Ohio | Public Utilities Commission

DIS Case Number: 14-0413-GA-AGG

Section A: Application Information

A-1. Provider type:

☒ Retail Natural Gas Broker ☐ Retail Natural Gas Aggregator ☐ Retail Natural Gas Marketer

A-2. Applicant's legal name and contact information.

Legal Name: Frontier Utilities Northeast, LLC
Phone: 877.437.7442 **Extension (if applicable):**
Website (if any): frontieruitilites.com

Country: United States
Street: 20455 State Highway 249, Suite 200
City: Houston **Province/State:** TX
Postal Code: 77070

A-3. Names and contact information under which the applicant will do business in Ohio

Provide the names and contact information the business entity will use for business in Ohio. This does not have to be an Ohio address and may be the same contact information given in A-2.

Name	Type	Address	Active?	Proof
Frontier Utilities Northeast, LLC	Official Name	20455 State Highway 249, Suite 200 Houston, TX 77070	Yes	File

A-4. Names under which the applicant does business in North America

Provide all business names the applicant uses in North America, including the names provided in A-2 and A-3.

Name	Type	Address	Active?	Proof
Frontier Utilities Northeast, LLC	Official Name	20455 State Highway 249, Suite 200 Houston, TX 77070	Yes	File

A-5. Contact person for regulatory matters

Aundrea Williams
20455 State Hwy. 249, Suite 200
Houston, TX 77070
US
aundrea.williams@nee.com
2817264520

A-6. Contact person for PUCO Staff use in investigating consumer complaints

Roland Gonzalez
5444 Westheimer Road Suite 1100
Houston, TX 77056
US
complaints.ne@frontierutilities.com
8322716648

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

Phone: 855.419.5462	**Extension (if applicable):**	**Country:** United States
Fax:	**Extension (if applicable):**	**Street:** 20455 State Highway 249, Suite 200
Email: complaints.ne@frontierutilities.com		**City:** Houston **Province/State:** TX
		Postal Code: 77070

A-8. Applicant's federal employer identification number

45-5436191

A-9. Applicant's form of ownership

Form of ownership: Limited Liability Company (LLC)

A-10. Identify current or proposed service areas

Identify each service area in which the applicant is currently providing service or intends to provide service and identify each customer class that the applicant is currently serving or intends to serve.

Service area selection

Columbia Gas of Ohio

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Dominion Energy Ohio
Duke Energy Ohio
CenterPoint Energy Ohio

Class of customer selection

Industrial
Residential
Small Commercial
Large Commercial

A-11. Start date

Indicate the approximate start date the applicant began/will begin offering services: 05-21-2022

A-12. Principal officers, directors, and partners

Please provide all contacts that should be listed as an officer, director or partner.

Name	**Email**	Title	Address
Aundrea Williams	aundrea.williams@nee.com	Vice President, Regulatory	20455 State Hwy. 249, Suite 200 Houston, TX 77070 US
Brian Landrum		President	20455 State Highway 249, Suite 200 Houston, TX 77070 US
Grit Farrell	grit.farrell@nee.com	Vice President	20455 State Highway 249, Suite 200 Houston, TX 77070 US

A-13. Company history

Frontier Utilities Northeast, LLC ('Frontier') and its affiliates engage in the competitive retail sale of electric and gas throughout the United States, as further set forth in Exhibits B-2, D-1 and D-2.

Frontier is an affiliate of NextEra Energy Inc., which, through its affiliates and subsidiaries, provides wholesale electric services throughout the United States and Canada. Frontier has been established to engage in the retail sales of electricity and natural gas in the State of Ohio.

Please refer to Exhibits B-1 and B-2 for corporate history of NextEra affiliates engaged in the retail sale of electricity, retail sale of gas and for a description of NextEra Energy, Inc.

Further information may be obtained at www.nexteraenergy.com.

A-14. Secretary of State

Secretary of State Link:

A-15. Proof of Ohio Employee and Office

Provide proof of an Ohio Office and Employee in accordance with Section 4929.22of the Ohio Revised Code. List the designated Ohio employee's name, Ohio office address, telephone number and web site address

Employee Name: Paul Karem
5746 Duddingston Drive
Dublin, OH 43017
US
paul.karem@gexaenergy.com
6142703337

Section B: Applicant Managerial Capability and Experience

B-1. Jurisdiction of operations

List all jurisdictions in which the applicant or any affiliated interest of the applicant is certified, licensed, registered or otherwise authorized to provide retail natural gas service or retail/wholesale electric service as of the date of filing the application..

Jurisdiction of Operation: Frontier Utilities Northeast, LLC (Frontier) 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 in retail and wholesale electric markets, as well as retail and wholesale natural gas markets throughout the United States. Wholesale electric and gas services are provided through NextEra Energy Marketing, LLC (NEM), 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 27 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 Exhibit B-2. With respect to retail gas services, certain NextEra affiliates engage in the retail sale of gas to residential, commercial and industrial customer in Northeast jurisdictions, as described in Exhibit B-2.

B-2. Experience and plans

Describe the applicant's experience in providing the service(s) for which it is applying (e.g., number and type of customers served, utility service areas, amount of load, etc.). Include the 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 Sections 4928.10 and/or 4929.22 of the Ohio Revised Code.

File(s) attached

B-3. Disclosure of liabilities and investigations

For the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant, describe all existing, pending or past rulings, judgments, findings, contingent liabilities, revocation of authority, regulatory investigations, judicial actions, or other formal or informal notices of violations, or any other matter related to competitive services in Ohio or equivalent services in another jurisdiction..

Liability and Investigations Disclosures: There are no 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 operation status or ability to provide the services it is seeking to continue to provide.

B-4. Disclosure of consumer protection violations

Has the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant been convicted orheld liable for fraud or for violation of any consumer protection or antitrust laws within the past five years?

No

B-5. Disclosure of certification, denial, curtailment, suspension or revocation

Has the applicant, affiliate, or a predecessor of the applicant had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, revoked, or cancelled or been terminated or suspended from any of Ohio's Natural Gas or Electric Utility's Choice programs within the past two years?

No

Section C: Applicant Financial Capability and Experience

C-1. Financial reporting

Provide a current link to the most recent Form 10-K filed with the Securities and Exchange Commission (SEC) or upload the form. If the applicant does not have a Form 10-K, submit the parent company's Form 10-K. If neither the applicant nor its parent is required to file Form 10-K, state that the applicant is not required to make such filings with the SEC and provide an explanation as to why it is not required.

Financial Reports Link(s): Please find herein as Exhibit C-1 the link to the most recent SEC Filings for Frontier Utilities Northeast, LLC's parent affiliate, NextEra Energy Inc.

NextEra Energy, Inc. 2021 FORM 10-K:

https://www.sec.gov/Archives/edgar/data/0000037634/000075330822000014/0000753308-22-000014-index.html

C-2. Financial statements

Provide copies of the applicant's <u>two most recent years</u> of audited financial statements, including a 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, provide 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 bank account numbers redacted.**

If the applicant is unable to meet the requirement for two years of financial statements, the Staff reviewer may request additional financial information.

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Links to Financial Statement(s): Frontier Utilities Northeast, LLC does not prepare stand–alone audited financial statements but is included in the audited financial statement of NextEra Energy, Inc., its ultimate parent company.

NextEra Energy Inc.'s two most recent years of audited financial statements are contained within its Annual Reports.

NextEra Energy, Inc. 2020 and 2021 Annual Reports:

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

C-3. Forecasted financial statements

Provide two years of forecasted income statements **based solely on the applicant's anticipated business activities in the state of Ohio.**

Include the following information with the forecast: a list of assumptions used to generate the forecast; a statement indicating that the forecast is based solely on Ohio business activities only; and the name, address, email address, and telephone number of the preparer of the forecast.

The forecast may be in one of two acceptable formats: 1) an annual format that includes the current year and the two years succeeding the current year; or 2) a monthly format showing 24 consecutive months following the month of filing this application broken down into two 12-month periods with totals for revenues, expenses, and projected net incomes for both periods. Please show revenues, expenses, and net income (revenues minus total expenses) that is expected to be earned and incurred in **business activities only in the state of Ohio** for those periods.

If the applicant is filing for both an electric certificate and a natural gas certificate, please provide a separate and distinct forecast for revenues and expenses representing Ohio electric business activities in the application for the electric certificate and another forecast representing Ohio natural gas business activities in the application for the natural gas certificate.

Preferred to file confidentially

C-4. Credit rating

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Provide a credit opinion disclosing the applicant's credit rating as reported by at least one of the following ratings agencies: Moody's Investors Service, Standard & Poor's Financial Services, Fitch Ratings or the National Association of Insurance Commissioners. If the applicant does not have its own credit ratings, substitute the credit ratings of a parent or an affiliate organization and submit 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 'Not Rated'.

File(s) attached

C-5. Credit report

Provide a copy of the applicant's credit report from Experian, Equifax, TransUnion, Dun and Bradstreet or a similar credit reporting organization. If the applicant is a newly formed entity with no credit report, then provide a personal credit report for the principal owner of the entity seeking certification. At a minimum, the credit report must show summary information and an overall credit score. **Bank/credit account numbers and highly sensitive identification information must be redacted.** If the applicant provides an acceptable credit rating(s) in response to C-4, then the applicant may select 'This does not apply' and provide a response in the box below stating that a credit rating(s) was provided in response to C-4.

File(s) attached

C-6. Bankruptcy information

Within the previous 24 months, have any of the following filed for reorganization, protection from creditors or any other form of bankruptcy?

- Applicant
- Parent company of the applicant
- Affiliate company that guarantees the financial obligations of the applicant
- Any owner or officer of the applicant

No

C-7. Merger information

Is the applicant currently involved in any dissolution, merger or acquisition activity, or otherwise participated in such activities within the previous 24 months?

No

C-8. Corporate structure

Provide a graphical depiction of the applicant's corporate structure. Do not provide an internal organizational chart. The graphical depiction should include all parent holding companies, subsidiaries and affiliates as well as 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 the applicant may respond by stating that it is a stand-alone entity with no affiliate or subsidiary companies.

File(s) attached

Section D: Applicant Technical Capacity

D-1. Operations

Retail natural gas brokers/aggregators: Include details of the applicant's business operations and plans for arranging and/or aggregating for the supply of natural gas to retail customers.

Operations Description: Frontier Utilities Northeast, LLC now seeks to continue engaging in the retail natural gas business in the State of Ohio. Frontier Utilities Northeast, LLC's gas supply obligations, including all scheduling and balancing, will be managed by its affiliate, NextEra Energy Marketing, LLC (NEM). NEM is a leading wholesale natural gas marketer and trades over 3.5 Bcf/day on average across the U.S. and Canada. NEM has proven expertise in the management of transportation and storage necessary to serve the Ohio market. In addition, NEM will follow prudent risk management practices in providing all of its retail products. As customers are acquired, NEM will perform load analyses and create forecasts to project the customers' expected usage and hedging requirements, along with strictly adhering to the appropriate utilities' delivery requirements for those customers.

All Customer care obligations will be handled by Frontier Utilities Northeast, LLC. Frontier Utilities Northeast, LLC currently provides retail customer care service in 5 states. See B-1 and B-2 responses.

D-2. Operations Expertise & Key Technical Personnel

Given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations. Include the names, titles, e-mail addresses, and background of key personnel involved in the operations of the applicant's business.

File(s) attached

Ohio | Public Utilities Commission

Application Attachments

A-14: SECRETARY OF STATE

See attached documentation of registration with the Ohio Secretary of State.

UNITED STATES OF AMERICA
STATE OF OHIO
OFFICE OF THE SECRETARY OF STATE

I, Frank LaRose, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show FRONTIER UTILITIES NORTHEAST, LLC, a Delaware Limited Liability Company, Registration Number 2260654, was registered in the State of Ohio on January 16, 2014, is currently authorized to transact business in this state.

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 8th day of April, A.D. 2022.

Ohio Secretary of State

THE SEAL OF THE SECRETARY OF STATE OF OHIO

Validation Number: **202209801976**

B-2: EXPERIENCE & PLANS

Frontier Utilities Northeast, LLC ("Frontier") has been established to engage in the retail sale of electricity and natural gas in the State of Ohio.

Experience

Frontier provides competitive natural gas supply in Ohio with assistance from its affiliate, NextEra Energy Marketing, LLC ("NEM"). Frontier is currently providing gas supply to over 4,300 Ohio customers. NEM is a leading natural gas marketer and trades over 3.5 Bcf/day on average across the United States and Canada.

The experience and expertise of Frontier' management and affiliates in the competitive retail supply market and Ohio natural gas market is substantial. Frontier and its' affiliate based in Houston, Texas, has over 300 employees. Through its affiliates Frontier serves over 1.4 million residential and commercial customers in 25 competitive markets across the United States. As a company, Frontier has been engaged in the competitive sale of retail electricity in Texas since 2008.

Plan for Contracting and Providing Contracted Services:

Frontier offers a variety of competitive and market-driven products to customers in compliance with applicable laws and OPUC rules. Contract forms will clearly 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 will manage and service its natural gas supply obligations.

Provision of Billing Statements

Frontier Utilities Northeast, 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 1.4 million. Frontier's affiliate customer accounts in Massachusetts, Illinois, New Jersey, Pennsylvania, and Texas. will use EC Infosystems, Inc. to manage EDI transactions. Customers will generally be invoiced on a consolidated basis by the applicable utility, with necessary coordination and review by Frontier. Where required for more sophisticated products, Frontier will manage the billing of the energy portion of the charges. Bills prepared at the direction of Frontier will be done so in accordance with all applicable rules of the Ohio Public Utility Commission.

<u>Response to Customer Inquiries and Complaints</u>

As mentioned above, customer service will be ultimately managed by Frontier's key personnel in Texas. Any customer with a question or complaint regarding billing or other generation service matters may contact a Frontier Customer Care representative at a dedicated toll free number or email address provided in the customer contract. Frontier's 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 Frontier Customer Care manager or supervisor. If a mutually agreeable resolution 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 OPUC and Frontier will provide the telephone number, facsimile number and website of the OPUC for the customer's convenience.

Frontier will exercise rigorous quality control and will ensure that its customer service representatives are well trained in applicable law and OPUC rules governing the provision of retail gas service. Frontier 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.

Frontier provides training to all personnel and stresses the importance and understanding of each of the following objectives:

- Knowledge and aware Frontier 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.

C-5: CREDIT REPORT

Frontier Utilities Northeast, LLC ultimate parent, NextEra Energy, Inc. meets the credit qualification. Please refer to Exhibit C-4 for information on the credit ratings of NextEra Energy, Inc.

C-4: CREDIT RATING

The credit rating of NextEra Energy Inc., Frontier's ultimate parent company, as reported by S&P and Moody's are attached.

Please also refer to Exhibit C-9 providing that Frontier Utilities Northeast, LLC intends to rely upon NextEra Energy Inc.'s affiliates for funding of its retail gas operations in Ohio.

S&P Global
Ratings

RatingsDirect®

NextEra Energy Inc.

Primary Credit Analyst:
Gabe Grosberg, New York (1) 212-438-6043; gabe.grosberg@spglobal.com

Secondary Contact:
Fei She, CFA, New York + 2124380405; fei.she@spglobal.com

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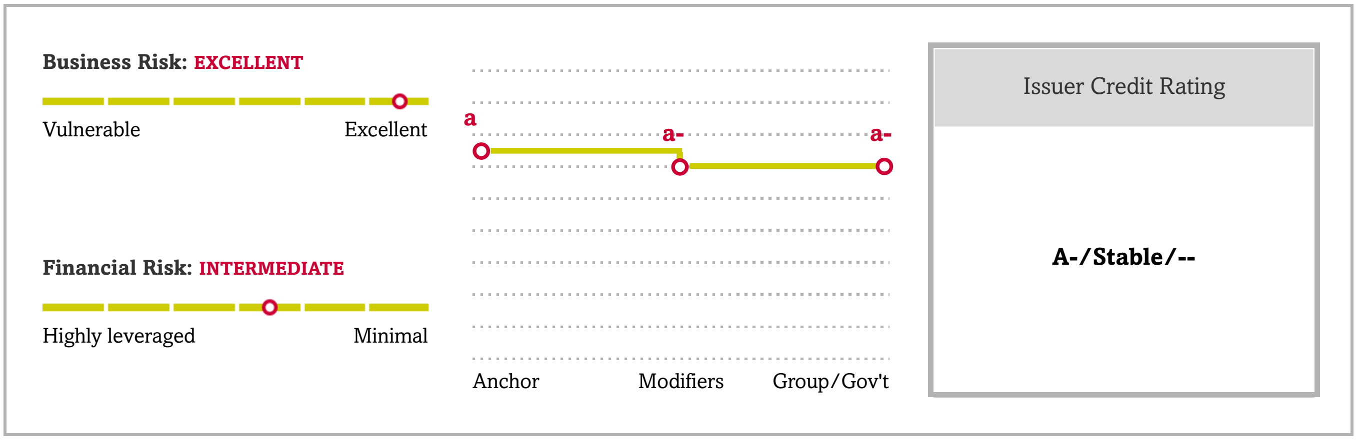
NextEra Energy Inc.



Credit Highlights

Overview

Key strengths	Key risks
Large, lower-risk regulated electric utility operations account for about 70% of consolidated EBITDA.	The company's higher-risk businesses, which account for about 10% of consolidated EBITDA, expose the company to significant liquidity needs and low margins, and require diligent risk management and hedging against fluctuating commodity prices.
Will likely continue to strategically decrease its risks by increasing its utility investments and decreasing the risks of its competitive business by growing through lower-risk, long-term contracted assets.	High capital spending resulting in negative discretionary cash flow necessitates consistent access and reasonably priced capital markets.
Management of regulatory risk and environmental, social, and governance risk factors is typically better than that of its peers.	Financial measures are consistently at the lower end of the range for its financial risk profile category, but with adequate cushion above the downside threshold.
Effectively manages the ongoing COVID-19-related risks.	

The company has managed the ongoing impacts of the COVID-19 pandemic well. Major capital projects, including renewable expansion, have remained on track during the pandemic, reflecting the company's long-term relationship with its many partners. NextEra Energy Inc.'s (NEE's) utility provides direct financial relief to customers in need and also leverages reserve amortization and hurricane cost deferral mechanisms to minimize volatility. Furthermore, the company benefits from Florida's above-average economic and customer growth. For the past six years, Florida has outperformed the national GDP growth rate, leading to above-average energy demand. Collectively, these benefits have supported the company throughout the pandemic, minimizing risk. More recently, Florida is beginning its economic recovery from COVID-19 as evidenced by improvements in the unemployment rate and consumer confidence, supporting our view that the company will continue to effectively manage the remaining risks of COVID-19.

Reduces risk by decreasing its carbon emissions, increasing its investments in lower-risk utility assets, and growing its competitive business through long-term contracted assets. NEE's regulated and competitive long-term contracted businesses account for about 90% of consolidated EBITDA. The company is proactively growing these relatively lower-risk businesses, which very gradually continues to lower credit risks. Recently, the Florida Public Service Commission approved a program to build 20 new solar projects with a cumulative capacity of about 1.5 gigawatts (GW) that it expects to be fully in service in 2021. We expect this will more than double the size of Florida Power &

Light Co.'s solar generation. Along with the planned retirement of its last remaining coal unit by early 2022 and ongoing solar and storage development efforts, the company's generation portfolio will continue to decrease greenhouse gas (GHG) emissions. In addition, with a green hydrogen project under development, the company has been actively exploring hydrogen solutions to further help reduce GHG emissions. Furthermore, NextEra Energy Resources LLC (NEER) has an approximate backlog of more than 15,000 MWs of renewable energy projects under development. With the U.S. Congress recently passing a two-year extension of the Investment Tax Credits for solar and a one-year extension of the Production Tax Credit for wind projects, we expect continued strong growth for the company's long-term contracted assets.

We assess the company at the very low end of the range for its business risk profile category. This reflects the company's nuclear merchant generation, proprietary trading, retail supply and wholesale full-requirements contracts, and natural gas infrastructure businesses, which account for about 10% of consolidated EBITDA and have significant liquidity needs, low margins, and require diligent risk management and hedging against fluctuating commodity prices.

We expect a gradual weakening of NEE's consolidated financial measures, resulting in funds from operations (FFO) to debt of 21%-24%. This incorporates the company's robust annual capital spending of about $14 billion, and dividends of more than $3 billion. We expect discretionary cash flow to remain negative and for the company to remain dependent on having consistent access to the capital markets. Nevertheless, we expect that the company will continue to strategically manage its credit measures, consistently maintaining sufficient financial cushion from its downgrade threshold.

Outlook

The stable rating outlook incorporates our view that the company will remain focused on growing its regulated utility businesses and will continue to reduce risk at its competitive businesses by strategically growing through contracted assets. We expect NEE's regulated utility business will consistently reflect about 70% of consolidated EBITDA. We expect consolidated financial measures will weaken, reflecting FFO to debt at 21%-24%.

Downside scenario

We could lower the rating over the next 24 months if the company's effective management of regulatory risk weakens or if the lower-risk regulated utility businesses account for less than 70% of consolidated EBITDA. We could also lower the ratings if FFO to debt consistently weakens to below 21%. This could occur if the company unexpectedly increases debt leverage to support more aggressive growth, shareholder rewards, or another debt-financed large acquisition.

Upside scenario

We could raise the rating over the next 24 months if financial measures consistently reflect the middle of the range for the financial risk profile category, reflecting FFO to debt consistently greater than 26%. This could occur if the company reduces reliance on debt leverage or decides to finance a future large acquisition or capital project with mostly equity.

Our Base-Case Scenario

Assumptions

- Robust cash flow generation at the company's regulated and nonregulated operations;
- Capital spending averaging about $14 billion annually;

- Dividend payments of about $3 billion annually;
- Benefits from monetization of tax benefits and asset sales;
- Company refinances debt maturities; and
- Negative discretionary cash flow.

Key Metrics

	2019a	2020e	2021f
FFO to debt (%)	23.3	21-23	21-23
Debt to EBITDA (x)	3.4	3.5-4	3.5-4
FFO cash interest coverage (x)	5.2	5-5.5	5-5.5

a--Actual. e--Estimate. f--Forecast. FFO--Funds from operations.

Company Description

NEE is a large electric power and energy infrastructure company that primarily consists of lower-risk regulated utilities (about 70% of EBITDA), competitive generation (about 20% of EBITDA), proprietary trading (about 5% of EBITDA), and natural gas infrastructure business (about 5% of EBITDA). The company's regulated utility serves more than 5.6 million customers in Florida and has about 30,000 MW of electric generation, of which about 70% is from natural gas. NEE's nonregulated operations focus largely on contracted electric generation, generally hedged or contracted long term, with an emphasis on renewable energy projects with some fossil and nuclear generation.

Peer comparison

Table 1

NextEra Energy Inc.--Peer Comparison

Industry Sector: Combo

	NextEra Energy Inc.	AVANGRID Inc.	Exelon Corp.	Dominion Energy Inc.	Public Service Enterprise Group Inc.
Ratings as of Jan. 19, 2021	A-/Stable/--	BBB+/Stable/A-2	BBB+/Negative/A-2	BBB+/Positive/A-2	BBB+/Stable/A-2
	--Fiscal year ended Dec. 31, 2019--				
(Mil. $)					
Revenue	19,128.1	6,338.0	34,418.5	16,572.0	10,076.0
EBITDA	9,963.6	1,970.0	10,549.5	7,336.4	3,896.0
Funds from operations (FFO)	7,894.5	1,644.2	8,775.0	5,523.8	3,303.5
Interest expense	2,507.1	375.8	2,243.4	2,010.5	621.5
Cash interest paid	1,885.1	323.8	1,509.4	1,706.5	551.5
Cash flow from operations	7,764.5	1,553.2	6,633.0	5,241.8	3,418.5
Capital expenditure	17,275.0	2,685.0	7,233.5	5,244.8	3,264.0

Table 1

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

Industry Sector: Combo

	NextEra Energy Inc.	AVANGRID Inc.	Exelon Corp.	Dominion Energy Inc.	Public Service Enterprise Group Inc.
Free operating cash flow (FOCF)	(9,510.5)	(1,131.8)	(600.5)	(3.0)	154.5
Discretionary cash flow (DCF)	(12,069.1)	(1,739.8)	(2,008.5)	(3,035.4)	(795.5)
Cash and short-term investments	600.0	178.0	587.0	166.0	147.0
Debt	33,865.6	8,991.1	42,195.9	37,790.4	17,537.0
Equity	45,668.5	15,586.0	34,573.0	34,974.0	15,089.0
Adjusted ratios					
EBITDA margin (%)	52.1	31.1	30.7	44.3	38.7
Return on capital (%)	6.9	4.5	8.3	7.6	8.0
EBITDA interest coverage (x)	4.0	5.2	4.7	3.6	6.3
FFO cash interest coverage (x)	5.2	6.1	6.8	4.2	7.0
Debt/EBITDA (x)	3.4	4.6	4.0	5.2	4.5
FFO/debt (%)	23.3	18.3	20.8	14.6	18.8
Cash flow from operations/debt (%)	22.9	17.3	15.7	13.9	19.5
FOCF/debt (%)	(28.1)	(12.6)	(1.4)	(0.0)	0.9
DCF/debt (%)	(35.6)	(19.4)	(4.8)	(8.0)	(4.5)

Business Risk

Our rating on NextEra is based on our assessment of its excellent business risk profile, which is based on our expectations that NEE's EBITDA contribution from its lower-risk regulated utilities businesses will consistently reflect about 70% of consolidated EBITDA. Through its utility operations, NEE provides electric services to nearly 5.5 million customers throughout most of the east and lower west coasts of Florida. The large, mostly residential customer base provides additional cash flow stability. NEE has a constructive regulatory framework that benefits from forward-looking test years and various constructive regulatory mechanisms that provides for timely investment and fuel-cost recovery. We view the company's management of regulatory risk as above average compared to peers as demonstrated through its ability to consistently earn returns that are close to authorized levels.

Furthermore, we expect that the company will continue to reduce the risks of its competitive businesses by growing through lower-risk, long-term contracted assets. However, we assess the company at the very low end of the range for this category, incorporating the company's other higher-risk businesses. These include nuclear merchant generation, proprietary trading, retail supply and wholesale full-requirements contracts, and natural gas exploration and production businesses. These activities account for more than 10% of consolidated EBITDA and have significant liquidity needs, low margins, and require diligent risk management and hedging against fluctuating commodity prices.

To account for these risks, we assess the comparable ratings analysis modifier as negative.

Financial Risk

We assess NextEra's financial measures using our medial volatility table because the majority of the company's operating cash flows are from its lower-risk regulated utilities and reflecting its generally effective management of regulatory risk in Florida.

We assess NextEra Energy Partners LP (NEP) as an equity investment and deconsolidate NEP from our analysis of NEE. This reflects the governance changes, which collectively have led NEE to lose control over NEP, and the overall reduced significance that NEP holds for NEE.

We remove the nonrecourse project debt at NEER, reflecting our view that NEER has sufficient scale and diversity that no single project is critical to NEE. Furthermore, management's public statement that it would not support a failing project and the company's record of walking away from a failing project in the past support our assessment.

Under our base-case scenario, we expect a gradual weakening of NEE's consolidated financial measures, resulting in FFO to debt of 21%-24%. This incorporates robust annual capital spending of about $14 billion, annual dividends of about $3 billion, robust cash flow generation at the company's regulated and nonregulated operations, and benefits from monetization of tax benefits and asset sales. We expect discretionary cash flow to remain negative and for the company to remain dependent on having consistent access to the capital markets.

Financial summary

Table 2

NextEra Energy Inc.--Financial Summary					
Industry Sector: Combo					
	--Fiscal year ended Dec. 31--				
	2019	**2018**	**2017**	**2016**	**2015**
(Mil. $)					
Revenue	19,128.1	16,651.3	17,119.7	16,079.3	17,412.8
EBITDA	9,963.6	8,637.4	7,457.6	7,313.9	7,116.2
Funds from operations (FFO)	7,894.5	7,133.3	6,146.5	6,037.0	5,932.2
Interest expense	2,507.1	1,751.0	1,691.1	1,224.0	1,335.0
Cash interest paid	1,885.1	1,304.0	1,169.1	1,186.0	1,151.0
Cash flow from operations	7,764.5	5,811.3	5,860.5	5,906.0	5,458.2
Capital expenditure	17,275.0	12,803.5	10,637.0	9,514.2	8,334.0
Free operating cash flow (FOCF)	(9,510.5)	(6,992.2)	(4,776.5)	(3,608.2)	(2,875.8)
Discretionary cash flow (DCF)	(12,069.1)	(9,204.1)	(6,745.6)	(5,355.0)	(4,377.0)
Cash and short-term investments	600.0	638.0	1,714.0	1,292.0	571.0
Gross available cash	600.0	638.0	1,714.0	1,292.0	571.0
Debt	33,865.6	28,704.4	21,993.7	21,529.6	22,180.5
Equity	45,668.5	41,109.0	33,426.0	29,261.0	25,801.0

Table 2

NextEra Energy Inc.--Financial Summary (cont.)

Industry Sector: Combo	--Fiscal year ended Dec. 31--				
	2019	2018	2017	2016	2015
Adjusted ratios					
EBITDA margin (%)	52.1	51.9	43.6	45.5	40.9
Return on capital (%)	6.9	7.5	10.2	9.7	10.4
EBITDA interest coverage (x)	4.0	4.9	4.4	6.0	5.3
FFO cash interest coverage (x)	5.2	6.5	6.3	6.1	6.2
Debt/EBITDA (x)	3.4	3.3	2.9	2.9	3.1
FFO/debt (%)	23.3	24.9	27.9	28.0	26.7
Cash flow from operations/debt (%)	22.9	20.2	26.6	27.4	24.6
FOCF/debt (%)	(28.1)	(24.4)	(21.7)	(16.8)	(13.0)
DCF/debt (%)	(35.6)	(32.1)	(30.7)	(24.9)	(19.7)

Reconciliation

Table 3

NextEra Energy Inc.--Reconciliation Of Reported Amounts With S&P Global Ratings' Adjusted Amounts

	--Fiscal year ended Dec. 31, 2019--									
NextEra Energy Inc. reported amounts (mil. $)										
	Debt	Shareholders' equity	Revenue	EBITDA	Operating income	Interest expense	S&P Global Ratings' adjusted EBITDA	Cash flow from operations	Dividends	Capital expenditure
	42,583.0	37,005.0	19,204.0	9,641.0	5,353.0	2,249.0	9,963.6	8,155.0	2,408.0	17,462.0
S&P Global Ratings' adjustments										
Cash taxes paid	--	--	--	--	--	--	(184.0)	--	--	--
Cash interest paid	--	--	--	--	--	--	(1,799.0)	--	--	--
Reported lease liabilities	554.0	--	--	--	--	--	--	--	--	--
Operating leases	--	--	--	91.0	18.6	18.6	(18.6)	72.4	--	--
Equity-like hybrids	(1,500.0)	1,500.0	--	--	--	(31.5)	31.5	31.5	31.5	--
Intermediate hybrids reported as debt	(2,321.5)	2,321.5	--	--	--	(119.1)	119.1	119.1	119.1	--
Accessible cash and liquid investments	(600.0)	--	--	--	--	--	--	--	--	--
Capitalized interest	--	--	--	--	--	215.0	(215.0)	(215.0)	--	(215.0)
Share-based compensation expense	--	--	--	117.0	--	--	--	--	--	--
Dividends received from equity investments	--	--	--	438.0	--	--	--	--	--	--

Table 3

NextEra Energy Inc.--Reconciliation Of Reported Amounts With S&P Global Ratings' Adjusted Amounts (cont.)										
Securitized stranded costs	--	--	(75.9)	(75.9)	(1.9)	(1.9)	1.9	(74.0)	--	--
Power purchase agreements	135.0	--	--	33.0	5.0	5.0	(5.0)	28.0	--	28.0
Asset-retirement obligations	--	--	--	172.0	172.0	172.0	--	--	--	--
Nonoperating income (expense)	--	--	--	--	254.0	--	--	--	--	--
Noncontrolling interest/minority interest	--	4,842.0	--	--	--	--	--	--	--	--
U.S. decommissioning fund contributions	--	--	--	--	--	--	--	(152.0)	--	--
Debt: Other	(4,984.9)	--	--	--	--	--	--	--	--	--
EBITDA: Gain/(loss) on disposals of PP&E	--	--	--	(406.0)	(406.0)	--	--	--	--	--
EBITDA: Valuation gains/(losses)	--	--	--	(108.0)	(108.0)	--	--	--	--	--
EBITDA: Other	--	--	--	61.5	61.5	--	--	--	--	--
Depreciation and amortization: Impairment charges/(reversals)	--	--	--	--	72.0	--	--	--	--	--
Depreciation and amortization: Other	--	--	--	--	(262.0)	--	--	--	--	--
Operating cash flow: Other	--	--	--	--	--	--	--	(200.5)	--	--
Total adjustments	(8,717.4)	8,663.5	(75.9)	322.6	(194.8)	258.1	(2,069.1)	(390.5)	150.6	(187.0)
S&P Global Ratings' adjusted amounts										
	Debt	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**	**Dividends paid**	**Capital expenditure**
	33,865.6	45,668.5	19,128.1	9,963.6	5,158.2	2,507.1	7,894.5	7,764.5	2,558.6	17,275.0

Liquidity

NEE has adequate liquidity, in our view, and can more than cover its needs for the next 12 months even if EBITDA declines by 10%. We expect the company's liquidity sources over the next 12 months will exceed uses by more than 1.1x. Under our stress scenario, we do not expect the company to require access to the capital markets during that period to meet liquidity needs. In addition, NEE has sound relationships with banks and a satisfactory standing in the credit markets. It could absorb a high-impact, low-probability event with limited need for refinancing.

Principal liquidity sources

- FFO of about $8 billion;

- Credit facility availability of about $13 billion; and
- Cash on hand of about $2 billion as of Sept. 30, 2020.

Principal liquidity uses

- Debt due within the next 12 months of about $5.5 billion;
- Maintenance annual capital spending of about $10 billion, which reflects NEE's capability of scaling back on its planned capital expenditures (capex), including its growth capex, in case of financial distress; and
- Annual dividends of about $3 billion.

Other Credit Considerations

We assess comparable rating analysis modifier as negative to capture the company's other higher-risk businesses. These include nuclear merchant generation, proprietary trading, retail supply and wholesale full-requirements contracts, and natural gas exploration and production businesses. These activities account for more than 10% of consolidated EBITDA and have significant liquidity needs, low margins, and require diligent risk management and hedging against fluctuating commodity prices.

Environmental, Social, And Governance

NextEra's credit quality is more enhanced than peers by its proactive management of its environmental and social risks, even though its assets are more exposed to hurricanes and physical climate change. The company has been proactively reducing its carbon emissions, even though Florida does not have a renewable portfolio standard.

NextEra owns about 52 GW of generation capacity through its regulated utility operations and competitive businesses. Although about 45% of the company's generation is from natural gas, the company has successfully built one of the largest renewable portfolios (about 35%). The remaining 11% of the company's generation mix stems from nuclear, which although carbon-free, exposes it to potentially higher operating risks and longer-term nuclear waste storage risks.

The company also operates its utilities in Florida, a region prone to frequent hurricanes, which could increase the company's risk exposure because climate change is intensifying the severity and frequency of these natural disasters globally. However, the company minimizes these risks through storm hardening and effectively managing regulatory risk by allowing for the timely recovery of storm costs.

We also believe NextEra's management of social risks is consistently better than that of peers because it delivers safe and reliable services to customers while maintaining customer bills at 30% less than the national average. Furthermore, the company's recent acquisition of Gulf Power and its intent to proactively lower customer bills while reducing its carbon footprint further demonstrates its commitment to local communities.

Issue Ratings - Subordination Risk Analysis

Capital structure

NEE's capital structure consists of about $48 billion total debt, of which about $26 billion is outstanding at NextEra Energy Capital Holdings Inc. (NEECH), about $17.6 billion outstanding at Florida Power & Light Co., and about $4.6 billion is outstanding at NextEra Energy Resources LLC.

Analytical conclusions

- We rate the hybrid equity units at NEE two notches below the issuer credit rating, one notch for deferability and one notch for subordination.
- We rate the unsecured debt at NEECH, guaranteed by NEE, one notch below the issuer credit rating because it ranks behind significant debt issued by subsidiaries in the capital structure.
- We rate junior subordinated notes and hybrid equity units at NEECH two notches below the issuer credit rating, one notch for deferability and one notch for subordination.
- We rate the commercial paper program at NEECH 'A-2' based on our issuer credit rating on the company.

Ratings Score Snapshot

Issuer Credit Rating

A-/Stable/--

Business risk: Excellent

- **Country risk:** Very low
- **Industry risk:** Low
- **Competitive position:** Excellent

Financial risk: Intermediate

- **Cash flow/leverage:** Intermediate

Anchor: a

Modifiers

- **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:** Negative (-1 notch)

Stand-alone credit profile : a-

- **Group credit profile:** a-

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | Industrials: Key Credit Factors For The Unregulated Power And Gas Industry, March 28, 2014
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	**Intermediate**	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	**a+/a**	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	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 January 26, 2021)*

NextEra Energy Inc.		
Issuer Credit Rating		A-/Stable/--
Senior Unsecured		BBB
Issuer Credit Ratings History		
11-Mar-2010	*Foreign Currency*	A-/Stable/--
14-Jan-2010		A/Watch Neg/--
26-Oct-2006		A/Stable/--

Ratings Detail (As Of January 26, 2021)*(cont.)		
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-1
Commercial Paper		
Local Currency		A-1
Senior Secured		A+
Senior Unsecured		A
NextEra Energy Capital Holdings Inc.		
Issuer Credit Rating		A-/Stable/A-2
Commercial Paper		
Local Currency		A-2
Junior Subordinated		BBB
Senior Unsecured		BBB+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

MOODY'S
INVESTORS SERVICE

CREDIT OPINION
24 January 2022

Update

Rate this Research

RATINGS

NextEra Energy, Inc.

Domicile	Juno Beach, Florida, United States
Long Term Rating	Baa1
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Jeffrey F. Cassella +1.212.553.1665
VP-Sr Credit Officer
jeffrey.cassella@moodys.com

Jayce Kim +1.212.553.6836
Associate Analyst
jayce.kim@moodys.com

Michael G. Haggarty +1.212.553.7172
Associate Managing Director
michael.haggarty@moodys.com

Jim Hempstead +1.212.553.4318
MD - Global Infrastructure & Cyber Risk
james.hempstead@moodys.com

NextEra Energy, Inc.

Update to credit analysis

Summary

NextEra Energy, Inc.'s (NEE) credit profile reflects its industry leading positions in the regulated utility and renewable energy sectors as well as a typically solid financial profile. Its principal utility subsidiary, Florida Power and Light Company (FPL), is the foundation of NEE's credit quality and is one of the largest and financially strongest regulated electric utilities in the US. FPL accounted for roughly 72% of NEE's consolidated EBITDA and is the majority of NEE's regulated business. Most of NEE's remaining EBITDA is generated by NextEra Energy Resources LLC (NEER), which holds the largest private portfolio of renewable power projects in North America. NEER is the principal subsidiary of NextEra Energy Capital Holdings, Inc. (NEECH), an intermediate holding company of NEE and the principal debt financing vehicle for NEE's businesses outside of the Florida utility. NEER also owns a majority stake (57%) in NextEra Energy Partners, LP (NEP), a yieldco that acquires, manages and owns long-term contracted clean energy projects and gas pipelines with stable cash flow.

NEE's credit quality also considers the company's typically solid financial profile which has weakened more recently, however we expect this to be temporary. For the 12-months ended 30 September 2021, NEE's consolidated ratio of cash flow from operations pre-working capital changes (CFO pre-W/C) to debt was 15%; lower than historical levels where the ratio was in the high teens. NEE's weaker credit metrics are mainly attributed to substantial debt issuances in 2021 to fund elevated capital investments across the family and FPL's modestly weaker financial metrics compared to historical levels. This was largely due to FPL's extending its 2016 rate settlement agreement an additional year through 2021. When taking a forward view and pro forma for debt reduction using proceeds from future equity unit conversions, we estimate NEE's ratio of CFO pre-W/C to debt would be about 16.8%. With the benefits of rate revenue increases at FPL driven by the supportive outcome of its latest rate case, some debt reduction and increasing cash flow generation from NEER's project growth, we expect NEE's consolidated ratio of CFO pre-W/C to debt to again be in the 17% - 19% range over the next few years.

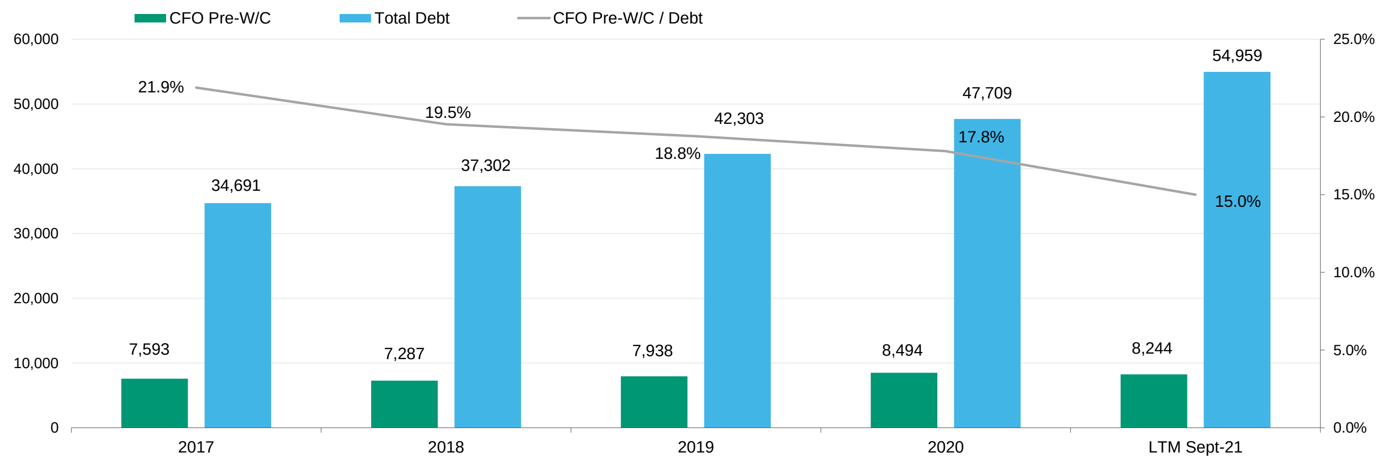
NEE's credit is constrained by an elevated level of holding company debt, approximately 52% of consolidated debt, which includes the proportional consolidation of NEP's debt (roughly 48% of consolidated debt when allocating some parent debt to certain unlevered operating assets). NEE's percentage of holding company debt is one of the highest among regulated utility holding company peers. NEE is also exposed to extreme weather events such as hurricanes and tropical storms that periodically affect FPL's service territory, however the Florida regulatory and legislative environments have a history of credit supportiveness during and in the aftermath of such events.

Recent developments

In early January, four Democratic members of the FL House of Representatives wrote a letter to the FPSC requesting an audit of FPL's expenditures to determine whether ratepayer money was used inappropriately. The FPSC immediately responded to the request stating that an audit was not necessary since a full audit was recently performed with FPL's rate case in 2021. The group of Democratic representatives followed with another letter requesting again for an audit as they indicated that new information since the rate case has become available. Since then, the FPSC has responded further indicating that FPL was authorized to recover in rates only prudently incurred costs as verified by an audit during the utility's rate case proceeding last year.

Exhibit 1

Historical CFO Pre-WC, Total Debt and ratio of CFO pre-W/C to Debt ($ MM)



Source: Moody's Financial Metrics

Credit strengths

» Large size and leading position in the regulated utility and renewable energy sectors

» FPL's strong credit quality is the foundation of NEE's credit profile

» Continued focus on growing regulated assets and reducing uncontracted merchant exposure strengthens business risk profile

» NEER higher risk profile mitigated by long-term power contracts largely with investment grade counterparties

» Financial metrics expected to improve to historical levels

Credit challenges

» Holding company debt percentage is one of the highest in the sector, constraining the ratings of the corporate family

» Financial metrics, although expected to be temporary, are currently lower than historical levels

» Large annual negative free cash flow balances continue at NEECH due to ongoing elevated investment activities that require substantial debt financing

» Geographic concentration in Florida with high risk of storm events

» Aggressive acquisition appetite in pursuit of primarily regulated assets; however limited number of executed deals historically

» Project execution risk remains at NEER as it continues investing heavily through an elevated construction cycle

Rating outlook

NEE's stable outlook reflects our expectation that FPL will continue to maintain a strong financial profile while operating within a highly supportive Florida regulatory environment; NEER's renewable asset portfolio will maintain its steady operating performance; major construction projects will be executed on time and within budget; and the company will continue to have strong access to the capital markets. The stable outlook reflects our expectation that NEE's financial profile will strengthen such that key credit metrics will improve to levels maintained historically, including a ratio of CFO pre-W/C to debt of 17% and CFO pre-W/C less dividends to debt of roughly 12%. The stable outlook also incorporates our view that any M&A activity, if executed, will be financed in a manner that maintains a financial profile that supports current credit quality.

Factors that could lead to an upgrade

An upgrade of NEE is unlikely in the near future due to the high percentage of holding company debt, elevated capital project investments financed with substantial debt, single state concentration of its principal utility exposed to extreme weather events, and the company's aggressive M&A appetite. Longer term, NEE could be upgraded if there is substantial debt reduction at NEECH such that the percentage of holding company debt declines substantially as a percentage of total debt and consolidated financial metrics improve such that NEE's ratio of CFO pre-W/C to debt is sustained above 20%.

Factors that could lead to a downgrade

NEE could be downgraded if we expect its ratio of CFO pre-W/C to debt to be sustained below 17% for an extended period. NEE could also be downgraded if the regulatory environment deteriorates in Florida, such that there delays in cost recovery; or there are adverse tax or environmental policy developments that negatively affect NEER's renewable energy business. A downgrade could occur if NEE's business risk profile deteriorates meaningfully or if its holding company level debt increases from current levels. A downgrade of FPL could lead to a downgrade of NEE, due to the importance of the utility to the parent.

Key indicators

Exhibit 2

NextEra Energy, Inc. [1]

	Dec-17	Dec-18	Dec-19	Dec-20	LTM Sept-21
CFO Pre-W/C + Interest / Interest	5.7x	5.7x	4.4x	5.1x	7.1x
CFO Pre-W/C / Debt	21.9%	19.5%	18.8%	17.8%	15.0%
CFO Pre-W/C – Dividends / Debt	16.2%	13.8%	12.9%	12.0%	9.6%
Debt / Capitalization	49.3%	44.9%	45.4%	47.0%	50.6%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

Profile

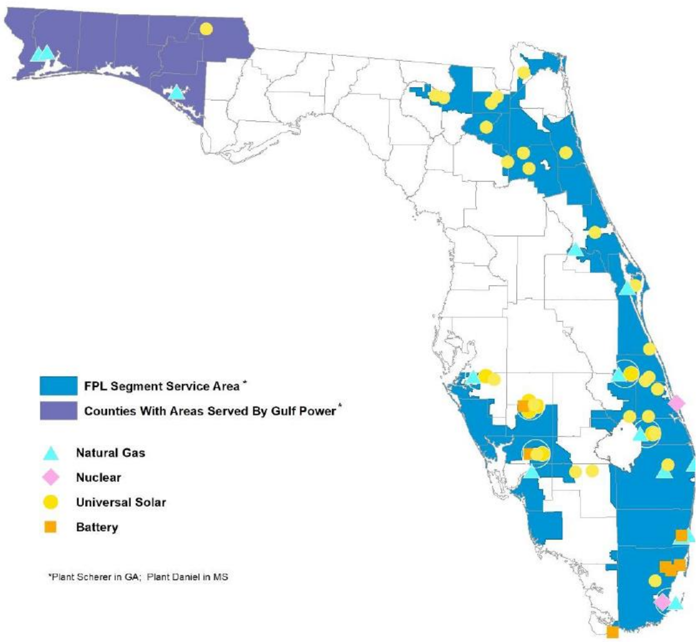
Headquartered in Juno Beach, Florida, NextEra Energy, Inc. is one of the largest holding companies in our global regulated utility rated universe. NEE's principal operating utility, Florida Power & Light Company (FPL, A1 stable) is one of the largest vertically integrated regulated utilities in the US and serves 5.7 million customer accounts or more than 11 million residents across more than half of the state of Florida. FPL accounts for about 72% of NEE's consolidated EBITDA.

In January 2022, FPL completed its integration of Gulf Power, one year after the two companies legally merged into FPL after the Federal Energy Regulatory Commission (FERC) approved their merger application on 15 October 2020. In addition, within the recently approved settlement agreement, rates for FPL and legacy Gulf Power became unified. FPL continues as the surviving entity as Gulf Power will conduct business as FPL in its service territory. NEE acquired Gulf Power from The Southern Company (Southern, Baa2 stable) in January 2019 for approximately $5.75 billion, which included $4.35 billion in cash plus the assumption of approximately $1.4 billion of debt.

NEE is also the holding company of NextEra Energy Capital Holdings, Inc. (NEECH, Baa1 stable), which is the principal debt financing vehicle for the businesses outside of the Florida utility and an intermediate holding company of NextEra Energy Resources (NEER, unrated). NEER is an intermediate holding company for NEE's independent power projects as well as its ownership interests in natural gas pipelines, and through a subsidiary also has majority ownership interest (currently 57%) in the yieldco, NextEra Energy Partners, LP

(NEP, Ba1 stable). NEER's other subsidiaries include NextEra Energy Transmission (NEET, unrated), which holds FERC regulated electric transmission assets. NEE has no debt of its own but provides an unconditional guarantee of debt that resides at NEECH.

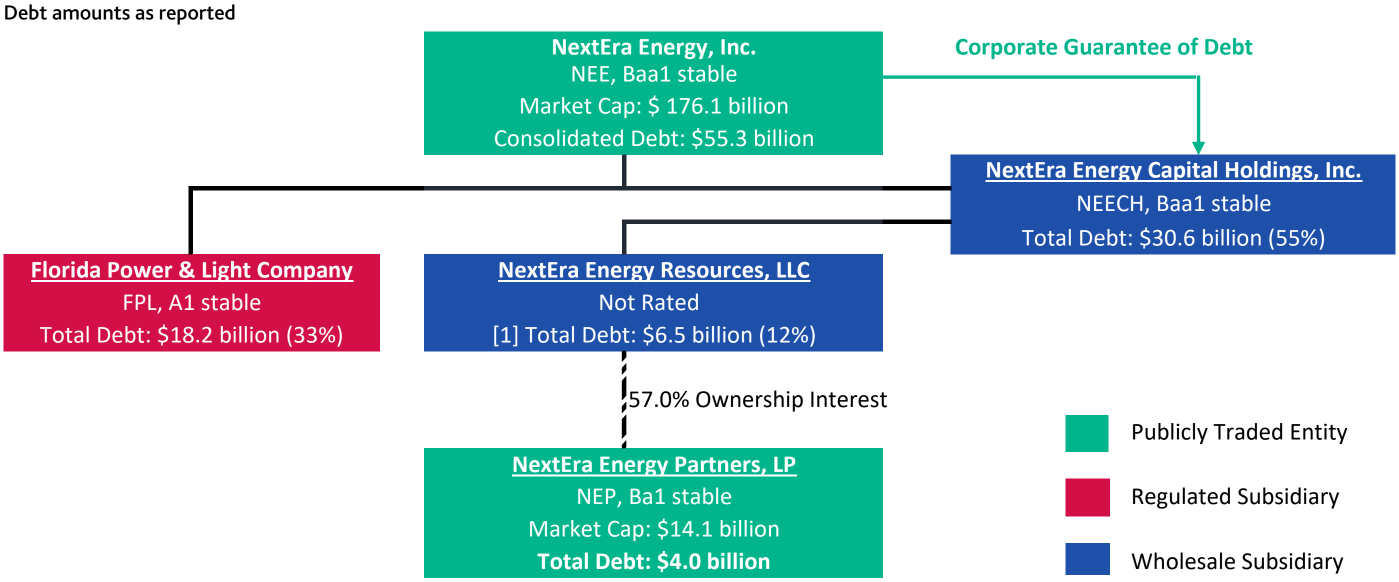
Exhibit 3
Map of NEE's regulated utility service area



Source: Company presentations

Detailed credit considerations

Exhibit 4
Organizational Chart
Debt amounts as reported



[1] Includes Lone Star Transmission Debt
Note: As of 30 September 2021; NEE Market Capitalization as of 5 January 2022; Gulf Power was legally merged into FPL on 1 January 2021 and is included in the FPL entity box.
Source: Company Filings, Company Website

FPL'S strong credit quality remains the foundation of NEE's credit profile

FPL is NEE's principal subsidiary and "crown jewel" as it is one of the financially strongest regulated electric utilities in the US, forming the foundation of NEE's credit quality. At the same time, FPL's geographic concentration in Florida exposes NEE to the state's economic cycles, weather events such as severe storms, and any significant changes to the political and regulatory environment. A rarity amongst US regulated electric utilities, FPL's growing population within its service territory generates organic sales and load growth, as well as new investment opportunities that provide steady rate base expansion with earnings and cash flow growth potential.

On 26 October, the Florida Public Service Commission (FPSC) unanimously approved FPL's multiyear rate settlement agreement, based on a forward test year, approving an up to $1.5 billion base rate revenue increase over the four-year period 2022-25. The increase was premised on an allowed return on equity (ROE) of 10.6%, up from 10.55% previously, and the continuation of an equity ratio that FPL has consistently maintained at about 60%. The allowed ROE range is 9.7%-11.7%, which allows FPL to effectively earn up to an 11.7% return. The company has been able to achieve earned ROE's towards the upper end of its authorized ROE range through strong customer and sales growth as well as continued improvements in operating efficiency. The settlement included key intervening parties including the state's consumer advocacy group, Florida Office of Public Counsel, the Florida Retail Federation, the Florida Industrial Power Users Group and the Southern Alliance for Clean Energy.

The multiyear base revenue increase included a $692 million increase on 1 January 2022 and a $560 million increase on 1 January 2023. FPL is also eligible to receive base rate increases for the addition of up to 894 megawatts annually of new solar generation through a solar base rate adjustment mechanism in each of 2024 and 2025, up to $140 million each year. The multistep nature of the rate increase mitigates some of the immediate rate effect on customers. The authorized revenue increase includes the majority of FPL's initial request filed by the company on 12 March 2021 for up to approximately $2 billion based on an allowed ROE of 11.5% and maintenance of its 60% equity ratio. The revenue increase supports FPL's long-term investments to upgrade its infrastructure, including for resiliency and grid hardening, in response to increasing occurrences of climate change related extreme weather events, such as hurricanes.

The regulatory environment for investor-owned utilities in Florida remains highly credit supportive. In its last several rate proceedings, FPL has been able to achieve multiyear rate settlements which provide a high degree of rate certainty and have supported the company's credit quality. They have included timely recovery of rate base investments, including generation, and grid hardening to combat extreme weather events, while also addressing the impacts of federal tax reform and storm restoration costs.

FPL earns the vast majority of its net income through its base rates but several clauses provide for adequate and timely cost recovery and returns on certain other investments. The company has experienced few disallowances and little regulatory lag in cost recovery. For example, its fuel and capacity clauses are adjusted annually based on expected fuel and purchased power prices and for prior period differences between projected and actual costs. FPL may also recover pre-construction costs and carrying charges for construction work-in-progress for capital expenditures. Additionally, FPL has an environmental cost recovery clause that is adjusted annually for capital spending and operating expenses related to emission controls.

The 2021 rate settlement retained the cost recovery mechanisms that have allowed FPL to produce consistently above-average credit metrics. An example includes the utility's storm cost recovery provisions, which are important in Florida where hurricanes are prevalent. A SoBRA mechanism was also included in the settlement order, which provides FPL the ability to increase base rates on a timely basis without a rate case for the addition of new solar generation assets. The revenue rate adjustment mechanism is similar to the Generation Base Rate Adjustment that allows for timely recovery of generation rate base investments like FPL's approximately $900 million Dania Beach power generation facility modernization project that is currently underway and is expected to be in service in 2022.

Support from Florida's regulatory framework during severe storms is critical to credit quality

Since utilities in Florida are vulnerable to storm and hurricane activity, the regulatory framework to address costs related to extreme weather events has been an important factor supporting FPL's credit quality during storm affected years. The company can and has petitioned for recovery of storm damage costs in excess of its storm reserve that would be collected through a storm surcharge. Securitization legislation for the recovery of storm-related costs is also in place in Florida, if necessary.

In late June 2019, the governor of Florida signed into law Senate Bill 796, which requires investor-owned utilities (IOUs) to submit storm protection plans to the FPSC that detail how the IOUs will harden their grids and make them more resilient during extreme weather events like hurricanes. The law is credit positive for the state's utilities because it allows them to grow rate base through increased investments and obtain timely recovery, all in an effort to maintain customer reliability.

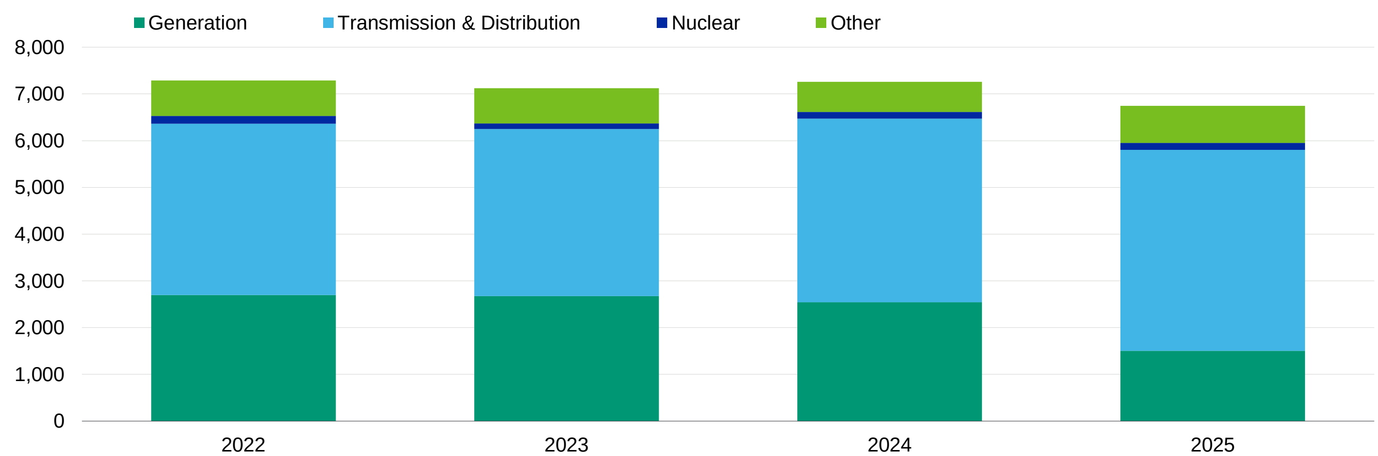
Following the legislation, in October 2019, the FPSC issued a rule to implement a Storm Protection Plan (SPP) Cost Recovery Clause. The mechanism allows for recovery of new transmission and distribution storm hardening investments not already included in base rates. This signaled that Florida regulators support proactive management of physical risks arising from climate change, which is expected to cause storms to be more frequent and more powerful over the long term.

In August 2020, the FPSC approved FPL's storm protection plan, consisting of investments of about $10.2 billion to upgrade its grid infrastructure from 2020-2029, including about $5.1 billion for undergrounding power lines. FPL is spending approximately $3-4 billion in transmission and distribution storm hardening investments from 2020 - 2022 and obtaining timely recovery through the SPP recovery mechanism.

FPL expects to invest approximately $28.4 billion of new capital from 2022 - 2025. About half of the $7-$8 billion spent annually over the next few years will be used towards continuing to update its transmission and distribution network including grid hardening and reliability investments. About 15% of the projected spending is earmarked for modernizing its existing generation portfolio by increasing its cleaner, more fuel-efficient power generation. Almost 20% of the investments will go towards new generation capacity which will mainly be solar power.

Exhibit 5

FPL's elevated capital expenditures continue to grow rate base and cash flow
($ millions)



Source: Company Filings

Holding company leverage remains elevated and constrains the credit profile of the entire corporate family

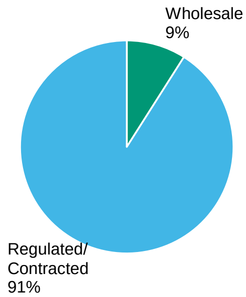
We estimate NEE's holdco debt as a percentage of consolidated debt to be currently about 52%, including the proportional consolidation of its ownership in NEP. When allocating some parent debt to certain unlevered nuclear generation assets, NEE's holdco debt percentage would be roughly 48% of consolidated debt. NEE's percentage of holding company debt is one of the highest within the regulated utility sector, and is a constraint on the credit quality of the entire corporate family. The holding company debt includes $6 billion of debentures related to equity units issued in 2019 and 2020. These securities trigger the mandatory issuance of new equity in three years from the time of issuance. We expect NEE to use the proceeds from the new equity in the same manner as it has done historically which is to pay down holding company debt. When taking a forward view on the conversion of these equity units and assuming the company pays off debt with the proceeds as it has done historically with previous equity units, NEE's holdco debt would fall to approximately 41% of consolidated debt. We expect NEE's percentage of holding company debt to modestly and gradually decline over time.

Since the Gulf Power acquisition in 2019, NEE has continued to pursue utility acquisitions but has not made any material acquisitions. NEE was one of 9 bidders for the Jacksonville Electric Authority (JEA, Aa3 stable), which has since terminated the bidding process for the sale of its electric and water/wastewater assets. In addition, NEE was one of a select list of bidders for the South Carolina Public Service Authority (Santee Cooper, A2 stable), which is no longer for sale. NEE withdrew its bid and the pursuit of Santee Cooper in early 2021 prior to the company ending its sale process.

NEER has a higher risk profile, although mitigated by long term contracts, and maintains strong growth potential

NEER, which accounts for about 25% of NEE's EBITDA, continues to increase the contracted portion, currently about 85%, of its large portfolio of renewable assets and expects to be about 90% by 2022. At the same time, NEE's regulated and contracted assets combined to account for about 91% of adjusted EBITDA in 2021.

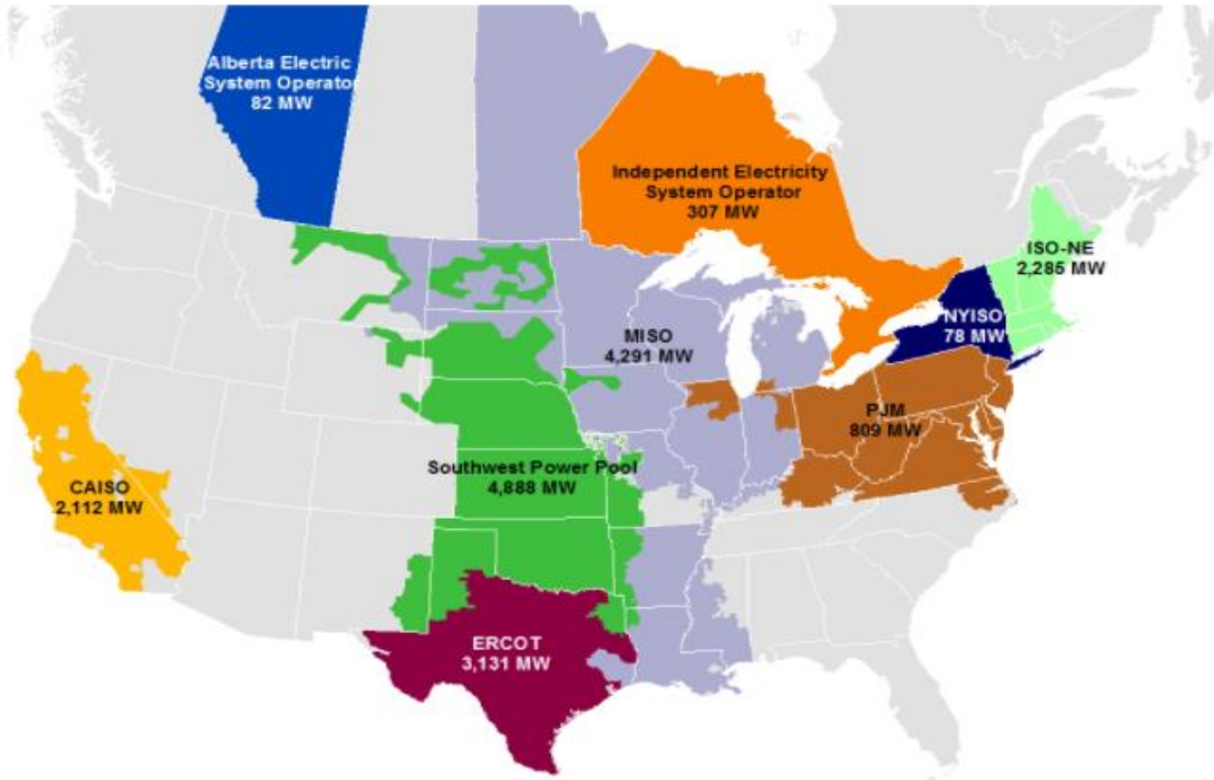
Exhibit 6
NextEra's 2021 business mix based on adjusted EBITDA



Regulated assets include FPL, FERC regulated transmission assets and pipelines.
Source: Company Presentations

NEER has a large, diverse portfolio of generation assets, and is the largest owner of wind and solar generation in North America. Strong demand for renewable energy provides NEER with growth opportunities to sell renewable power under long-term contracts, primarily to investment grade counterparties that are attracted to the generally low cost of renewable power, seeking to satisfy environmental mandates, make progress on carbon transition as well as meet customer preferences. Additionally, as the US, like other countries globally, continues to progress towards carbon free generation, renewable energy will continue to be in high demand. The long term revenue visibility from contracted, predominantly renewable assets, which entail no fuel risk or commodity price exposure, is in contrast to the typically higher risk associated with unregulated power companies that are exposed to wholesale merchant power sales as well as challenged coal and nuclear plants. Although NEER continues to invest heavily in development and project execution risk remains, NEER has a strong track record of completing projects on time and within budget.

Exhibit 7
NEER generation capacity by region



Source: Company filings

Although many utilities have met or are close to meeting their near-term renewable portfolio standards, utilities continue to increase their carbon reduction goals longer term. At the same time, NEER continues its efforts to contract with large high creditworthy corporations, further diversifying its customer base.

In late December 2020, the federal government passed a second stimulus package in response to the coronavirus pandemic. Among other things, the legislation extended tax credits related to solar and wind investment projects. The production tax credit (PTC) and investment tax credit (ITC) for onshore wind was extended one year to 2021 at 60% of the project's full value, the solar ITC at 26% was extended two years through 2025 while offshore wind projects were given a 30% ITC for projects through 31 December 2025. The new law followed previous legislation passed in December 2019 in which the federal government extended onshore and offshore wind tax credits. The extension of tax credits for both wind and solar, continuous technological improvements and reduced costs, as well as overall strong renewable demand, should continue to be positive for NEER's future business growth. If the Build Back Better Act, as currently proposed by the administration, is passed, we expect it would accelerate the development and growth of renewable energy while also providing additional tax credit extension and opportunities which will further add to NEER's revenue and cash flow growth initiatives.

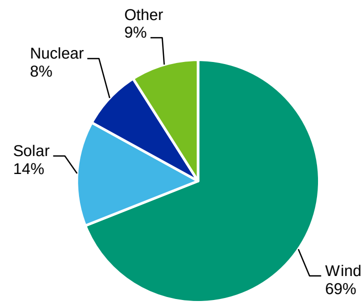
NEER's cash flow continues to increase as new generation capacity is constructed and long-term contracts are added. NEER generally manages the construction of renewable projects to make the most of the federal tax credits available. The company's capital expenditures remain elevated due to continued high demand for renewables. As such, NEER has grown its renewable capacity from approximately 16 GW in 2016 to approximately 21 GW in 2021.

Exhibit 8
NEER's development program remains elevated with over 18,000 MW in its backlog of signed contracts (MW)

	2019-2020 in Service	2021-2022 Signed Contracts	2021-2022 Expectations	2023-2024 Signed Contracts	2023-2024 Expectations	2021-2024 Expectations
Wind	3,805	5,093	3,700 - 4,400	1,010	2,250 - 3,500	5,950 - 7,900
Solar	1,466	4,321	4,800 - 5,600	5,164	7,000 - 8,800	11,800 - 14,400
Energy Storage	20	1,639	1,650 - 2,000	1,514	2,700 - 4,300	4,350 - 6,300
Wind Repowering	2,611	549	375 - 700	-	200 - 700	575 - 1,400
Total	7,902	11,602	10,525 - 12,700	7,688	12,150 - 17,300	22,675 - 30,000
Build-Own-Transfer	674	110		690		

Source: Company Presentations

Exhibit 9
NEER's 2021 generation fuel mix based on MW (Includes NEP)



As of September 30, 2021
Source: Company Presentations

Gas pipelines and energy storage also contribute to the increase in NEER's capital investments. The company continues to make relatively modest but growing investments in energy storage, which is an emerging technology growth area in the renewable sector and continues to support further growth in wind and solar energy installations.

The $1.5 billion Sabal Trail (represents NEE's 42.5% ownership interest) and the related $500 million Florida Southeast Connection gas pipelines went into service in 2017. NEE has a 32% ownership interest in the approximately $6.2 billion Mountain Valley Pipeline (MVP), which continues to be delayed due to the pending receipt of certain state and federal permits. Similar to other gas pipeline construction projects, the MVP had experienced cost overruns and delays largely related to permitting and environmental concerns. The project is currently 94% constructed and there is a chance for additional costs to be incurred due to judicial decisions and regulatory changes. In January 2021, NEE announced a $1.2 billion after-tax write down in the value of its investment in MVP due to the current legal and regulatory challenges involved with the pipeline construction, as well as the substantial delays in reaching commercial operation. MVP's in-service date is expected in the summer of 2022, however, given the ongoing challenges, Moody's expects it could be delayed further. On 30 December 2021, the pipeline did receive a water quality certification from the West Virginia Department of Environmental Protection. MVP, if completed, and other FERC regulated pipelines in operation are expected to generate stable cash flow under long-term contracts and will help support NEE's overall credit metrics.

Financial profile expected to improve and return to historical levels supporting credit quality

For the 12-month period ended 30 September 2021, NEE's ratio of CFO pre-W/C to debt was 15.0% which is lower than its 3-year historical average for the same period of about 17%. NEE's weaker financial profile, which we expect to be temporary, is mainly attributed to substantial debt issuances in 2021 to fund elevated capital investments across the family and modestly weaker credit metrics compared to historical levels at FPL. While FPL's financial profile is still considered strong, the utility's financial metric deterioration was largely due to FPL's extending its 2016 rate settlement an additional year through 2021.

Included in parent debt is $6 billion of debentures related to equity units issued in September 2019, February 2020 and September 2020. These securities trigger the mandatory issuance of equity three years from issuance and NEE has historically used the proceeds from this new equity to reduce a like amount of holding company debt. When taking a forward view and pro forma for debt reduction using proceeds received from future equity unit conversions, we estimate NEE's ratio of CFO pre-W/C to debt would be about 16.8%. When factoring in the additional revenue and cash flow from FPL's recent rate case as well as increasing cash flow generation from NEER project growth, we expect NEE's consolidated ratio of CFO pre-W/C to debt to be in the 17% - 19% range over the next few years. In addition, we expect that NEE will continue to manage its balance sheet in a manner that maintains its current financial profile and supports its credit quality.

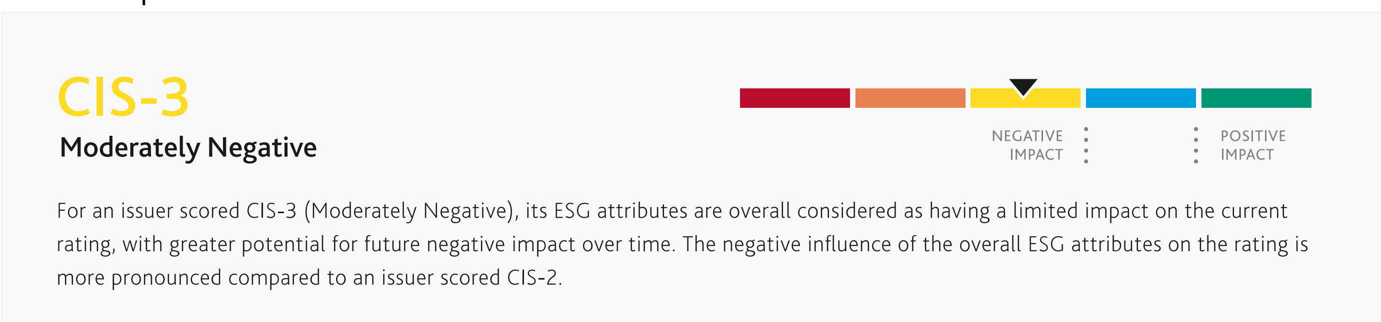
Beginning in 2018, NEE deconsolidated NEP based on US GAAP accounting rules. When proportionally consolidating NEP's results based on NEE's 57% ownership interest, we estimate that NEE's consolidated ratio of CFO pre-W/C to debt ratio for the 12-months ended 30 September 2021 would be roughly 14.7%, which is in line with the company's stand alone financial metrics.

NEE's relatively high percentage of holding company debt, approximately 52% of consolidated debt including the proportional consolidation of NEP's debt, and its higher risk, albeit heavily contracted, unregulated business are incorporated into our credit analysis. When allocating some parent debt to certain unlevered nuclear operating assets, holding company debt is still high at about 49% of consolidated debt. These factors constrain the credit profile of the entire corporate family and this is reflected in the relatively wide, three notch differential between the ratings of NEE and its principal utility subsidiary, FPL.

ESG considerations

NEE's ESG Credit Impact Score is CIS-3 (Moderately Negative)

Exhibit 10
ESG Credit Impact Score



Source: Moody's Investors Service

NEE's ESG Credit Impact Score is moderately negative (**CIS-3**) because its ESG attributes are considered as having an overall limited impact on the current rating, with potential for future negative impact over time. NextEra's credit impact score reflects high environmental risk, along with moderately negative social risk and neutral-to-low governance risk.

Exhibit 11
ESG Issuer Profile Scores

Source: Moody's Investors Service

Environmental

NEE's high environmental risk (**E-4** issuer profile score) largely reflects high physical climate risks resulting from hurricanes and tropical storms in its core Florida market. The company's carbon transition risk is neutral-to-low as it has a diverse portfolio of generation including minimal coal and growing renewable energy resources. The company's nuclear generation fleet adds risks of waste management and pollution. While NEE has not had any problems with its nuclear fleet or nuclear waste to date, it remains an inherent risk for nuclear operators in the industry. The fossil fuel generation is balanced by NEER's ownership of the largest portfolio of renewable power projects in North America.

Social

NEE's exposure to social risks is moderately negative (**S-3** issuer profile score) as the operator of nuclear generation heightens risk of responsible production, while demographics and societal trends may increase public concern over environmental, social, or affordability issues that could lead to adverse regulatory or political intervention. NEE's social risks are somewhat offset by FPL's low customer rates that are approximately 30% below the national average, strong customer and load growth as well as the robust and independent regulatory framework in which it operates. The regulatory framework provides strong assurance that the company will be able to recover storm costs from customers, even where these can be politically controversial.

Governance

NEE's governance is broadly in line with other utilities and does not pose particular risk (**G-2** issuer profile). This is supported by neutral-to-low risk scores on financial strategy and risk management, management credibility and track record, and compliance and reporting; despite a relatively low number of independent directors and additional organizational complexity with its majority-owned affiliate, NEP.

ESG Issuer Profile Scores and Credit Impact Scores for NEE are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for NEE on MDC and view the ESG Scores section.

Additional ESG considerations

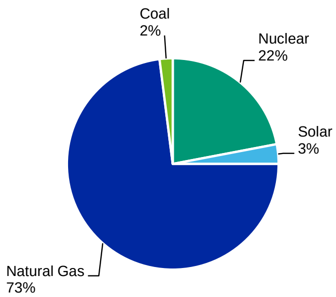
NEE is strongly positioned for carbon transition within the utility sector because of its minimal coal exposure and substantial ownership of modernized and efficient natural gas-fired generation assets. NEE's limited coal exposure relates to Gulf Power's 25% share of Scherer Unit 3 (215 MW); and 50% ownership of the Daniel coal plant in Mississippi (500 MW), expected to be retired by January 2024. FPL previously owned approximately 75% of Unit 4 (634 MW) of Plant Scherer coal facility in Georgia but that unit was retired in December 2021.

NEE, including FPL and proportional consolidation of NEP, owns approximately 25 GW of natural gas generation out of a total owned generation capacity of approximately 55 GW. NEE continues to invest in renewable energy, including at FPL where solar generation assets are typically included in rate base and in rates on a timely basis through the SoBRA cost recovery mechanism.

As of 30 September 2021, approximately 10% of FPL's (combined with Gulf Power) approximately 31,500 MW of generation capacity was solar. FPL is projecting to have over 11,700 MW of installed solar power capacity by 2030, which equates to adding roughly 1000 MW of solar per year. In its 2021 rate case settlement, FPL is authorized to implement solar base rate adjustments with the commercial operation of up to 1,788 megawatts of solar generation projects to be constructed in 2024 and 2025, subject to a cap on installed costs of $1,250 per kilowatt.

FPL plans to grow its portfolio of solar power plants as part of the company's “30-by-30” plan to install 30 million solar panels by 2030. As of May 2021, approximately 12 million panels were in service. In addition, in March 2020, the FPSC unanimously approved FPL's “SolarTogether” initiative, which allows customers to source up to 100% of their energy from solar and receive monthly bill credits, net of subscription fees. Nearly 1,500 MW of solar capacity was included in this program, all of which has completed construction.

Exhibit 12
FPL electricity generation by fuel mix (based on MWh)



As of December 31, 2020
Source: Company Filings

As mentioned above, NEE's regulated utility service territories are along the coasts of Florida, making them vulnerable to storm related event risk. As such, regulatory treatment to address storm costs has and will continue to be an important factor supporting the credit quality of FPL, particularly since climate change is expected to make storms more severe and more frequent. Securitization legislation for the recovery of excessive storm-related costs is also in place in Florida, although FPL has not pursued securitization financing for storm costs in recent years. We expect FPL will have to deal with severe storm activity periodically going forward and continued favorable regulatory treatment will be critical to support credit quality.

Liquidity analysis

NEE's corporate family of companies have sufficient liquidity, with FPL maintaining the strongest liquidity profile, primarily due to robust cash flow generation and strong access to the capital markets. As has been the case historically, NEECH's liquidity is somewhat constrained as NEER continues a significant capital investment program, the need to repay/refinance a substantial amount of maturing debt periodically, and the potential to provide for material contingent calls related to its hedging and marketing activities. However, NEECH has demonstrated an ability to manage its liquidity profile effectively, primarily through strong access to bank and debt capital markets.

For the 12-months ended 30 September 2021, FPL's cash flow from operations was $5.4 billion compared to capital expenditures of $6.4 billion, largely driven by spending on transmission and distribution infrastructure, existing generation asset upgrades, and new solar generation investments. The shortfall in funding capital investments using internally generated cash flow was supplemented by short and long-term borrowings as well as capital contributions from its parent. Going forward, we expect FPL will largely fund its capital investments using internally generated cash flow and any shortfalls will be supplemented with debt borrowings and equity contributions from its parent in a balanced manner in order to maintain its targeted capital structure.

As of 30 September 2021, FPL had net available liquidity of about $4.9 billion, which included $5.8 billion of bank revolving line of credit facilities that also backstop its commercial paper (CP) program which had $899 million of borrowings outstanding. The utility had full availability of its $2 billion of bilateral revolving credit facilities and $71 million of cash and cash equivalents on hand. Owing to its strong credit profile, FPL maintains good access to the capital markets which typically allows the utility to easily refinance its debt maturities. Commitments under the core revolver are laddered, with the vast majority terminating in 2026. FPL's credit facilities do not contain a material adverse change clause for new borrowings. The next largest debt maturity at FPL is $500 million of first mortgage bonds maturing in June 2023.

NEECH's liquidity profile is impacted by NEER's elevated capital investment program, particularly strong growth and development of new renewable power projects, which typically results in substantial negative free cash flow balances. Its negative free cash flow position has ranged from roughly $3 billion to more than $8 billion over the last five years. For the LTM 30 September 2021, NEECH's cash flow from operations was $2.2 billion compared to capital expenditures of $10.2 billion and dividends of $2.1 billion. As has been the case, NEECH managed to finance the resulting negative free cash flow of about $10.0 billion through a combination of project finance debt, tax equity, recycling of capital through asset sales and long-term debt issuances.

As of 30 September 2021, NEECH had $2.6 billion of net available liquidity, which included $618 million of cash; $5.7 billion of availability on its revolving credit facilities, net of about $3.4 billion of commercial paper borrowings; and full availability on $1.4 billion of bilateral revolving credit facilities. NEECH's nearly $5.3 billion bank revolving line of credit facility backstops its CP program. As with FPL's core revolvers, the commitments are laddered, with the vast majority terminating in 2026. This facility does not contain a material adverse change clause on new borrowings. NextEra's next significant debt maturity is a $2 billion debenture at NEECH that will mature in March 2023.

Rating methodology and scorecard factors

Exhibit 13

Methodology Scorecard Factors

NextEra Energy, Inc.

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 9/30/2021		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	Aa	Aa	Aa	Aa
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	Aa	Aa	Aa	Aa
b) Generation and Fuel Diversity	A	A	A	A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	4.8x	A	4.8x - 5.1x	A
b) CFO pre-WC / Debt (3 Year Avg)	16.9%	Baa	16% - 18%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	11.3%	Baa	10% - 12%	Baa
d) Debt / Capitalization (3 Year Avg)	48.4%	Baa	48% - 51%	Baa
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		A3		A2
HoldCo Structural Subordination Notching	-2	-2	-2	-2
a) Scorecard-Indicated Outcome		Baa2		Baa1
b) Actual Rating Assigned		(P)Baa1		(P)Baa1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 9/30/2021(L)
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Appendix

Exhibit 14

Cash Flow and Credit Metrics [1]

CF Metrics	Dec-17	Dec-18	Dec-19	Dec-20	LTM Sept-21
As Adjusted					
FFO	**7,672**	**7,424**	**7,800**	**8,728**	**8,610**
+/- Other	-79	-137	138	-234	-366
CFO Pre-WC	**7,593**	**7,287**	**7,938**	**8,494**	**8,244**
+/- ΔWC	-965	-693	214	-560	-718
CFO	**6,628**	**6,594**	**8,152**	**7,934**	**7,526**
- Div	1,967	2,144	2,468	2,787	2,986
- Capex	10,626	12,910	12,234	13,504	16,528
FCF	**-5,965**	**-8,460**	**-6,550**	**-8,358**	**-11,988**
(CFO Pre-W/C) / Debt	21.9%	19.5%	18.8%	17.8%	15.0%
(CFO Pre-W/C - Dividends) / Debt	16.2%	13.8%	12.9%	12.0%	9.6%
FFO / Debt	22.1%	19.9%	18.4%	18.3%	15.7%
RCF / Debt	16.4%	14.2%	12.6%	12.5%	10.2%
Revenue	17,173	16,727	19,204	17,997	16,418
Interest Expense	1,631	1,549	2,343	2,094	1,360
Net Income	4,789	3,122	3,084	2,397	2,016
Total Assets	97,849	103,608	117,556	127,516	138,995
Total Liabilities	69,203	68,987	79,892	90,212	101,555
Total Equity	28,646	34,621	37,664	37,304	37,440

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months
Source: Moody's Financial Metrics

Exhibit 15

Peer Comparison Table [1]

	NextEra Energy, Inc. (P)Baa1 (Stable)			Berkshire Hathaway Energy Company A3 (Stable)			Duke Energy Corporation Baa2 (Stable)			Sempra Energy Baa2 (Stable)			Dominion Energy, Inc. Baa2 (Stable)		
(In US millions)	FYE Dec-19	FYE Dec-20	LTM Sept-21	FYE Dec-19	FYE Dec-20	LTM Sept-21	FYE Dec-19	FYE Dec-20	LTM Sept-21	FYE Dec-19	FYE Dec-20	LTM Sept-21	FYE Dec-19	FYE Dec-20	LTM Sept-21
Revenue	19,204	17,997	16,418	19,844	20,952	24,733	25,079	23,868	24,636	10,829	11,370	12,184	14,401	14,172	13,605
CFO Pre-W/C	7,938	8,494	8,244	6,796	7,323	8,577	9,235	9,407	9,956	3,838	4,240	4,436	5,799	5,247	4,352
Total Debt	42,303	47,709	54,959	43,958	55,406	55,320	62,423	63,702	65,682	27,265	26,028	27,926	35,060	39,347	43,838
CFO Pre-W/C + Interest / Interest	4.4x	5.1x	7.1x	4.6x	4.7x	5.0x	4.7x	5.1x	5.3x	4.2x	4.2x	4.6x	4.5x	4.3x	4.1x
CFO Pre-W/C / Debt	18.8%	17.8%	15.0%	15.5%	13.2%	15.5%	14.8%	14.8%	15.2%	14.1%	16.3%	15.9%	16.5%	13.3%	9.9%
CFO Pre-W/C – Dividends / Debt	12.9%	12.0%	9.6%	15.5%	13.2%	14.8%	10.6%	10.4%	10.6%	9.7%	10.6%	10.1%	8.0%	6.1%	5.3%
Debt / Capitalization	45.4%	47.0%	50.6%	51.0%	49.3%	47.7%	52.9%	52.5%	52.1%	52.7%	48.7%	50.7%	46.7%	55.2%	57.0%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade
Source: Moody's Financial Metrics

Ratings

Exhibit 16

Category	Moody's Rating
NEXTERA ENERGY, INC.	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured Shelf	(P)Baa1
Jr Subordinate Shelf	(P)Baa2
Pref. Shelf	(P)Baa3
TRANS BAY CABLE LLC	
Outlook	Stable
Issuer Rating	Baa2
NEXTERA ENERGY CAPITAL HOLDINGS, INC.	
Outlook	Stable
Senior Unsecured	Baa1
Bkd Jr Subordinate	Baa2
BACKED Pref. Shelf	(P)Baa3
Commercial Paper	P-2
FLORIDA POWER & LIGHT COMPANY	
Outlook	Stable
Issuer Rating	A1
First Mortgage Bonds	Aa2
Senior Secured	Aa2
Senior Unsecured	A1
Commercial Paper	P-1
Other Short Term	VMIG 1
NEXTERA ENERGY OPERATING PARTNERS, LP	
Outlook	Stable
Bkd Senior Unsecured	Ba1/LGD4
GULF POWER COMPANY	
Outlook	No Outlook
Issuer Rating	A1
Senior Unsecured	A1
Commercial Paper	P-1
NEXTERA ENERGY PARTNERS, LP	
Outlook	Stable
Corporate Family Rating	Ba1
Speculative Grade Liquidity	SGL-2

Source: Moody's Investors Service

REPORT NUMBER 1315601

MOODY'S
INVESTORS SERVICE

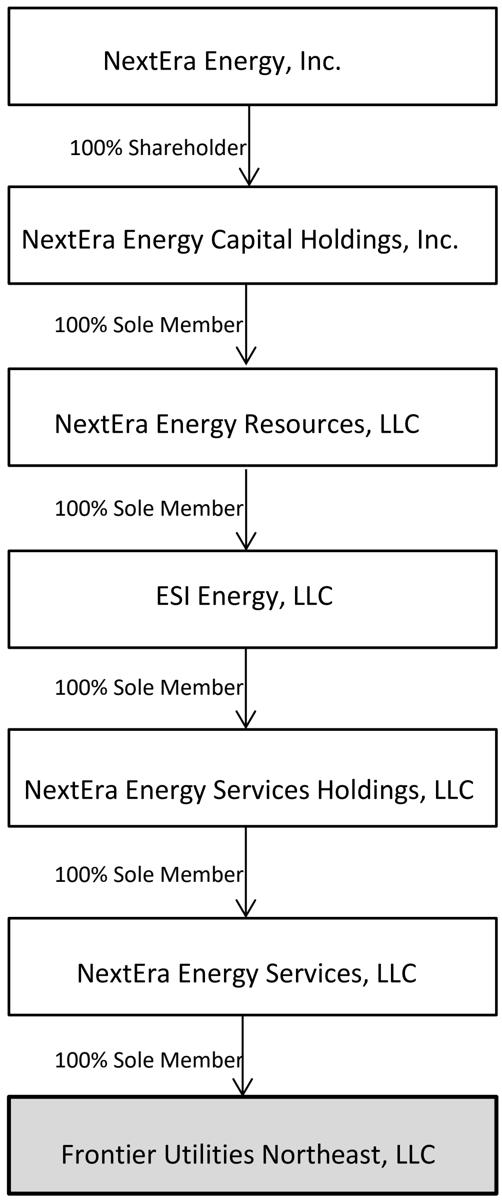
C-8: CORPORATE STRUCTURE

Please see attached the corporate structure of Frontier Utilities Northeast, LLC ("Frontier"). Frontier 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, Frontier 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 http://www.nexteraenergyresources.com/

EXHIBIT C-8: Corporate Structure
Frontier Utilities Northeast, LLC
CRNGS # 14-0413 Renewal Application

Reflects organizational structure
as of April 1, 2022



D-2: OPERATIONS EXPERTISE AND KEY TECHNICAL PERSONNEL

Please refer to Exhibits B-1 and B-2 which details the substantial experience of NextEra's affiliates in the competitive retail gas supply market. Specifically, as provided in those Exhibits, Frontier Utilities Northeast, LLC and its affiliate Gexa Energy, LP based in Houston, Texas has approximately 300 employees, serves over 1.4 million residential and commercial customers and (through its predecessor) has been engaged in the competitive sale of retail electricity in Texas since 2002, when the Texas market first became competitive. Further, other NextEra affiliates engage in competitive retail supply in numerous other states and the District of Columbia.

As a result, NextEra affiliates have developed substantial experience and expertise in all facets of competitive retail services including, among other things, enrolling and switching customers, developing market-driven competitive products, call center operations, billing, invoicing, and recordkeeping, forecasting and hedging, customer services, data and information exchange and coordination with utilities, and through its affiliate, NextEra Energy Marketing, LLC ("NEM"), as explained in Exhibit D-1, management of gas supply obligations, including all scheduling and balancing.

Frontier Utilities Northeast, LLC key technical personnel’s names, titles, e-mail addresses, telephone numbers. Please see attached bios/resumes of key technical personnel.

- Larry Silverstein
  SVP & Managing Director Power Marketing
  NextEra Energy
  601 Travis, Suite 1910
  Houston, TX 77002
  larry.silverstein@nexteraenergy.com
  561-304-6010 Phone

- Troy Mischke
  Director, Gas Trading
  NextEra Energy
  EPM/JB
  700 Universe Blvd.
  Juno Beach, FL 33408
  troy.mischke@nexteraenergy.com
  561-304-6054 Phone

- Grit Farrell
  Vice President Mass Markets
  Gexa Energy/Northeast Energy Services
  Frontier Utilities Northeast, LLC
  20455 State Highway 249
  Suite 200
  Houston, TX 77070
  grit.farrell@nexteraenergy.com
  713-401-5713 Phone

Larry Silverstein Senior Vice President and Managing Director Power Marketing, Inc.

Larry Silverstein is senior vice president and managing director of Power Marketing, Inc. (PMI) a wholly-owned subsidiary of NextEra Energy Resources, a competitive energy supplier with a presence in 25 states and Canada.

He is responsible for power and fuels marketing and trading operations, including marketing the company's merchant power generation, proprietary trading and full requirements transactions.

Prior to his present position, Mr. Silverstein was vice president of PMI responsible for Forwards Markets and Origination. Mr. Silverstein joined PMI in 2001 as the head of PMI's asset restructuring team. Prior to joining NextEra Energy Resources, Mr. Silverstein led the asset restructuring group for Citizens Power (now Edison Mission Marketing & Trading). Mr. Silverstein also served as a senior vice president at Lehman Brothers, and began his career as a tax lawyer at Cleary, Gottlieb, Steen and Hamilton in New York and London.

Mr. Silverstein holds a bachelor of arts degree in political science from Amherst College and a juris doctorate from Columbia University.

NextEra Energy Resources is a clean energy leader and one of the largest competitive energy suppliers in North America. A subsidiary of Juno Beach, Fla.-based FPL Group (NYSE: FPL), NextEra Energy Resources is the largest generator in North America of renewable energy from the wind and sun. It operates clean, emissions-free nuclear power generation facilities in New Hampshire, Iowa and Wisconsin as part of the FPL Group nuclear fleet, which is the third largest in the United States. FPL Group had 2009 revenues of more than $15 billion, nearly 43,000 megawatts of generating capacity, and more than 15,000 employees in 28 states and Canada. For more information, visit www.NextEraEnergyResources.com.

Troy Mischke

Executive Summary

Energy market and trading professional with 12+ years of experience including leadership roles.

Experience

2005-2015 Nextera Energy Power Marketing, Houston, Texas & Juno Beach, Florida

Director of Natural Gas Trading

- Lead group of natural gas traders and schedulers responsible for trading physical and financial natural gas in the lower 48 and Canada.
- Successfully expanded NextEra's fuel procurement operation to a natural gas trading and marketing business providing services for not only NextEra's gas generation fleet, but to 3rd party natural gas producers and end users.

Natural Gas Origination Associate

- Originated multiple term natural gas transactions in support of NextEra's deregulated natural gas generation assets.
- Assisted Senior Originators on multiple longer term transactions, including two large transactions with natural gas utilities in the greater New England region.

2001 - 2005 ConocoPhillips, Houston, Texas

Physical Natural Gas Trader

- Managed multiple Asset Management Agreements with natural gas utilities in the Northeast generating $3 - $5MM of gross margin per year.
- Assisted Senior Physical Gas Traders on managing the entire physical gas business in the Northeast, including the development of new tools to help in optimization of gross margin in the region.

Senior Structuring Analyst

- Structured and evaluated multiple physical natural gas transactions.
- Provided fundamental support for natural gas trading organization as well as customers.

Senior Financial Analyst

- Provided guidance to multiple internal organizations on the evaluations of oil and natural gas exploration and production opportunities.

1997-2001 Pratt & Whitney, Palm Beach Gardens, Florida

Assembly Engineer

- Responsible for managing a union team of skilled professionals in the assembly of the liquid hydrogen fuel pump used on various space shuttles.

Design Engineer

- Responsible for the design of the internal passages of turbine blades in multiple military jet engine applications.

Education

Carnegie Mellon University, Pittsburgh, PA
Masters of Business Administration, 2001

University of Florida, Gainesville, FL
Bachelor of Science in Mechanical Engineering, 1996

Grit Farrell

SUMMARY

Extensive experience in both retail and wholesale deregulated power markets spanning almost two decades. Successful at developing and managing high-performing teams. Expertise in product structuring, renewable solutions, managing retail supply risk, load forecasting, and asset management. Acknowledged for being a hard-working, fast learning leader with great initiative, excellent analytical and communication skills.

PROFESSIONAL EXPERIENCE

GEXA ENERGY, HOUSTON, TX

VICE PRESIDENT AND GENERAL MANAGER, MASS MARKETS — ***2022 - CURRENT***

Lead the company's residential and small commercial business for power and gas in deregulated markets across the United States, including development and execution of all mass markets strategies

VICE PRESIDENT, SUPPLY AND LOAD FORECASTING — ***2018 - 2022***

Responsible for managing company's retail supply and load forecasting functions across North America

- Managed company's commodity risk in deregulated power markets, including ERCOT, PJM, ISO NE
- Lead short- and long-term energy commodity forecasting function of Gexa's competitive retail load across U.S. markets
- Responsible for regulatory compliance of state renewable energy programs

DIRECTOR, RETAIL SUPPLY — ***2015 - 2018***

Managed seasonal supply risk exposure in ERCOT and Northeast markets

- Modeled and quantified energy and capacity risk exposure from adverse weather and price events
- Recommended and implemented tail risk hedges to limit company's commodity's risk exposure
- Completed retirement and compliance filings for state renewable energy programs

DIRECTOR, NEW MARKETS AND PERFORMANCE IMPROVEMENT — ***2013 - 2015***

Improved capability to serve large customers on complex product structures

- Developed new pass-through products for a large customers in ERCOT, PJM and MISO
- Lead project to re-platform back office system

NRG ENERGY (FORMERLY GENON ENERGY, RRI ENERGY, RELIANT ENERGY), HOUSTON, TX

DIRECTOR, PJM WEST — ***2008 - 2013***

Managed commercial optimization of 17 power plant stations in the PJM and MISO power markets. Developed energy and capacity offer strategies. Identified and managed risk.

- Developed a structured approach to making best optimization decisions based on market conditions, plant availability, and market rules with the result of regularly exceeding group's goals
- Effectively procured gas for gas assets to ensure reliability, minimize imbalances charges, and maximize profits

ENERGY PORTFOLIO OPTIMIZATION MANAGER — ***2005 - 2008***

Optimized RRI's 8,200 MW generation portfolio in the Northeast and Midwest. Responsible for capacity market activities.

- Accurately offered energy and capacity products into the PJM and MISO power markets avoiding exposure to liability and loss

SENIOR STRUCTURING ANALYST - RETAIL GROUP ***2004 - 2005***
Provided product and structuring support to Reliant's large C&I sales force.

COMMODITY ANALYST - RETAIL GROUP ***2002 - 2004***
Supported Retail market expansion into PJM. Responsible for pricing large commercial and industrial retail deals in ERCOT and PJM markets.

EDUCATION

UNIVERSITY OF HOUSTON, *Houston, TX*

- BBA, Summa Cum Laude, Major: Finance, May, 2002 GPA 4.0 ***2002***
- Outstanding Undergraduate Student of 2002, Bauer College of Business
- Advanced Certificate of Professional Selling, *Program for Excellence in Selling*

UNIVERSITAET PASSAU, *Passau Germany* ***1997 - 1998***

Competitive Retail Natural Gas Service Affidavit

County of Harris :

State of Texas :

Aundrea Williams, Affiant, being duly sworn/affirmed, hereby states that:

1. The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant, and that it will amend its application while it is pending if any substantial changes occur regarding the information provided.

2. The applicant will timely file an annual report of its intrastate gross receipts and sales of hundred cubic feet of natural gas pursuant to Sections 4905.10(A), 4911.18(A), and 4929.23(B), Ohio Revised Code.

3. The applicant will timely pay any assessment made pursuant to Sections 4905.10 and 4911.18(A), Ohio Revised Code.

4. Applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.

5. Applicant 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. Applicant will comply with Section 4929.21, Ohio Revised Code, regarding consent to the jurisdiction of the Ohio courts and the service of process.

7. Applicant will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.

8. Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the 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 consumer complaints.

9. The facts set forth above are true and accurate 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.

10. Affiant further sayeth naught.

Aundrea Williams Vice President Regulatory

Signature of Affiant & Title

Sworn and subscribed before me this 14 day of April, 2022

Month Year

Paula Williams

Signature of official administering oath

Paula Williams, Notary

Print Name and Title

NOTARY PUBLIC STATE OF TEXAS

PAULA WILLIAMS

My Notary ID # 125898518

Expires November 2, 2022

My commission expires on 11/02/2022