings, Inc.</b>			
Corporate credit rating	Baa1	A-	A-
Debentures	Baa1	BBB+	A-
Junior Subordinated Debentures	Baa2	BBB	BBB
Commercial paper	P-2	A-2	F-1
Outlook	Stable	Stable	Stable

<sup>1</sup> A security rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organization.



# RatingsDirect®

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## NextEra Energy Inc.

**Primary Credit Analyst:**

Dimitri Nikas, New York (1) 212-438-7807; dimitri.nikas@standardandpoors.com

**Secondary Contact:**

Michael Pastrich, New York 212-438-0604; michael.pastrich@standardandpoors.com

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Rationale

Outlook

Standard & Poor's Base-Case Scenario

Company Description

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Reconciliation

Related Criteria And Research



## Outlook: Stable

The stable rating outlook on NextEra Energy Inc. and its subsidiaries reflects our expectation that the company will preserve its strong business risk profile while ensuring that its financial risk profile remains well within the intermediate category at all times, albeit toward the lower end of the category, including after the proposed merger with Hawaiian Electric Industries Inc. Moreover, the stable outlook incorporates our expectation that NextEra will continue to effectively manage regulatory risk at its regulated utility operations in Florida while ensuring that regulated businesses contribute the majority of operating income and cash flow.

### Downside scenario

We would lower the ratings on NextEra and its subsidiaries if financial performance weakens, with funds from operations (FFO) to debt that declines to less than 25%, absent any lessening of business risk. Moreover, we would lower the ratings on NextEra if business risk increases through the growing contribution of unregulated operations or due to unfavorable regulatory outcomes in its regulated utility operations.

### Upside scenario

Under our base-case scenario, we do not anticipate raising the ratings on NextEra in the next 12 to 24 months, given the company's business risk profile and expected level of financial performance.

## Standard & Poor's Base-Case Scenario

Assumptions	Key Metrics		
<ul style="list-style-type: none"> <li>We assume that NextEra's EBITDA grows by an average of 6% to 8% annually, reflecting recovery of invested capital at the regulated utility operations through rate case filings and margin growth from the renewable energy business.</li> <li>Capital spending ranging from \$11 billion to \$12 billion.</li> <li>Dividend payout ratio of about 60% to 65%.</li> <li>Tax equity transaction proceeds sufficient to provide for debt/EBITDA that is consistently below 3.5x annually, helping to offset borrowing needs and fund capital spending.</li> </ul>			
		2015A	2016E 2017E
	FFO/debt (%)	26	25-26 25-26
	Debt/EBITDA (x)	3.2	3.0-3.4 3.0-3.4

A--Actual. E--Estimate. FFO--Funds from operations.

## Company Description

NextEra conducts its regulated utility operations through Florida Power & Light Co. (FPL), while it manages nonutility operations within NextEra Energy Capital Holdings Inc. (NEECH).



*NextEra Energy Inc.*

FPL is a vertically integrated electric utility serving about 4.8 million customers throughout Florida's east coast, with about 25,254 megawatts (MW) of generation capacity.

The nonutility operations are largely conducted through NextEra Energy Resources LLC (NEER), a wholly owned subsidiary of NECCH. NEER engages in unregulated generation by owning about 21,140 MW of generation capacity as of year-end 2015, with an emphasis on renewable energy sources; proprietary trading and marketing; retail supply and wholesale full-requirements contracts.

NextEra has entered into an agreement to merge with Hawaiian Electric Industries. The companies expect that the merger could close by mid-2016.

## **Business Risk: Strong**

The ratings on NextEra reflect the strength and contribution of the company's regulated utility operations, tempered by the higher business risk of its nonregulated businesses.

We assess NextEra's business risk profile as strong, reflecting the mix of the company's regulated utility and nonutility operations.

NextEra's regulated utility operations have low business risk and provide about 60% of consolidated operating income, lending support to the company's overall business risk profile within the strong category. The regulated business is conducted through FPL, and benefits from operations under a constructive regulatory framework that provides for timely investment and fuel cost recovery. FPL has historically managed its regulatory risk effectively, and this has resulted in earned returns that are consistently close to or at authorized levels. The large customer base has no meaningful industrial exposure and demonstrates somewhat above-average growth. The company has material exposure to natural-gas-fired generation, which, combined with low natural gas prices and efficient operations, contributes to overall competitive customer rates.

The company's nonutility operations are conducted under NECCH. We ascribe significantly higher business risk to the nonutility operations compared with the regulated utility operations because they focus largely on unregulated generation, both merchant and contracted, with an emphasis on renewable energy projects and to a lesser extent on fossil-fired and nuclear generation. As of year-end 2015, about 66% of total unregulated generation capacity was under long-term contracts and benefits from revenue stability while the balance of about 34% was effectively operating on a merchant basis and was exposed to market price volatility. We expect the merchant exposure to decline over time as NextEra optimizes its generation portfolio and remains focused on contracted generation. Integral to our view of NextEra's business risk profile as strong is that all unregulated generation projects that are financed in a nonrecourse manner provide NextEra with only residual cash flows, an arrangement that we view as inherently weaker and unfavorable to the company's credit quality compared with NextEra having full access to all project cash flows. NextEra's nonutility operations also encompass proprietary trading and marketing, as well as retail supply and wholesale full-requirements contracts. We also ascribe very high business risk to these ventures, which can have significant liquidity needs and are generally characterized by small margins on a per-unit basis, relying on large volumes to generate a meaningful contribution. Importantly, these operations require excellent risk management and

NextEra Energy Inc.

disciplined hedging practices to limit a company's exposure to fluctuating commodity prices.

NextEra has created an entity with a "yieldco" structure, NextEra Energy Partners L.P. (NEP), which we expect will grow over time, in large part through asset purchases from NextEra itself. NextEra benefits not only from asset sale proceeds, but also from distributions from NEP. We expect that NextEra's ownership in NEP to decline over time while the company maintains the general partnership interest, resulting in distributions that are disproportionate to the company's actual ownership interest. We view the yieldco structure as somewhat negative for credit quality because it makes project cash cash flows even more remote compared with direct ownership of the projects, with the detriment offset somewhat from the expected use of proceeds in a credit-neutral manner at NextEra, mainly to supplement the funding of NextEra's capital spending needs.

#### S&P Base-Case Operating Scenario

- NextEra continues to effectively manage regulatory risk as its regulated utility operations.
- Nonutility operations consistently contribute less than 50% of operating income.
- New renewable energy projects are completed on budget and on schedule.
- Yieldco ownership declines over time, but NextEra maintains ownership of general partner interest.

#### Peer comparison

Table 1

#### NextEra Energy Inc. -- Peer Comparison

Industry Sector: Combo

	NextEra Energy Inc.	Exelon Corp.	Dominion Resources Inc.	Public Service Enterprise Group Inc.	Southern Co.
Rating as of April 15, 2016	A-/Stable/-	BBB/Stable/A-2	BBB+/Stable/A-2	BBB+/Stable/A-2	A-/Negative/A-2
--Average of past three fiscal years--					
(Mil. \$)					
Revenues	16,474.7	27,254.7	12,413.0	10,137.3	17,681.0
EBITDA	6,395.0	7,800.8	4,951.0	3,763.3	7,199.0
Funds from operations (FFO)	5,505.5	6,132.2	3,776.4	2,941.5	5,969.5
Net income from cont. oper.	2,312.3	1,870.3	1,666.0	1,489.4	2,054.0
Cash flow from operations	5,108.8	6,174.7	3,834.7	3,105.6	5,985.8
Capital expenditures	7,289.9	6,429.1	4,986.9	3,147.2	6,212.0
Free operating cash flow	(2,181.1)	(254.4)	(1,152.2)	(41.6)	(226.1)
Discretionary cash flow	(3,561.1)	(1,403.9)	(2,624.6)	(796.6)	(2,124.9)
Cash and short-term investments	528.7	3,329.7	414.7	429.7	931.7
Debt	21,367.2	23,942.5	23,990.3	9,814.0	28,987.2
Equity	23,558.4	24,968.2	14,956.0	12,211.6	20,631.5
<b>Adjusted ratios</b>					
EBITDA margin (%)	38.8	28.6	39.9	37.1	40.7

NextEra Energy Inc.

Table 1

NextEra Energy Inc. -- Peer Comparison (cont.)

Industry Sector: Combo

	NextEra Energy Inc.	Exelon Corp.	Dominion Resources Inc.	Public Service Enterprise Group Inc.	Southern Co.
Return on capital (%)	8.0	6.9	7.7	10.1	8.2
EBITDA interest coverage (x)	6.0	4.9	4.3	8.2	5.8
FFO cash int. cov. (X)	5.7	7.7	5.6	8.5	8.0
Debt/EBITDA (x)	3.3	3.1	4.8	2.6	4.0
FFO/debt (%)	25.8	25.6	15.7	30.0	20.6
Cash flow from operations/debt (%)	23.9	25.8	16.0	31.6	20.6
Free operating cash flow/debt (%)	(10.2)	(1.1)	(4.8)	(0.4)	(0.8)
Discretionary cash flow/debt (%)	(16.7)	(5.9)	(10.9)	(8.1)	(7.3)

## Financial Risk: Intermediate

We assess NextEra's financial risk profile as intermediate using the medial volatility financial ratio benchmarks. In determining the financial risk profile assessment, we back out 75% of the debt that relates to project-financed renewable energy projects, leaving 25% on the balance sheet and viewing the project cash flows on a risk-adjusted basis. The adjustment accounts in part for the nonrecourse nature of the financing involved, but also reflects our view that this is a business that NextEra plans to continue growing, but which has achieved enough scale and diversity such that no single project is critical to the parent, reducing the need or motivation to provide support to a failing project. Under our base-case scenario we expect that NextEra's core credit ratios will remain in the lower end of the intermediate category, with FFO to debt that ranges from 25% to 26% over the next few years, supported by robust cash flow at the regulated and nonregulated operations, but also through the ongoing monetization of the company's tax credits, which help reduce the need for other funding sources. At the same time, we project that debt to EBITDA will be consistently less than 3.5x. Our assessment of financial risk also incorporates NextEra's commitment to support its financial profile such that it consistently remains well within the lower end of the intermediate category.

### S&P Base-Case Cash Flow And Capital Structure Scenario

- Financial performance continues to support an intermediate financial profile assessment, but at the low end of the range.
- Commitment to support financial profile within the intermediate category.
- Debt from nonrecourse renewable energy projects receives partial off-credit treatment.
- Company benefits from asset sales proceeds to the yieldco and from distributions from the yieldco.
- Monetization of tax credits helps offset funding needs.

NextEra Energy Inc.

## Financial summary

Table 2

### NextEra Energy Inc. -- Financial Summary

Industry Sector: Combo

	--Fiscal year ended Dec. 31--				
	2015	2014	2013	2012	2011
Rating history	A-/Stable/-	A-/Stable/-	A-/Stable/-	A-/Stable/-	A-/Stable/-
(Mil. \$)					
Revenues	17,412.8	16,948.8	15,062.7	14,182.9	15,269.7
EBITDA	7,116.2	6,150.3	5,918.5	4,858.6	5,003.6
Funds from operations (FFO)	5,902.6	5,410.6	5,203.1	4,066.4	4,387.8
Net income from continuing operations	2,752.0	2,465.0	1,720.0	1,911.0	1,923.0
Cash flow from operations	5,392.6	4,798.6	5,135.1	3,821.4	3,970.8
Capital expenditures	8,334.0	6,957.5	6,578.1	9,146.6	5,937.4
Free operating cash flow	(2,941.4)	(2,158.9)	(1,443.0)	(5,325.2)	(1,966.5)
Dividends paid	1,501.2	1,375.8	1,263.1	1,117.2	1,022.3
Discretionary cash flow	(4,442.6)	(3,534.7)	(2,706.0)	(6,442.3)	(2,988.8)
Debt	22,704.5	21,310.0	20,087.1	21,116.1	17,660.7
Preferred stock	2,689.0	3,239.0	3,427.1	3,279.5	1,929.5
Equity	25,801.0	23,407.0	21,467.1	19,347.5	16,872.5
Debt and equity	48,505.5	44,717.0	41,554.2	40,463.6	34,533.2
Adjusted ratios					
EBITDA margin (%)	40.9	36.3	39.3	34.3	32.8
EBITDA interest coverage (x)	5.3	6.6	6.3	5.4	6.7
FFO cash int. cov. (x)	6.3	5.3	5.6	4.6	5.1
Debt/EBITDA (x)	3.2	3.5	3.4	4.3	3.5
FFO/debt (%)	26.0	25.4	25.9	19.3	24.8
Cash flow from operations/debt (%)	23.8	22.5	25.6	18.1	22.5
Free operating cash flow/debt (%)	(13.0)	(10.1)	(7.2)	(25.2)	(11.1)
Discretionary cash flow/debt (%)	(19.6)	(16.6)	(13.5)	(30.5)	(16.9)
Net cash flow/capex (%)	52.8	58.0	59.9	32.2	56.7
Return on capital (%)	8.5	7.8	7.5	7.3	8.4
Return on common equity (%)	12.1	12.1	8.7	10.7	12.0
Common dividend payout ratio (un-adj.) (%)	50.3	51.2	65.2	52.5	47.8

## Liquidity: Adequate

We assess NextEra's liquidity as adequate to cover its needs over the next 12 to 18 months. We expect that the company's liquidity sources will exceed uses by 1.1x or more, the minimum threshold for an adequate designation under our criteria and that the company will also meet our other criteria for such a designation.

NextEra has \$7.85 billion in revolving credit facilities, with maturities from 2016 to 2021. In addition, the company has

*NextEra Energy Inc.*

\$235 million in additional revolving credit facilities and \$650 million in letter-of-credit facilities.

Principal Liquidity Sources	Principal Liquidity Uses
<ul style="list-style-type: none"><li>• Available credit facilities total about \$7.7 billion; and</li><li>• FFO of \$7.5 million to \$8 billion.</li></ul>	<ul style="list-style-type: none"><li>• Debt maturities and outstanding commercial paper totaling about \$3 billion in 2016 and debt maturities of about \$2.9 billion in 2017;</li><li>• Capital spending of about \$11 billion to \$11.5 billion</li><li>• Dividends of about \$1.8 billion to \$2 billion.</li></ul>

#### Debt maturities

- 2016: \$2.22 bil.
- 2017: \$2.882 bil.
- 2018: \$2.819 bil.
- 2019: \$2.044 bil.
- 2020: \$1.578 bil.

### Other Credit Considerations

Our assessment of modifiers does not affect the anchor score.

### Group Influence

NextEra is subject to the group rating methodology criteria, under which we assess NextEra as the parent of the group whose members are FPL and NEECH, both of which we assess as core members of the group. NextEra's group credit profile is 'a-' and its issuer credit rating is 'A-'.

### Ratings Score Snapshot

#### Corporate Credit Rating

A-/Stable/--

#### Business risk: Strong

- Country risk: Very low
- Industry risk: Low
- Competitive position: Strong

#### Financial risk: Intermediate

- Cash flow/Leverage: Intermediate

Anchor: a-

Modifiers

*NextEra Energy Inc.*

- **Diversification/Portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Stand-alone credit profile : a-

- **Group credit profile:** a-

## Recovery Analysis/ Issue Ratings

NextEra unconditionally guarantees senior unsecured debt obligations at NEECH, effectively making them obligations of NextEra. As a result, we rate NEECH's senior unsecured debt one notch below the issuer credit rating to reflect the material amount of priority obligations throughout NextEra that encumbers more than 20% of the company's total assets.

We rate NEECH's commercial paper program 'A-2', accounting for the company's issuer credit rating and our assessment of NextEra's liquidity as adequate.

## Reconciliation

Table 3

### Reconciliation Of NextEra Energy Inc. Reported Amounts With Standard & Poor's Adjusted Amounts

—Fiscal year ended Dec. 31, 2015—

NextEra Energy Inc. reported amounts								
(Mil. \$)	Debt	Shareholders' equity	Revenues	EBITDA	Oper. income	Int. expense	EBITDA	Cash flow from oper.
Reported	29,687.0	22,574.0	17,486.0	7,465.0	4,632.0	1,211.0	7,465.0	6,116.0
Standard & Poor's adjustments								
Interest expense (reported)	--	--	--	--	--	--	(1,211.0)	--
Interest income (reported)	--	--	--	--	--	--	86.0	--
Current tax expense (reported)	--	--	--	--	--	--	(66.0)	--
Equity-like hybrids	(1,200.0)	1,200.0	--	--	--	(23.8)	23.8	23.8
Intermediate hybrids reported as debt	(1,489.0)	1,489.0	--	--	--	(92.5)	92.5	92.5
Postretirement benefit obligations/deferred compensation	--	--	--	(144.0)	(144.0)	--	(93.3)	(22.3)
Surplus cash	(28.6)	--	--	--	--	--	--	--
Capitalized interest	--	--	--	--	--	121.0	(121.0)	(121.0)
Share-based compensation expense	--	--	--	83.0	--	--	83.0	--

NextEra Energy Inc.

Table 3

Reconciliation Of NextEra Energy Inc. Reported Amounts With Standard & Poor's Adjusted Amounts (cont.)								
Dividends received from equity investments	--	--	--	80.0	--	--	80.0	--
Securitized stranded costs	(273.0)	--	(73.2)	(73.2)	(15.2)	(15.2)	(58.0)	(58.0)
Power purchase agreements	263.0	--	--	96.4	18.4	18.4	78.0	78.0
Asset retirement obligations	--	--	--	116.0	116.0	116.0	50.8	(43.3)
Nonoperating income (expense)	--	--	--	--	519.0	--	--	--
Noncontrolling interest/minority interest	--	538.0	--	--	--	--	--	--
U.S. decommissioning fund contributions	--	--	--	--	--	--	--	(131.0)
Debt - Accrued interest not included in reported debt	200.0	--	--	--	--	--	--	--
Debt - issuance cost	324.0	--	--	--	--	--	--	--
Debt - other	(4,779.0)	--	--	--	--	--	--	--
EBITDA - valuation gains/(losses)	--	--	--	(337.0)	(337.0)	--	(337.0)	--
EBITDA - other	--	--	--	(170.0)	(170.0)	--	(170.0)	--
D&A - other	--	--	--	--	170.0	--	--	--
OCF - other	--	--	--	--	--	--	--	(542.0)
Total adjustments	(6,982.6)	3,227.0	(73.2)	(348.8)	157.2	124.0	(1,562.4)	(723.4)
Standard & Poor's adjusted amounts								
	Debt	Equity	Revenues	EBITDA	EBIT	Int. expense	Funds from oper.	Cash flow from oper.
Adjusted	22,704.5	25,801.0	17,412.8	7,116.2	4,789.2	1,335.0	5,902.6	5,392.6

## Related Criteria And Research

### Related Criteria

- Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Key Credit Factors For The Unregulated Power And Gas Industry, March 28, 2014
- Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Corporate Methodology, Nov. 19, 2013
- Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Group Rating Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers, May 7, 2013
- Collateral Coverage And Issue Notching Rules For '1+' And '1' Recovery Ratings On Senior Bonds Secured By Utility Real Property, Feb. 14, 2013
- Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008
- 2008 Corporate Criteria: Rating Each Issue, April 15, 2008

NextEra Energy Inc.

### Business And Financial Risk Matrix

Business Risk Profile	Financial Risk Profile					
	Minimal	Modest	Intermediate	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb/bb+
<b>Strong</b>	aa/aa-	a+/a	<b>a-/bbb+</b>	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

### Ratings Detail (As Of April 27, 2016)

#### NextEra Energy Inc.

Corporate Credit Rating	A-/Stable/--
Junior Subordinated	BBB
Senior Unsecured	BBB
Senior Unsecured	BBB+

#### Corporate Credit Ratings History

11-Mar-2010	Foreign Currency	A-/Stable/--
14-Jan-2010		A/Watch Neg/--
26-Oct-2006		A/Stable/--
11-Mar-2010	Local Currency	A-/Stable/--
14-Jan-2010		A/Watch Neg/--
26-Oct-2006		A/Stable/--

#### Related Entities

##### Florida Power & Light Co.

Issuer Credit Rating	A-/Stable/A-2
Commercial Paper	
Local Currency	A-2
Preferred Stock	BBB
Senior Secured	A
Senior Secured	A/A-2
Senior Unsecured	A-/A-2

##### FPL Energy American Wind LLC

Senior Secured	BB/Negative
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##### FPL Energy National Wind LLC

Senior Secured	BB/Negative
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##### FPL Energy National Wind Portfolio LLC

Senior Secured	B-/Negative
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##### FPL Energy Wind Funding LLC

Senior Secured	B-/Negative
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##### FPL Group Capital Trust I

Preferred Stock	BBB
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*NextEra Energy Inc.*

**Ratings Detail (As Of April 27, 2016) (cont.)**

**NextEra Energy Capital Holdings Inc.**

Issuer Credit Rating	A-/Stable/A-2
Commercial Paper	
Local Currency	A-2
Junior Subordinated	BBB
Senior Unsecured	BBB+

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**NextEra Energy, Inc.**

Ticker: FPL Moody's Orig ID: 276230 Market Segment: Infrastructure & Project Finance  
 Industry: UTILITY; REG - ELECTRIC - INTEGRATED - HOLDCO Peer Group: Regulated Electric and Gas Utilities  
 Domicile: UNITED STATES

ANALYST

Analyst

Mihoko Manabe

**LONG TERM RATING**

Rating: Baa1, Not on Watch

LT Issuer Rating - Dom Curr

Date: 29 Jul 2016

**OUTLOOK**

Stable

Date: 29 Jul 2016

**OTHER DEBTS ON WATCH?**

No

Research | Ratings | Family Tree | Peer Group | Market Signals

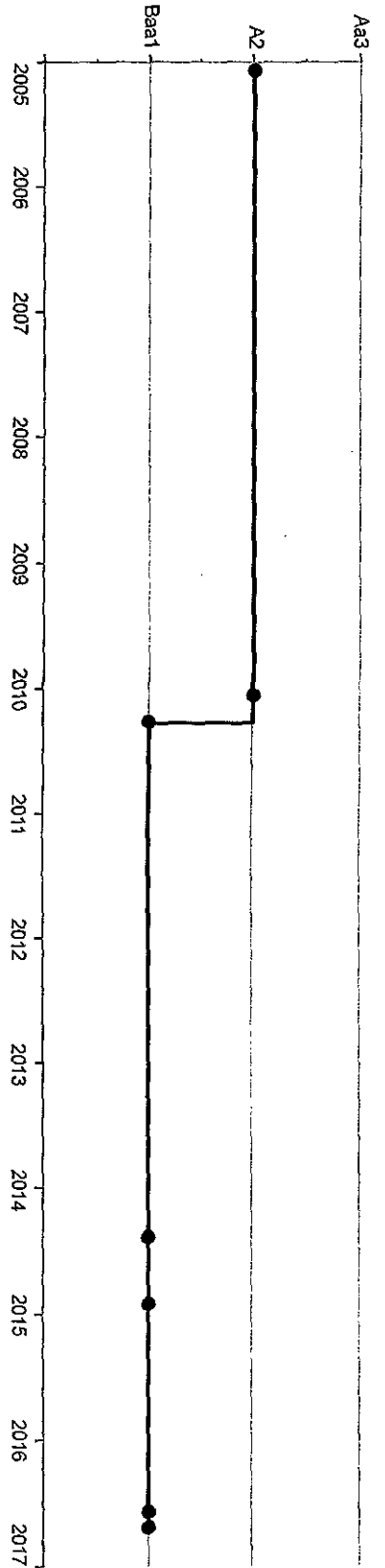
Rating Class Detail | Debt List | Issuer Outlook

Export Results: 4

Class ▲	Rating	Rating Action	Date
LT Issuer Rating (Domestic)	Baa1	RATING AFFIRMATION	29 Jul 2016
Pref. Shelf (Domestic)	(P)Baa3	RATING AFFIRMATION	29 Jul 2016
Junior Subord. Shelf (Domestic)	(P)Baa2	RATING AFFIRMATION	29 Jul 2016
Senior Unsec. Shelf (Domestic)	(P)Baa1	RATING AFFIRMATION	29 Jul 2016

Rating Class History: LT Issuer Rating (Domestic)

EXHIBIT C-6: Credit Rating  
 NextEra Energy Services Ohio, LLC  
 CRES # 08-145(4) Renewal Application



Export Results: 6

Date	Currency	Rating	Rating Action
29 Jul 2016	Domestic	Baa1	RATING AFFIRMATION
03 Dec 2014	Domestic	Baa1	RATING AFFIRMATION
22 May 2014	Domestic	Baa1	RATING AFFIRMATION
09 Apr 2010	Domestic	Baa1	Downgrade
19 Jan 2010	Domestic	A2	On Watch - Possible Downgrade
26 Jan 2005	Domestic	A2	New

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**EXHIBIT C-7: Credit Report**  
NextEra Energy Services Ohio, LLC  
CRES # 08-145(4) Renewal Application

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**C-7: CREDIT REPORT**

Please refer to Exhibit C-6 for information on the credit ratings of NextEra Energy Inc.

**EXHIBIT C-8: Bankruptcy Information**  
NextEra Energy Services Ohio, LLC  
CRES # 08-145(4) Renewal Application

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**C-8: BANKRUPTCY INFORMATION**

There are no reorganizations, protection from creditors or any other form of bankruptcy filings made by NextEra Energy Services Ohio, LLC (“NextEra Energy Services”), a parent or affiliate organization that guarantees the obligations of NextEra Energy Services or any officer of NextEra Energy Services in the current year or within the two most recent years preceding the application.

**EXHIBIT C-9: Merger Information**  
NextEra Energy Services Ohio, LLC  
CRES # 08-145(4) Renewal Application

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**C-9: MERGER INFORMATION**

There has been no dissolution, merger or acquisition of NextEra Energy Services Ohio, LLC within the five most recent years preceding the application.

**C-10: CORPORATE STRUCTURE**

Please see attached the corporate structure of NextEra Energy Services Ohio, LLC (“NextEra Energy Services” or “Applicant”). NextEra Energy Services and its affiliates engage in the competitive retail sale of electricity throughout the United States, as further set forth in Exhibits B-2, D-1 and D-2.

Also, as further shown in the attached corporate structure and explained in Exhibit B-1, NextEra Energy Services is an affiliate of NextEra Energy Inc., which, through its affiliates and subsidiaries, provides wholesale electric services throughout the United States. Please see attached information about NextEra Energy Inc., and its energy portfolio. Further information may be obtained at [www.nexteraenergyresources.com](http://www.nexteraenergyresources.com).



## NextEra Energy, Inc. Entity Organization Chart

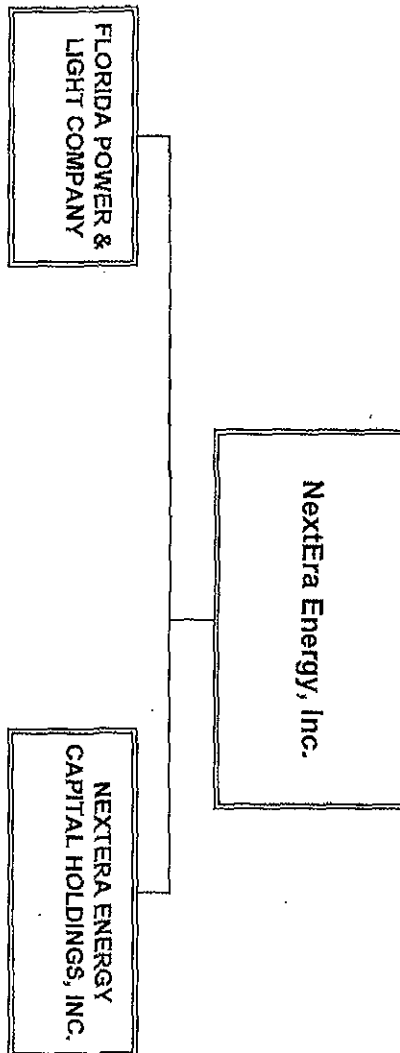
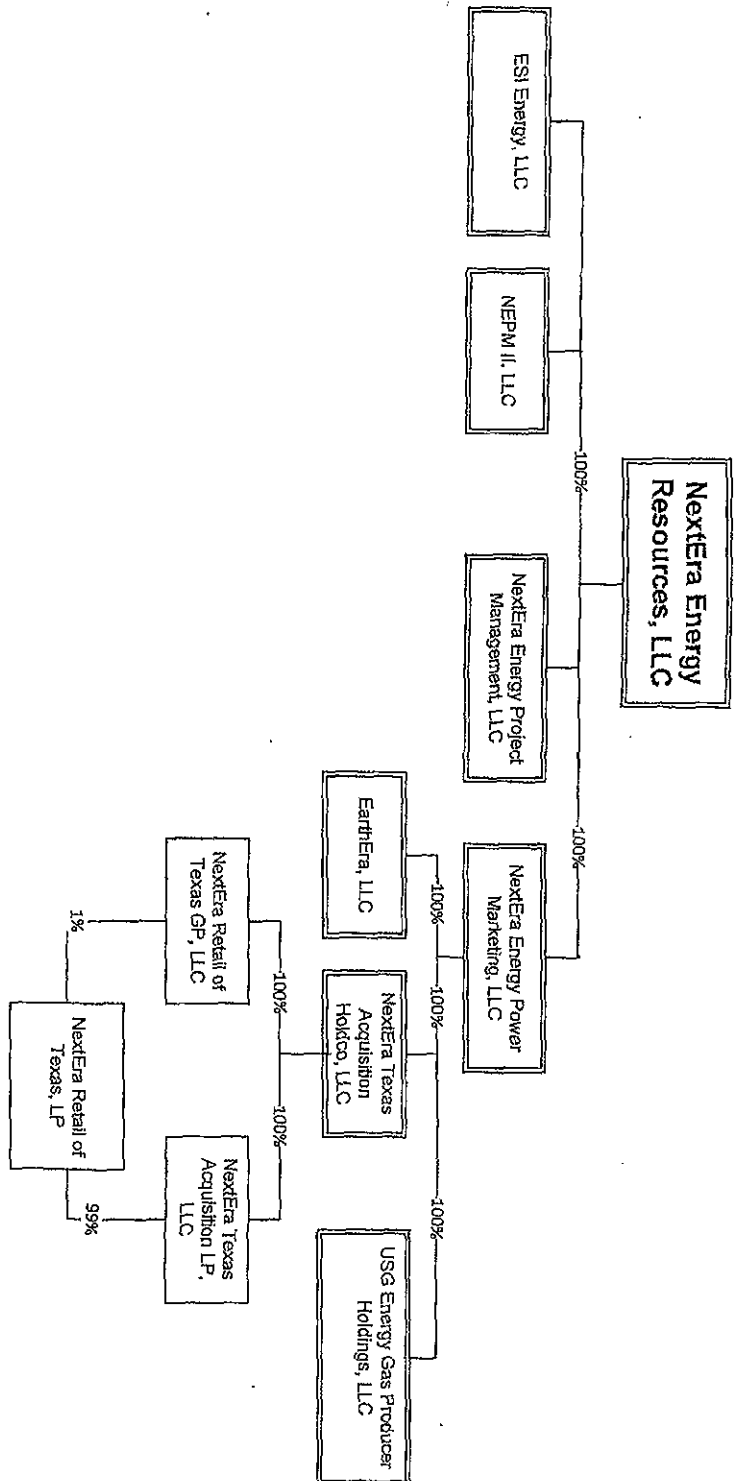
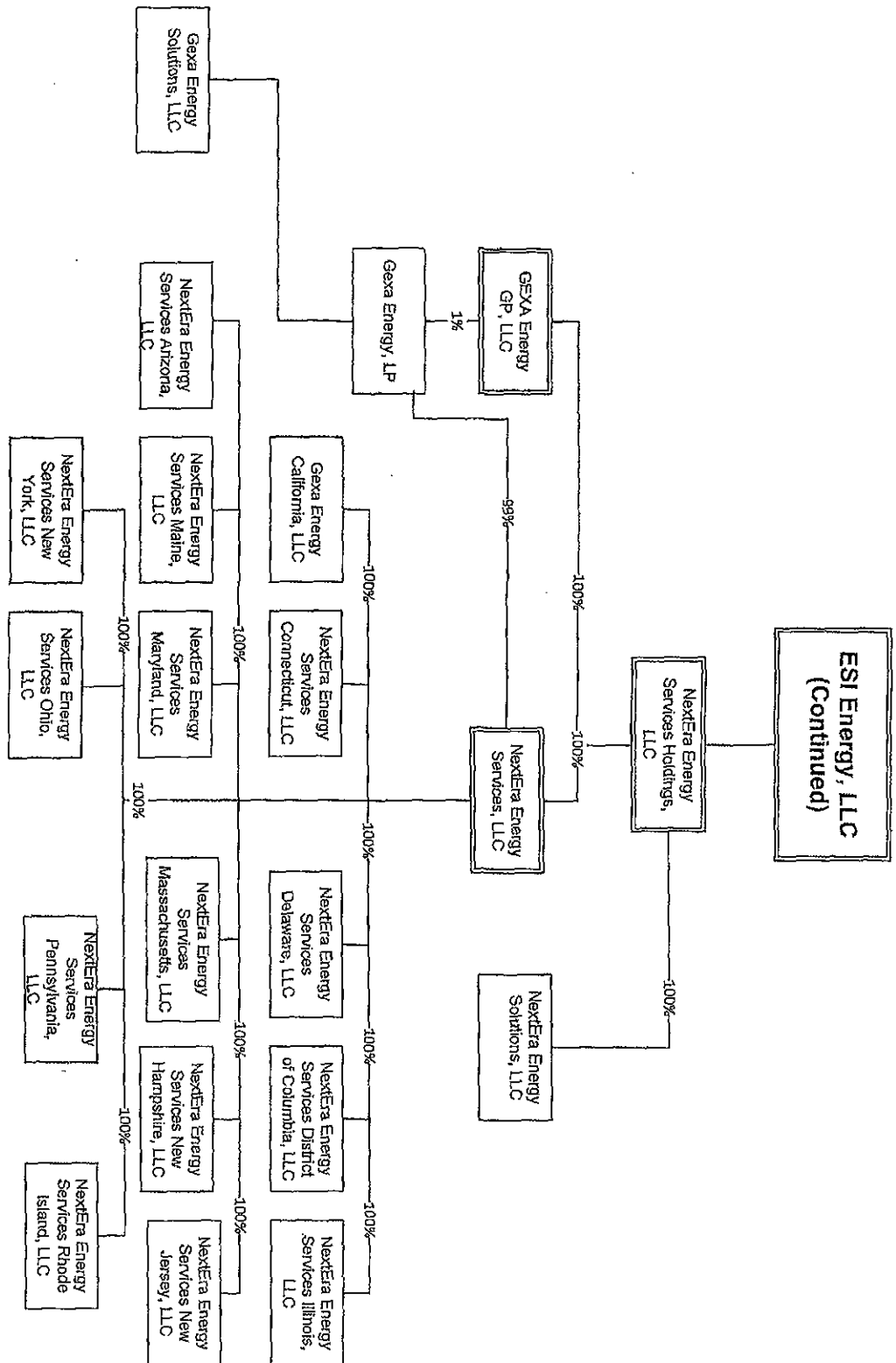


EXHIBIT C-10: Corporate Structure  
 NextEra Energy Services Ohio, LLC  
 CRES # 08-145(4) Renewal Application



LP = Limited Partnership    GP = General Partnership    JV = Joint Venture    LLC = Limited Liability Company

EXHIBIT C-10: Corporate Structure  
 NextEra Energy Services Ohio, LLC  
 CRES # 08-145(4) Renewal Application



LP = Limited Partnership GP = General Partnership JV = Joint Venture LLC = Limited Liability Company

**D-1: OPERATIONS**

Applicant's operations do not include generation of power for retail sales. Applicant's power supply obligations, including all scheduling and balancing, is managed by its affiliate, NextEra Energy Power Marketing, Inc. ("NEPM"), through its settlement accounts with the PJM and MISO. NEPM is a member of PJM, MISO, and NEPOOL and performs the bidding and scheduling for approximately 17,700 MWs owned by NextEra Energy Inc. affiliates throughout the United States. NEPM serves NextEra Energy Services Ohio, LLC's ("NextEra Energy Services") supply obligations through a combination of third party bilateral purchase transactions, supplies from NextEra Energy Inc. affiliate's portfolio of generation assets located in the Midwest and spot market purchases from PJM, MISO and NEPOOL. NextEra Energy Services utilizes a strict load hedging program, as customers are acquired, performs load analyses and forecasts to project customers' expected usage and hedging requirements. The supplies to hedge the load is purchased from third parties or supplied from NextEra Energy Inc. affiliates' generation assets located within PJM, MISO and NEPOOL. Daily balancing of the load and supply will be managed by NEPM by way of purchases and sales through the PJM, MISO and NEPOOL daily and hourly markets.

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85 FERC ¶ 61,214

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: James J. Hoacker, Chairman;  
Vicky A. Bailey, William L. Massey,  
Linda Breathitt, and Curt Hébert, Jr.

FPL Energy Maine Hydro, Inc.	)	Docket Nos. ER98-3511-000,
FPL Energy Mason, LLC	)	ER98-3562-000,
FPL Energy Wyman, LLC	)	ER98-3563-000,
FPL Energy Wyman IV, LLC	)	ER98-3564-000,
FPL Energy AVEC, LLC	)	ER98-3565-000 and
FPL Energy Power Marketing, Inc.	)	ER98-3566-000

ORDER ACCEPTING FOR FILING  
PROPOSED MARKET-BASED RATES

(Issued November 12, 1998)

In this order, we accept for filing, without suspension or hearing, the proposed market-based power sales rates filed by FPL Energy Maine Hydro, Inc. (Maine Hydro), FPL Energy Mason, LLC (Mason), FPL Energy Wyman, LLC (Wyman), FPL Energy Wyman IV, LLC (Wyman IV), FPL Energy AVEC, LLC (AVEC) (collectively, Affiliates), and FPL Energy Power Marketing, Inc. (FPL Energy Power Marketing, Inc.; collectively with Affiliates, Applicants).

Background

On June 26, 1998, as amended on September 4, 1998, and September 15, 1998, Applicants 1/ filed proposed rate schedules seeking approval to make sales of power at market-based rates and to provide certain ancillary services to New England Power Pool (NEPOOL) at market-based rates. 2/ Applicants request that the

1/ Applicants are wholly-owned subsidiaries of FPL Energy Maine, Inc. and are affiliated with Florida Power & Light Company (FPL). FPL Energy Maine, Inc. was formed on January 5, 1998 to acquire certain of the generating assets being sold by Central Maine Power Company, The Union Water-Power Company, Cumberland Securities Corporation, and Central Securities Corporation (collectively, Central Maine) as part of a divestiture plan.

2/ For most of the Applicants, these sales will be made from facilities which are the subject of an application, submitted by Central Maine, FPL Energy Maine, Inc., and Affiliates (to be addressed in a future order in Docket Nos. (continued...))

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Commission grant any waivers necessary to permit the market-based rate schedules to become effective upon the closing of the transaction between Central Maine and FPL Energy Maine, Inc. 2/ Applicants' request to sell ancillary services at market-based rates will be addressed in a future order in Docket No. OA97-237-000 (concerning a similar request by NEPOOL for market-based rates for ancillary services), as they request.

#### Notice, Interventions and Protests

Notice of Applicants' application was published in the Federal Register, 63 Fed. Reg. 37,381 (1998), with comments, protests and interventions due on or before July 16, 1998. On July 16, 1998, Central Maine Power Company (CMP) filed a motion to intervene in support of the application. On July 16, 1998, the Florida Municipal Power Agency (FMPA) filed a motion to intervene in this docket and a protest against the sale of generating assets at issue in Docket Nos. EC98-45-000 and ER98-3507-000. On August 3, 1998, FPL filed an untimely motion to intervene.

#### Discussion

##### Procedural Matters

Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 4/ the timely, unopposed motions to intervene of CMP and FMPA serve to make them parties to this proceeding. We will grant FPL's untimely, unopposed motion to intervene, given its interest in this proceeding and the absence of any undue prejudice or delay.

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- 2/ (...continued)  
EC98-45-000 and ER98-3507-000), seeking approval for the sale of certain of Central Maine's generating assets to FPL Energy Maine, Inc. FPL Energy Power Marketing, Inc., however, is not acquiring any of these facilities. FPL Energy Power Marketing, Inc. will not engage in marketing activities in peninsular Florida.
- 3/ Exceptions to this are AVEC, which requests that its rate schedule be permitted to go into effect on February 3, 1999, and FPL Energy Power Marketing, Inc., which requests that its tariff be made effective on October 1, 1998.
- 4/ 18 C.F.R. § 385.214 (1998).

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#### Market-Based Rates

The Commission allows power sales at market-based rates if the seller and its affiliates do not have, or have adequately mitigated, market power in generation and transmission and cannot erect other barriers to entry. In order for an affiliate of a transmission-owning public utility to demonstrate the absence or mitigation of market power, the public utility must have on file with the Commission an open access transmission tariff for the provision of comparable services. The Commission also considers whether there is evidence of affiliate abuse or reciprocal dealing. 5/

As we explain below, we find that Applicants' market-based rate application meets these standards. Accordingly, we will accept the proposed market-based rates for filing, without suspension or hearing.

#### 1. Generation Market Power

Applicants will acquire generating facilities from Central Maine with a combined installed capacity of 1,185 MW and uncommitted capacity of 149 MW. Applicants have performed a hub-and-spoke analysis that identifies NEPOOL as the relevant market. They also treat NEPOOL as a single market. They argue that this approach is appropriate because the NEPOOL-wide open access tariff is now in place.

Our preliminary review of Applicants' analysis indicates that their market shares of installed and uncommitted capacity will not exceed levels the Commission previously has found to be acceptable, 6/ and these market-based rate applications meet the Commission's generation market power standard for approval of market-based rates.

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5/ E.g., Progress Power Marketing, Inc., 76 FERC ¶ 61,155 at 61,919 (1996), letter order approving settlement, 79 FERC ¶ 61,149 (1997); Northwest Power Marketing Company, L.L.C., 75 FERC ¶ 61,281 at 61,889 (1996); accord Heartland Energy Services, Inc., et al., 68 FERC ¶ 61,223 at 62,052-63 (1994) (Heartland).

6/ See, e.g., Louisiana Energy and Power Authority v. FERC, 141 F.3d 364 (D.C. Cir. 1998).

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We note that Applicants' affiliation with FPL does not raise generation market power concerns given the Commission's approval of market-based rates for FPL. 7/

## 2. Transmission Market Power

When an affiliate of a transmission-owning public utility seeks authorization to charge market-based rates, the Commission has required the public utility to have an open access transmission tariff on file before granting such authorization. 8/ The Applicants do not own or control any transmission facilities other than those necessary to interconnect their generating resources with Central Maine's transmission system. Pursuant to Order No. 888, FPL has filed an open-access transmission tariff in Docket No. OAG6-39-000. Thus, we find that the Applicants meet the Commission's transmission market power standard for approval of market-based rates.

## 3. Other Barriers to Entry

The application does not raise any issues with respect to barriers to entry or reciprocal dealing.

## 4. Affiliate Abuse

The proposed market-based rate schedules prohibit the purchase of power from or sale of power to FPL absent a separate rate filing under Section 205 of the Federal Power Act (FPA), 16 U.S.C. 824d (1994). Applicants have also filed codes of conduct governing affiliate transactions. These commitments satisfy the Commission's requirements as to information sharing, the pricing of non-power goods and services, and separating business activities and operating personnel of the affiliates. With these safeguards, we are satisfied that there are no affiliate abuse considerations of concern here.

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7/ Florida Power & Light Co., 81 FERC ¶ 61,107 at 61,394 (1997) (granting FPL market-based rate authority for sales to customers north and west of Peninsular Florida).

8/ See Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Order No. 888, 61 Fed. Reg. 21,540 (1996), FERC Stats. & Regs. ¶ 31,036 at 31,656-57 (1996), order on reh'g, Order No. 888-A, 62 Fed. Reg. 12,274 (1997), FERC Stats. & Regs. ¶ 31,048 (1997), order on reh'g, Order No. 888-B, 81 FERC ¶ 61,248 (1997), order on reh'g, Order No. 888-C, 82 FERC ¶ 61,046 (1998); accord Southern Company Services, Inc., et al., 71 FERC ¶ 61,392 at 62,536 (1995); Heartland, 68 FERC at 62,059-60.



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Reassignment of Transmission Capacity

Applicants' tariff provides for reassignment of transmission capacity that it has reserved for its own use at a price not to exceed the highest of: (1) the original transmission rate paid by Applicants; (2) the applicable transmission provider's maximum stated firm transmission rate on file at the time of the transmission reassignment; or (3) Applicants' opportunity costs, capped at the applicable transmission provider's cost of expansion at the time of the sale to the eligible customer. Applicants will not recover opportunity costs in connection with reassignments without making a separate filing under section 205 of the FPA. Except for the price, the terms and conditions under which the reassignment is made shall be the terms and conditions governing the original grant by the transmission provider. Transmission capacity may only be reassigned to a customer eligible to take service under the transmission provider's open access transmission tariff or other transmission rate schedules. Applicants will report the name of the assignee in its quarterly reports.

These provisions are consistent with the conditions the Commission has established for reassignment of transmission capacity by power marketers. 9/ Accordingly, we will accept Applicants' proposal to reassign transmission capacity.

Waivers, Authorizations and Reporting Requirements

Applicants request the following waivers and authorizations: (1) waiver of the accounting and related reporting requirements of Parts 41, 101, and 141 of the Commission's regulations; (2) permission to file an abbreviated application with respect to Part 45; (3) waiver of the requirements of Subparts B and C of Part 35, except sections 35.12(a), 35.13(b), 35.15 and 35.16; and (4) blanket approval under Section 204 of the FPA and Part 34 of the Commission's regulations. We will grant the requested waivers and authorizations as set forth in the ordering paragraphs, consistent with those granted to other sellers of power at market-based rates.

Consistent with previous Commission decisions, we will require FPL Energy Power Marketing, Inc. to file quarterly reports detailing the purchase and sale transactions undertaken in the prior quarter. This requirement is necessary to ensure that contracts relating to rates and services are on file as required by section 205 of the FPA and to allow the Commission to evaluate the reasonableness of the charges and to provide for

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9/ See, *Enron Power Marketing*, 81 FERC ¶ 61,277 (1997).

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ongoing monitoring of the marketer's ability to exercise market power. 10/

Consistent with procedures we have adopted in other cases, the Affiliates may file umbrella service agreements for short-term power sales (one year or less) within 30 days of the date of commencement of short-term service, to be followed by quarterly transaction summaries of specific sales. For long-term transactions (longer than one year), the Affiliates must submit the actual individual service agreement for each transaction within 30 days of the date of commencement of service. 11/

To ensure the clear identification of filings, and in order to facilitate the orderly maintenance of the Commission's files and public access to the documents, long-term transaction service agreements should not be filed together with short-term transaction summaries.

In addition, we will direct Applicants to inform the Commission promptly of any change in status that would reflect a departure from the characteristics the Commission has relied upon in approving market-based pricing. These include, but are not limited to: (1) ownership of generating or transmission facilities or inputs to electric power production other than fuel supplies; or (2) affiliation with any entity not disclosed in the filing that owns generation or transmission facilities or inputs to electric power production, or affiliation with any entity that has a franchised service area. 12/ Alternatively, Applicants may elect to report such changes with the updated market analysis they will be required to file every three years. 13/

The Commission orders:

(A) The market-based power sales tariffs submitted by Maine Hydro, Mason, Wyman, and Wyman IV are hereby accepted for filing, without suspension or hearing, to become effective on the date of

10/ See, e.g., *Heartland*, 68 FERC at 62,065-66.

11/ See, e.g., *Southern Company Services, Inc.*, 75 FERC ¶ 61,130 at 61,444-45, *clarified*, 75 FERC ¶ 61,353 (1996); *Plum Street Energy Marketing, Inc., et al.*, 76 FERC ¶ 61,319 at 62,556 (1996).

12/ See, e.g., *Morgan Stanley Capital Group, Inc.*, 69 FERC ¶ 61,175 at 61,695 (1994), *order on reh'g*, 72 FERC ¶ 61,082 (1995); *InterCoast Power Marketing Company*, 68 FERC ¶ 61,248 at 62,134, *clarified*, 68 FERC ¶ 61,324 (1994).

13/ We reserve the right to require such an analysis at any time.

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the closing of the transaction between Central Maine and FPL Energy Maine, Inc.

(B) The market-based power sales tariff submitted by AVRC is hereby accepted for filing, without suspension or hearing, to become effective on February 3, 1999.

(C) The market-based power sales tariff submitted by FPL Energy Power Marketing, Inc. is hereby accepted for filing, without suspension or hearing, to become effective on October 1, 1998.

(D) Applicants' request for waiver of Parts 41, 101, and 141 of the Commission's regulations is hereby granted.

(E) Within 30 days of the date of this order, any person desiring to be heard or to protest the Commission's blanket approval of issuances of securities or assumptions of liabilities by the Applicants should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.211 and 385.214.

(F) Absent a request to be heard within the period set forth in Ordering Paragraph (E) above, Applicants are hereby authorized to issue securities and assume obligations or liabilities as guarantor, indorser, surety, or otherwise in respect of any security of another person; provided that such issue or assumption is for some lawful object within the corporate purposes of Applicants, compatible with the public interest, and reasonably necessary or appropriate for such purposes.

(G) Until further order of this Commission, the full requirements of Part 45 of the Commission's regulations, except as noted below, are hereby waived with respect to any person now holding or who may hold an otherwise proscribed interlocking directorate involving Applicants. Any such person instead shall file a sworn application providing the following information:

- (1) full name and business address; and
- (2) all jurisdictional interlocks, identifying the affected companies and the positions held by that person.

(H) The Commission reserves the right to modify this order to require a further showing that neither public nor private interests will be adversely affected by continued Commission approval of Applicants' issuance of securities or assumptions of

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liabilities, or by the continued holding of any affected interlocks.

(I) Applicants' request for waiver of the provisions of Subparts B and C of Part 35 of the Commission's regulations, with the exception of sections 35.12(a), 35.13(b), 35.15, and 35.16, is hereby granted.

(J) Applicants are hereby directed to conform to the filing and reporting requirements specified in this order. The first quarterly report of transactions undertaken by Applicants under their market-based power sales tariff will be due within 30 days of the calendar quarter ending December 31, 1998.

(K) Applicants are hereby directed to file an updated market analysis within three years of the date of this order, and every three years thereafter.

(L) Applicants are hereby directed to inform the Commission promptly of any change in status that would reflect a departure from the characteristics the Commission has relied upon in approving market-based pricing. Alternatively, as discussed in the body of this order, Applicants may elect to report any such changes every three years with the updated market analysis filed pursuant to Ordering Paragraph (K) above. Applicants shall notify the Commission of which option they elect in the first quarterly report filed pursuant to Ordering Paragraph (J) above.

(M) Maine Hydro is hereby informed of the following rate schedule designation: FPL Energy Maine Hydro LLC, FERC Electric Tariff, Original Volume No. 1 (Market-Based Rate Schedule).

(N) Mason is hereby informed of the following rate schedule designation: FPL Energy Mason LLC, FERC Electric Tariff, Original Volume No. 1 (Market-Based Rate Schedule).

(O) Wyman is hereby informed of the following rate schedule designation: FPL Energy Wyman LLC, FERC Electric Tariff, Original Volume No. 1 (Market-Based Rate Schedule).

(P) Wyman IV is hereby informed of the following rate schedule designation: FPL Energy Wyman IV LLC, FERC Electric Tariff, Original Volume No. 1 (Market-Based Rate Schedule).

(Q) AVEC is hereby informed of the following rate schedule designation: FPL Energy AVEC LLC, FERC Electric Tariff, Original Volume No. 1 (Market-Based Rate Schedule).

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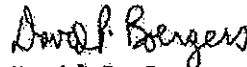
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(R) EPL Energy Power Marketing, Inc. is hereby informed of the following rate schedule designation: EPL Energy Power Marketing, Inc., FERC Electric Tariff, Original Volume No. 1 (Market-Based Rate Schedule).

By the Commission.

( S E A L )

  
David P. Boergers,  
Secretary.

**D-2: OPERATIONS EXPERTISE**

Please refer to Exhibit B-2 which details the substantial experience of NextEra Energy Services Ohio, LLC's ("NextEra Energy Services") management and affiliates in the competitive retail electricity supply market. Specifically, as provided in those Exhibits, NextEra Energy Services and its' affiliate based in Houston, Texas, have over 300 employees. Through its affiliates NextEra Energy Services serves over 500,000 residential and commercial customers in 25 competitive markets across the United States. As a company, NextEra Energy Services has been engaged in the competitive sale of retail electricity in Texas since 2002, when the Texas market first became competitive. As a result, NextEra Energy Services affiliates have developed substantial experience and expertise in all facets of competitive retail electricity supply including, among other things, enrolling and switching customers, developing market-driven, competitive products, call center operations, billing, invoicing and record-keeping, forecasting and hedging, customer service, data and information exchange and coordination with utilities, and through its affiliate, NEPM, as explained in Exhibit D-1, management of power supply obligations, including all scheduling and balancing.

**D-3: KEY TECHNICAL PERSONNEL**

NextEra Energy Services Ohio, LLC's key technical personnel's names, titles, e-mail addresses, telephone numbers. Please see attached bios of key technical personnel.

- John Ritch, Vice President of Supply & Load Forecasting  
[john.ritch@nexteraenergyservices.com](mailto:john.ritch@nexteraenergyservices.com)  
713.401.5738
- Deena Morgan, Vice President of Sales  
[deena.morgan@gexaenergy.com](mailto:deena.morgan@gexaenergy.com)  
713.401.5921
- Kenneth Matula, Vice President of Operations  
[kenny.matula@nexteraenergyservices.com](mailto:kenny.matula@nexteraenergyservices.com)  
713.401.5651

## JOHN H. RITCH

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### SUMMARY OF QUALIFICATIONS

Independent, results driven **energy market professional with extensive experience optimizing the financial performance of electric generation assets, managing retail load, and managing energy commodity risks.** Over 20 years of commercial experience in diverse businesses including; wholesale electricity, retail electricity, natural gas, and banking.

### KEY QUALIFICATIONS AND EXPERIENCE

- Optimization and Dispatch of Power Generating Assets
  - Risk Management Strategy Development and Execution
  - Proprietary Trader
  - Retail Electric Power Supply
  - Business Metrics and Process Improvement
  - J.D. with Focus on Energy Law and Regulation
- 

### PROFESSIONAL EXPERIENCE

#### 2012 - PRESENT

**NEXTERA ENERGY, INC. (GEXA ENERGY, LLC)**

Houston, TX

#### **Vice President - Retail Supply and Load Forecasting**

Responsible for leading all commodity risk management, power supply, and forecasting activity for retail power business operating in ERCOT, PJM and New England ISO.

#### 1998 - 2012

**GENON ENERGY, INC. (FORMERLY RRI/RELIANT ENERGY)**

Houston, TX

#### **Sr. Director - Asset Management**

Lead development and execution of regional strategy for merchant electric generation business. Cross-functional project team leader responsible for overseeing economic analysis and developing business cases for major capital projects, environmental control investments, asset retirements, and asset divestitures. Responsible for identifying and evaluating alternative operating and commercial strategies for under-performing business assets.

#### **Vice President - East Region**

Commercial leader of \$800MM gross margin Eastern U.S. Power Generation business segment. **Managed team of 25 electric industry professionals that conducted bidding, optimizing and hedging of 15,000 MW wholesale electric generation portfolio and 3,000 MW retail customer book.** Designed and implemented a series of objective performance metrics to drive improvement in daily optimization decisions. Responsibility for all aspects of regional business performance and profitability including; portfolio dispatch strategy, regional hedging strategy, fuel procurement, capital deployment, relations with regulators and ISOs and development of regulatory policy positions.



**Vice President - Texas Region**

Commercial leader for Texas region. Managed all activities associated with risk management and physical supply for 11,000 MW Texas retail customer book. Leader of team of electric industry professionals that negotiated and executed wholesale supply contracts for retail electric business, and provided trading, hedging, and optimizing services for supply portfolio. Leadership role in the management of regional business issues and development of regional policy positions relating to supply strategy, corporate liquidity usage, counterparty credit issues, and advocacy for changes in wholesale power market rules.

**Managing Director - Trading**

Trading desk manager for South, Mid-West and Texas regions. Responsibilities included asset hedging, proprietary trading, and management of regional proprietary trading staff. Portfolio management included merchant generation assets and full requirements load.

**Director - Long Term Power Trading**

Established and managed new trading desk. Desk responsibilities included all pricing, risk management and trading activities for power transactions with maturities from 2 to 10 years. Developed long term hedging strategy for merchant development projects, turbine inventory and unregulated asset portfolio.

**1997 – 1998 PACIFICORP POWER MARKETING, INC.**

Portland, OR

**Senior Forward Trader - Southern U.S. Electricity**

Profitable wholesale electricity trader. Traded fixed price and basis risk between “into Entergy” and other eastern electricity hubs.

**1996 – 1997 EURO BROKERS, INC.**

Greenwich, CT/Vancouver, WA

**Broker**

Brokered wholesale electricity and natural gas swaps and options.

**1992 - 1996 BARCLAYS BANK PLC**

New York, NY

**Vice President - Senior Trader: Interest Rate and Foreign Exchange Markets**

Managed interest rate and exchange rate risk of British pound and Canadian dollar foreign exchange swaps. Market-maker in Deutsche mark, French franc and Canadian dollar denominated interest rate products.

**1988 – 1992 MIDLAND BANK PLC**

New York, NY

**Assistant Treasurer - Foreign Exchange Trader**

Traded forward foreign exchange swaps, and arbitrated foreign exchange swap and deposit markets.

**EDUCATION**

**UNIVERSITY OF HOUSTON LAW CENTER**

Houston, TX

**Juris Doctor - 2011**

Gulf Coast Power Association Scholarship – Graduate with highest GPA in courses with an electricity law component.

**HARVARD UNIVERSITY**

Cambridge, MA

**Bachelor of Arts - 1988**

Varsity Swimming: All-Ivy League, NCAA Division I All-American

**BAR ADMISSION**

**MEMBER, STATE BAR OF TEXAS**

2011

## DEENA L. MORGAN

Repeatedly achieve and exceed revenue, margin and EBITA targets in a competitive market  
Extensive background in consultative sales, strategy, structuring and analytics  
Proven achievements in mergers and acquisitions, new product development including sustainability strategies, renewable generation and complex contract negotiations  
Engaged leader across all business units with a focus on a high performing national sales teams  
Networking with C-level executives across Fortune 500 companies

### Vice President, National Commercial Sales

December 2012 – Present

*NextEra Energy Services / Gexa Energy – Fortune 100 Company*

*Turned around a \$500MM (revenue) underperforming sales organization from a negative EBIT business to positive double digit EBIT returns three years in a row by reorganizing, implementing profitability models into sales decision making, streamlining sales channels, developing new products and executing market share growth and pricing strategies by region.*

*Negotiated long term contracts to Large C&I and Government customers for the energy procurement from utility scale wind and solar generation*

*Closed on a \$10MM retail power acquisition, leading the entire evaluation process from deal valuation, contract negotiation and due diligence to conclusion of closing and transitioning*

*Rated the highest level of employee achievement for all three years of employment, being recognized by the board of directors*

*Elected as Employee Engagement Champion to implement mentorship programs, development opportunities and social events*

- Transformed an underperforming regionally focused sales team into a high achieving national sales team, achieving on average 142% of plan for three years straight; recognized by KEMA in June 2013 for having the highest % growth in the industry
  - Restructured the organization of the sales business unit to create key leadership positions from which I recruited top industry talent and exited weak performers creating a 200% increase on origination goals from 2013 to 2015
  - Designed new incentive plans that were aligned to the sales goals of the business, both short and long term
  - Developed lead generation capabilities which fed a newly implemented channel strategy under the restructured team resulting in increased coverage from 18% of the national market to 39% of the same market
  - Implemented profitability model into the sales process which accounted for fixed and variable costs
- Managed \$52MM P&L associated with the Commercial Business
  - Created volume, margin and revenue forecasting models as key inputs to the company's financial planning process
  - Designed sales performance tracking models and scorecards which rolled up from the sales representative to the sales director's teams to my total commercial business
  - Minimized commodity volatility by influencing the pricing strategy on specific segments of the business
- Responsible for strategic wholesale clients who had a retail required support model, resulting in over \$50MM in margin for the wholesale origination business and \$4.5MM for the retail business
  - Launched a residential gas community program, resulting in 500,000 customers on flow
  - Built a retail program to support over 250 school districts in a consortium with an expansion campaign which resulted in a 21% year over year growth in membership and over \$10MM in net profit to the wholesale and retail organizations
  - Transitioned an aggregation of 250 cities and municipalities from a competitor to Gexa's retail book with NEER's wholesale supply resulting in \$20MM to both organizations
- Selected by NextEra Energy leadership to negotiate wind and solar asset projects and select company acquisitions
  - Lead negotiator on a California long term PPA with a key national client for a 20 year PPA to serve their C&I load
  - Led the RFP process for two government customers purchasing offtake from a wind project on the east coast
  - Originated and closed on a \$10MM retail acquisition, leading the pre and post close due diligence and successful

transition and assignment of the customer and wholesale contracts

## **General Manager and Vice President**

*July 2011 – December 2012*

*Think Energy, GDF Suez Retail Energy Solutions – Global Energy Company*

*Created a new business unit in the North American branch of GDF Suez to target and serve electricity to small commercial customers, representing \$45MM EBITDA. Responsible for all company operations in the small customer business unit including: corporate strategy, risk management, accounting & finance, business process outsourcing, commercial operations, branding, marketing, legislative and regulatory relations, communications, and commodity supply management. International advisor to Belgium, Australia, and Italy for deregulated sales.*

- Selected and designed the platforms that would be developed to price, enroll and contract with customers through mass sales channels (online, telesales, exclusive agents, non-exclusive agents, affinity partnerships)
  - Differentiated Think Energy in the market place with less than 60 second online customized pricing which reduces the risk associated with matrix and campaign pricing
  - Partnered with a unique back office vendor to create best in class billing, collections and customer care services for small commercial customers
  - Ensured all systems and process are scalable for a residential expansion in the future
  - Delivered systems on time under budget by \$1.1MM in CapEx
- Launched Think Energy in six markets in six months on par with original business plan
  - Introduced Think Energy to the regulatory body in each market to ensure each state level PUC were informed about our channel, marketing and customer service intent
  - Created pre-launch marketing campaigns for brand awareness and name recognition prior to sales launch
- Ramped exclusive channels in each market with a 50% month over month growth in the first 9 months of execution
  - Created exclusivity with key exclusive channel partners to sell on behalf of Think Energy
  - Maintained a less than \$300 Cost of Acquisition across all channels
  - Executed telesales and marketing campaigns to manage to performance levels of 0.1 SPH in telesales and 0.6 SPD in exclusive agent channel
  - Established a regulatory compliance scorecard for all channels to ensure rules and regulations are being followed
- Developed a pricing strategy that is focused on customer loyalty, satisfaction and retention value
- Created a long term retention strategy in order to maximize lifetime value of the small commercial customers
- Established key performance indicators to measure the success of the business
  - Attrition rate to determine the % of volume that is leaving the portfolio prior to contract termination
  - Lifetime value to evaluate how much a single customer costs Think Energy to acquire, serve and renew across the entire tenor or service
  - Channel sales metrics to optimize sales efficiencies across all channels to ensure we are selling to customers how they want to be sold to as well as how it most cost effective to Think Energy
- *Managed the P&L associated with the start-up costs, channel launch, recruiting, system development in order to break even for the entire business in the first 15 months of market launch*

Vice President – Retail Marketing, Strategy & Analytics

1/1/2010 — 6/30/2011

Vice President – Northeast Sales & Marketing (P/L)

Reliant Energy, an NRG Energy Company

***Built and managed the Profit and Loss associated with a new retail business outside of Texas, re-established an \$80MM small commercial business segment after a pause on investment, reduced earnings volatility by \$15MM through load forecasting, increased acquisition of residential customers through predictive modeling and implemented sales force optimization tools for a Large Commercial & Industrial consultative sales team.***

- Built from scratch and executed a national business strategy to achieve \$50MM of EBITDA by expanding Reliant's Small and Large C&I business into the Northeast power markets
  - Led the execution team including direct oversight of Regulatory, Legal, Commercial Operations (supply), Risk, IT, Sales, Product Development and Retail Operations with a capital budget for implementation of \$2.3MM – executed project under budget
  - Recruited, hired and managed a direct and indirect sales team
  - Contracted over 1MM MWh of load and \$3MM of gross margin during first full quarter of operations – exceeded expectations of original business plan
- Managed the Profit and Loss of Reliant's \$80MM EBITDA Small Commercial Business Segment in Texas by re-defining the product offering, channel strategy, pricing approach, brand spend and retention marketing
  - Increased renewal rates of small commercial customers from 40% to 57% of annualized volume
  - Implemented propensity to switch model which resulted in 25% reduction in lost volume of highest value customers (defined by size and margin level)
  - Launched daily pricing capabilities into the small commercial sales channels yielding in \$8.3MM signed term gross margin in 12 months, representing \$4.9MM EBITDA
  - Expanded market coverage in targeted sales channels, increasing monthly acquisition annualized volume by 42% from 71,000 annualized MWh to 100,000 annualized MWh
  - Delivered 45% more gross margin than plan while growing market share by 2%
- Reduced earnings volatility by approximately \$15MM through enhanced load forecasting capabilities
  - Integrated long term and day-ahead load forecasting methodology to reduce variance between expected and actual from 6% to 2%
  - Reduced Prompt Month MAPE in the Commercial & Industrial portfolio from 5.9% to 2.1% through customer specific true-up processes, implementation of economic forecast model and refinement of weather sensitivity models
  - Implemented economic models to correlate load usage trends to key industry indicators, reducing supply imbalances by \$2MM per month
- Led a quantitative analytics team and implemented predictive models to optimize media spend and increase acquisition volume for the residential business
  - Mass media spending model concluded optimal spending amounts for mass media advertising, seasonality of the spend and target areas to increase the overall call volume. This model was used to allocate \$15MM of annual spend on mass media in 2010.
  - Estimated the likelihood of a multi-family tenant to move into a single family home within the next 12 months which assisted the residential move team to selectively target those most likely to move with an attractive and competitive offer. This model resulted in an 84% predictive value.
  - Determined where in the life cycle of a term customer they were most likely to switch providers. This model contemplated the competitive landscape, the current gas outlook and the demographics of each customer. Applying this model to a pilot group of customers and offering attractive conversion offers at the point in time most likely to switch resulted in a 20% decrease in attrition.

- Implemented new products and product features for small and large commercial business customers resulting in new revenue generation of approximately \$10MM
  - Prepared the retail business for the launch of the NODAL market in ERCOT including product features, billing readiness, scheduling and supply management. Sponsored the project with cross-functional teams from Sales, Risk, Supply, Operations and IT with on-time deployment at budget.
  - Created a solution for customers who are being offered a blend and extend by their current non-Reliant provider. This product creates a synthetic blend and extend in the way of a rebate for existing contract terms in return for a contractual commitment into the future. This product had a potential execution value of over \$6MM in revenue.
  - Implemented future switch capability for campaign marketing efforts for the small business segment, resulting in 0.5% attrition uplift over plan on term customers
  - Launched a Block & Index product for scalar meters for smaller commercial customers, resulting in a 60% acceptance rate for targeted customers
  - Developed a product plan for a fully transparent pass through product for large industrial customers who have the risk appetite to wear market volatility.

**Director – Retail Strategy and C&I Analytics**

2007 – 2009

*Reliant Energy*

*Developed the business plan for expanding the C&I market to a national platform, redefined the small business strategy in ERCOT, created consistent and accurate financial forecasting for the C&I business, managed the collateral allocation process and participated in the strategic alternative solution phase of Reliant Energy.*

- Managed the collateral allocation process in a constrained environment for the retail business to determine the highest return on ~ \$1B of capital deployed
- Led the analytics and valuation modeling team for the strategic alternative decision by Reliant Energy to sell the PJM Retail business to Hess and the Texas business to NRG Energy
- Developed and validated the business development models to expand the C&I business outside of core states in PJM into Delaware, Illinois and New York
- Created and implemented a new go-to-market strategy for the Small and Mid Business Segment for ERCOT including customer segmentation, prospecting, hedging, pricing, advertising, channel and service models.

**Manager, Retail C&I Strategy and Analytics**

2005 – 2006

*Reliant Energy*

*Moved from the Structuring desk to the Strategy team in the Retail business to help enhance the performance reporting tools and capabilities, establish sales performance metrics, determine how to best measure profitability of retail transactions and provide 5 year strategic outlook for the business*

- Developed a cost allocation model to measure profitability of each unique commercial and industrial transaction ensuring all corporate, support and sales costs were fully covered at the margins imbedded in the contract price. This included a quarterly recalibration of all costs to ensure full recovery.
- Established performance goals for the C&I Sales team for each fiscal year based on upcoming opportunities, probability of execution, average signed terms and expected margin levels at size, segment and sales team level
- Initiated and led a monthly performance discussion on the C&I business that summarized closed transactions, lost deal analysis, competitive intelligence, product and market trends and supply management approaches. This was attended by sales management and senior vice presidents of Retail
- Created a simulation based 5 year strategic plan of Revenue, Gross Margin and EBITDA for the C&I business to account for market share stabilization in Texas and market expansion activity outside.

**Structurer, Wholesale & Retail Structuring**

2002 — 2004

*Reliant Resources*

*Promoted to lead Structurer supporting the Northeast Origination team focused in New York and PJM. Continued supporting the acquisition of the Orion Assets and integrating them into the trading and accounting books. Developed the pricing and modeling tools to support Reliant's entrance into the PJM Retail market.*

- Conducted analysis of historical PJM congestion and recommended FTR strategy for the trading group to execute in order to hedge the business from high congestion pricing on the grid. Created a tool that automated the historical distribution of basis pricing for structurers, traders and originators
- Led a gas-power correlation analysis study which was implemented into our risk and structuring models for all valuations. This study involved heavy involvement with executive risk management and trading personnel.
- Lead for Strategy, Asset Structuring and Accounting for integrating Orion Power Holdings
- Primary contact for all non-ERCOT retail transactions including structuring and pricing all non-standard deals, approving and reviewing pricing and validating final COGS for closed deals
- Provided transactional structuring support for the New York Origination team including tolling transactions in NYC, hydro evaluations, and full requirements for the NJ BGS retail auctions

**Structuring Analyst, Wholesale Structuring**

1999 — 2002

*Reliant Resources*

*Joined Reliant Resources with no energy industry knowledge or experience. Worked on technical development of origination, structuring and trading tools. Developed into the lead supporting analyst for multi-million dollar transactions and earned a promotion as the result of my modeling contributions to the \$2.9B Orion Power acquisition.*

- Built a simulation model to value the NYC generation units in the \$2.9 billion acquisition of Orion Power. Complex logic incorporated into the model included must-run regulations, minimum generation levels, reference pricing and dual fuel capabilities.
- Developed a set of add-in functions in S-Plus and Visual Basic deployable in MS Excel which assisted in commercial valuations. Created full HTML documentation and help files for each function. Sample functions included
- Created screening tool for the Origination team to evaluate standard spark spread options before deploying structuring resources on full blown analysis. This tool saved structuring resource time and enabled indicative bidding on multi-million dollar transactions
- Established and owned a data repository that warehoused current and historical corporate forward power and natural gas curves and volatilities used in all structuring and trading models and valuations.
- Developed method to split off-peak wrap prices traded in the market into weekend and offpeak prices for internal valuations
- With no energy experience, self-taught myself the fundamentals of power and natural gas by reading, attending seminars and closely shadowing Reliant's commodity traders.

**EDUCATION**

- BS, Applied Mathematics: Texas A&M University, 1999

**OTHER INTERESTS**

- Cy-Fair Educational Foundation Board of Trustees
  - o \$50,000 endowment partner
  - o Scholarship Committee Chair
- Leukemia & Lymphoma Society Team in Training — half marathon runner
  - o Childhood Cancer survivor (1988 Hodgkins Lymphoma)
  - o Top fundraiser for TX Gulf Coast Chapter and Top 10 National fundraiser Fall 2015

## **KENNETH J. MATULA**

### **CAREER SUMMARY**

Creative, confident and high performing executive leader with 18 plus year's competitive retail energy experience, building new markets, driving revenue growth, and improving market positioning. Successful in start-up, turn around and high growth markets across diverse business segments. Major strengths include:

- ☐ Executive Leadership ☐ Operations & Systems
- ☐ Business Strategy & Planning ☐ Business Transformation & Culture
- ☐ New Market Development ☐ Channel Development
- ☐ Business Partnering & Alliances ☐ Customer Experience

### **PROFESSIONAL EXPERIENCE**

**CONSTELLATION ENERGY**, Houston, Texas **2004-2013**

#### **Senior Vice President – Mass Markets Segment (2010- Present)**

Responsible for leading the Mass Market business segment for North America focusing on residential and small commercial customers. Manage all aspects of the day to day business including P&L responsibility, strategic & financial planning, sales, marketing, pricing & forecasting, business reporting & analytics and operational aspects of the business.

- Started the company's first mass market business in 2010 and grew it into the 7<sup>th</sup> largest national mass market business within the retail energy segment with over 1M residential and 100K small commercial customers.
- Built business model and capabilities to support business growth in 16 different states in 60 electric & natural gas markets including business & financial analytics, sales capabilities, marketing, branding and front office operations & systems.
- Implemented integrated campaign management structure with specific strategies focused on residential and small commercial acquisition, retention and lifecycle management. Included customer segmentation, offer development, product positioning, sales channel strategy, and campaign performance & analytics
- Commercial lead for the mergers & acquisitions due diligence team that successfully completed the acquisitions of MX Energy and StarTex Power.
- Led the business integration including platform integration, organization realignment, real estate, data warehouse migration realizing business synergies of \$30M.

#### **Senior Vice President – Commercial & Industrial Business Segment (2008-2010)**

Responsible for leading the commercial and industrial business segment for the retail business. Duties included P&L responsibility, strategic & financial planning, sales, marketing and sales support.

- Took on additional responsibility for leading the company's underperforming commercial and industrial segment successfully turning around the business performance by achieving 110% of plan in 2008, 120% of plan for 2009 and 115% of plan for 2010.
- Developed and implemented sales and sales management training programs resulting in improved sales performance and sales management effectiveness. Sales training program later adopted as the model across the entire retail business.

Kenneth J. Matula Page 2

- Developed and implemented alternative sales channel strategy decreasing cost of acquisition and retention, while increasing customer satisfaction and sales force effectiveness.
- Site leader for Houston based retail operations and employees responsible for business continuity, office, office management, site meetings, and employee & community events

**Vice President – Small & Medium Business Segment (2007-2010)**

Responsible for leading the small & medium business segment for the retail business. Duties included P&L responsibility, strategic & financial planning, sales, marketing, and operations.

- Developed and implemented the company's national business strategy for expanding the small & medium business segment for the retail business achieving 102% of plan for 2007, 115% of plan for 2008, and 105% of plan for 2009.
- Successfully developed and implemented new sales channels (telesales, inside sales, direct sales) and marketing capabilities to support customer acquisition, retention and cross/upsell activities. Included vendor contract negotiations & onboarding, sales training, sale coaching, sales reporting & performance metrics, and sales operations
- Implemented new transactional web based sales and customer care model including daily pricing matrixes, automated credit checks, paperless contracts, and customer self service portal.
- Retail commercial lead for \$250M company sponsored Siebel CRM project responsible for defining the business and platform requirements to support retail sales and marketing functions.

**Director – Small & Medium Business Segment (2005-2006)**

Responsible for leading the small & medium business segment for the Texas retail business. Duties included strategic & financial planning, sales, marketing and sales operations.

- Developed and implemented the company's small & medium business strategy for the Texas market achieving 110% of plan for 2005 and 125% of plan for 2006

**Senior Business Development Manager – Commercial & Industrial Segment (2004-2005)**

Responsible for business development targeting commercial & industrial customers in the Texas. Duties included prospecting, pipeline management, product & risk management strategies, presentations, contract negotiations, and account management.

- Came to Constellation as an individual contributor and exceeded sales quota for 2005 (103%) & 2006 (120%).
- Key accounts included McDonalds, Texas Medical Center, Enterprise Products, Anadarko, and Praxair

**RELIANT ENERGY, INC., Houston, Texas 1996 -2004**

**Director Business Development (2001-2004)**

Responsible for leading the business services sales team targeting commercial business segment for Texas. Duties include developing & implementing direct sales & marketing strategy for the Texas retail electric market. Drove market development, product positioning, and sales execution strategies and tactics, risk management, legal, operations, credit, marketing communications.

- Created, trained and managed direct sales teams consisting of seven regional sales offices and 65 direct sales representatives and support staff targeting the TXU, CPL, WTU, and TNP utilities in ERCOT.
- Responsible for managing the CNP PTB account base with a designated account management group.



Group was responsible for working with high value customers through retention based activities, crossing selling non-commodity products & services, and providing differentiated levels of customer service.

- Responsible for managing sales channel for aggregators and brokers. Negotiated strategic agreements between Reliant Energy and third-party aggregator & brokers to sell energy products to end-use business customers, developed operational process & procedures, and sales tracking.

**Manager - Strategic Planning & Development (1999-2000)**

- Coordinated the sell of external customer book of business & physical assets which included operational transfer & enrollment of transitioned customer accounts, development & execution of customer communication program, and book of business valuation.
- Member of the team responsible for the development and implementation of sales & marketing plan for Texas Retail Pilot Program.
- Managed direct & indirect third party vendors (telemarketing, D2D, channel partners). Responsibilities included vendor contract negotiations, sales training, sales coaching, sales reporting & performance metrics, and sales operations.
- Member of the PUCT Pilot Implementation Committee responsible for the Texas Retail Pilot Program structure and regulatory guidelines.

**Manager - Commercial & Industrial Sales (1996-1999)**

- Developed, trained and managed direct sales team consisting of 15 sales representatives targeting out of state deregulated electric and natural gas utilities. Deregulated energy markets included natural gas & electric utilities in Ohio, New Jersey, New York, Pennsylvania, Connecticut, Rhode Island, California and Georgia.
- Sales teams targeted medium to large commercial and industrial customer segment selling semi-configured and customized energy products and services.
- Developed sales training materials & trained sales staff on commodity products & services, utility rate & tariff analysis, telephone selling skills & techniques, and competitive selling strategies.
- From 1996 through 1999, the direct sales team rank number 1 out 5 regional offices, accounting for over 58% of the deal closures and 52% of the booked & term gross margin for the department.

**EDUCATION**

TEXAS STATE UNIVERSITY, San Marcos, Texas  
Bachelor of Business Administration – Finance 1991

**AFFILIATIONS**

National Energy Marketer's Association (NEM)  
Gulf Coast Power Association (GCPA)  
Customer Experience Professionals Association (CXPA)  
Candelighters Childhood Family Alliance – Board Member  
Marnie Rose Foundation – Advisory Board

**EXHIBIT D-4: FERC Power Marketer License Number**  
NextEra Energy Services Ohio, LLC  
CRES # 08-145(4) Renewal Application

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**D-4: FERC POWER MARKETER LICENSE NUMBER**

Please see Exhibit D-1. The FERC Order Accepting For Filing Proposed Market-Based Rates of NextEra Energy Power Marketing, Inc., formerly FPL Energy Power Marketing, Inc., is attached hereto.