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FPL's Response to Staff’s Ninth Request for Production of Documents No. 29.

Confidential Document No. 29

QUESTION:
Please refer to Witness Reed's Rebuttal Testimony, page 19, lines 5 through 8. Please provide all financial analyst reports and credit rating reports that support Witness Reed's statement.

RESPONSE:
Please refer to attached financial analyst reports and credit rating reports for NextEra Energy Inc. and FPL in support of Witness Reed's statement:

> "While the flexibility afforded to FPL by its prior RSAM and multi-year rate plans have resulted in favorable financial analysts and credit rating reports supporting an ability for FPL to continue to access capital at favorable rates, it has also provided equally important and substantial benefits to its customers." (page 19, lines 5 through 8 of Rebuttal Testimony of John Reed)

Confidential Attachments

1. S&P Global Ratings, Ratings Direct, NextEra Energy Inc., January 26, 2021, p. 1. (See attached file, "Confidential S&P Global Ratings Direct_1-26-2021.pdf")

2. FitchRatings, Florida Power & Light Company, December 22, 2020, p.1. (See attached file, "FitchRatings_12-22-2020.pdf")

3. "NextEra Energy Inc. Delivering Another Solid Quarter, and Dipping Their Toes into Hydrogen Pool," Credit Suisse Equity Research, July 26, 2020, p. 3. (See attached file, "Credit Suisse Equity Research_7-26-2020.pdf")

Non-Confidential Attachment

1. "Fitch Rates FPL's First Mortgage Bonds 'AA-'; Outlook Stable," FitchRatings, Rating Action Commentary, February 26, 2019, p. 1. (See attached file, "FitchRatings_2-26-2019.pdf")

FitchRatings

RATING ACTION COMMENTARY

Fitch Rates FPL's First Mortgage Bonds 'AA-'; Outlook Stable

Tue 26 Feb, 2019 - 10:35 AM ET

Fitch Ratings-New York-26 February 2019: Fitch Ratings has assigned a 'AA-' rating to Florida Power & Light Company's (FPL) $600 million first mortgage bonds 3.99% series due March 1, 2049. The Rating Outlook is Stable. FPL plans to use the net proceeds from the issuance for general corporate purposes, including repayment of a portion of its outstanding CP obligations, which stood at $837 million as of Feb. 20, 2019.

KEY RATING DRIVERS

Predictable Cash Flows: FPL's ratings reflect the predictable nature of cash flows from regulated electric operations, a favorable 2016 rate order that provides for four years of regulatory certainty, headroom provided by tax reform legislation that may result in extending the next base rate proceeding by two years, customer growth that partially offsets weakness in usage, and a strong balance sheet and liquidity profile. Management's focus on O&M cost containment and the use of depreciation reserve surplus, as permitted in its last rate order, is expected to drive returns close to the upper end of the authorized ROE range of 9.6%-11.6%.

Constructive 2016 Rate Order: FPL secured a cumulative $811 million retail base rate increase over January 2017-December 2020, which includes a $200 million rate increase coinciding with the commercial operation date of the Okeechobee power plant (likely mid-

2019). The rate increases are based on an authorized ROE of 10.55%, within a band of 9.6%-11.6%. In addition, FPL can implement base rate increases on investments associated with installation of up to 300MW of solar generation capacity annually over 2017-2020; the solar investments would be subject to a cost cap of $1,750/kW. To date, approximately 900MW of new solar generating capacity has become operational (including 300MW in the first quarter of 2019 [1Q19]) and the balance 300MW is expected to be operational in 2020. The settlement also allows FPL to amortize up to $1 billion of depreciation reserve surplus plus $250 million of remaining depreciation reserve surplus remaining under the 2012 rate order to earn a regulatory ROE within the authorized band.

Tax Reform Offsets Storm Cost Recovery: Following the enactment of The Tax Cuts and Jobs Act of 2017, FPL used the tax reform benefits to offset the surcharge it had proposed to levy on customers in order to recover approximately $1.3 billion in Hurricane Irma restoration costs. In 4Q17, FPL expensed the $1.3 billion Hurricane Irma restoration costs and used all available reserve amortization to offset the expense. Going forward, FPL will replenish the depreciation reserve through tax savings. FPL expects to further use tax reform benefits to extend rate certainty by up to two more years beyond 2020. In December 2018, the State of Florida Office of Public Counsel (OPC) along with other intervenors filed a petition with the Florida Public Service Commission (FPSC) asserting that the actions FPL took with regards to tax reform were a violation of the 2016 rate agreement. The FPSC is expected to issue an order by mid-May 2019 regarding the amount of tax savings and whether FPL may continue to use the reserve amortization mechanism.

Customer Growth Offsets Usage Weakness: Growth in customer accounts, which averaged 1.3%, 0.6% and 0.9% in 2016, 2017 and 2018, respectively, has offset periodic weakness in underlying usage. In 2018, the underlying customer usage grew by 1.7%, which was a reversal of the weak usage trend in the prior year. Fitch's financial forecasts for FPL are based on a 0.5% cumulative annual growth rate in retail sales over 2019-2021.

High Capex: Fitch expects FPL to spend approximately $17 billion in capex from 2019-2021. A significant portion will be spent on maintaining and upgrading existing infrastructure, including investments for storm hardening and grid reliability. The balance is earmarked for new generation capacity, which includes both natural gas combined cycle and utility scale solar generation, among other investments. Fitch expects FPL to finance its capex and dividend distribution in a balanced manner in order to maintain its regulatory capital structure.

Robust Credit Metrics: Fitch forecasts FPL's credit metrics to remain robust over 2019-2021. Fitch expects funds from operations (FFO) fixed-charge coverage to be in the 8.5x to

9.0x range over the period. FFO adjusted leverage is expected to be between 2.7x to 3.2x over 2019-2021.

DERIVATION SUMMARY

FPL is favorably positioned relative to other highly rated integrated utility peers including, Alabama Power Company (A/Negative) and Oklahoma Gas & Electric (OG&E; A-/Stable). FPL's credit metrics are superior to both Alabama Power and OG&E. FFO adjusted leverage is expected to average between 2.7x to 3.2x for FPL versus 3.6x to 4.0x for Alabama Power and 4.0x to 4.2x for OG&E. The regulation in Alabama has a long track record of being constructive and predictable for its utilities, which is supportive of Alabama Power's ratings. Florida regulation is very constructive today but had turned very contentious for FPL a few years ago as the utility sought large rate increases at a time the Florida economy was emerging from economic weakness. Oklahoma regulation has been constructive for a long while but is seeing signs of deterioration. FPL has a very small exposure to coal-fired generation, while this exposure is large for Alabama Power. FPL's ratings are constrained due to ownership by NextEra Energy Inc. (A-/Stable), which, unlike Alabama Power's weaker parent, derives approximately one-third of its earnings from non-regulated operations.

KEY ASSUMPTIONS

Fitch's key assumptions within the rating case for FPL include:

--Annual retail sales growth of 0.5% over 2019-2021;
--Rate increases as per 2016 rate order;
--Retention of tax savings;
--O&M and other expenses stay relatively flat from 2019 to 2021;
--Capex of approximately $17 billion over 2019-2021;
--Balanced funding mix.

RATING SENSITIVITIES

Positive: Positive rating actions for FPL appear unlikely at this time.

Negative: Developments that may, individually or collectively, lead to a negative rating action include:

--Unfavorable changes in Florida regulatory policies for timely recovery of utility capital

investments, fuel and purchased power costs, and storm-related costs;
--Increasing risk profile of its parent company from higher debt leverage or aggressive corporate strategy.

LIQUIDITY

FPL independently funds its short-term and long-term debt needs, while 100% of FPL's equity is invested by NextEra. FPL's long-term debt financing vehicles are primarily taxable secured first mortgage bonds and tax-exempt revenue bonds. FPL has its own credit facilities, separate from NextEra and its other subsidiaries, to provide liquidity backup for CP funding and variable rate tax-exempt revenue notes, as well as for issuance of letters of credit (LOC). Committed corporate credit facilities for NextEra and FPL aggregate approximately $10.99 billion as of Dec. 31, 2018, excluding limited recourse or nonrecourse project financing arrangements. Included in that total is $2.94 billion in unsecured facilities available to FPL as loans and $575 million available to issue LOC. FPL's bank revolving line of credit facilities are also available to support the purchase of $893 million of pollution control, solid waste disposal and industrial development revenue bonds as well as the repayment of approximately $193 million of floating rate notes in the event of early redemption. Out of FPL's $2.94 billion credit facility, $2.39 billion matures in 2023. Other credit facilities available to FPL include $1 billion of revolving credit facilities that mature over 2019-2020. FPL's debt maturities are manageable, in Fitch's view.

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Date of Relevant Rating Committee: May 21, 2018

Summary of Financial Statement Adjustments - Fitch capitalizes operating lease expenses and deconsolidates securitization debt in accordance with Fitch's applicable criteria.

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Additional information is available on www.fitchratings.com

Applicable Criteria

Corporate Rating Criteria - Effective from 23 March 2018 to 19 February 2019 (pub. 23 Mar 2018)
Corporates Notching and Recovery Ratings Criteria (pub. 23 Mar 2018)
Parent and Subsidiary Rating Linkage (pub. 16 Jul 2018)

Additional Disclosures

Solicitation Status
Endorsement Policy

solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.
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Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see https://www.fitchratings.com/site/regulatory), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

ENDORSEMENT POLICY

Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

Corporate Finance Utilities and Power North America United States

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July 30, 2021

VIA HAND DELIVERY
Mr. Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 20210015-EI

Dear Mr. Teitzman:

I enclose for filing in the above docket Florida Power & Light Company's ("FPL") Request for Confidential Classification of Information contained in its response to Florida Public Service Commission Staff's Ninth Request for Production of Documents, No. 29. The request includes Exhibits A, B (two copies), C, and D.

Exhibit A consists of the documents containing confidential information that is the subject of FPL's Request for Confidential Classification. Exhibit B is an edited version of Exhibit A, in which the information FPL asserts is confidential has been redacted. For the documents that are confidential in their entirety, FPL has included only identifying cover pages in Exhibit B. Exhibit C is a justification table in support of FPL's Request for Confidential Classification. Exhibit D contains the declarations in support of FPL's Request. In accordance with Rule 25-22.006(3)(d), FPL requests confidential treatment of the information in Exhibit A pending disposition of FPL's Request for Confidential Classification.

Please contact me if you or your Staff has any questions regarding this filing.

Sincerely,

/s/ Maria Jose Moncada
Maria Jose Moncada
Senior Attorney
Fla. Bar No. 0773301

Enclosure

cc: Counsel for Parties of Record (w/ copy of FPL's Request for Confidential Classification)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Power & Light Company for Rate Unification and for Base Rate Increase	Docket No. 20210015-EI Filed: July 30, 2021

FLORIDA POWER & LIGHT COMPANY'S REQUEST FOR CONFIDENTIAL CLASSIFICATION OF CERTAIN INFORMATION PROVIDED IN ITS RESPONSES TO STAFF's NINTH REQUEST FOR PRODUCTION OF DOCUMENTS, No. 29.

Pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") requests confidential classification of certain information provided in its supplemental responses to Florida Public Service Commission Staff's ("Staff") Ninth Request for Production of Documents, No. 29 (the "Confidential Information"). In support of its Request, FPL states as follows:

1. FPL served its responses to Staff's Ninth Request for Production of Documents ("POD") on July 30, 2021. This request is being filed contemporaneously with service of those responses to request confidential classification of certain information contained in its response to Staff's Ninth Request for Production of Documents No. 29, consistent with Rule 25-22.006, Florida Administrative Code.

2. The following exhibits are included with and made a part of this request:

a. Exhibit A consists of a copy of the confidential material on which all the information that FPL asserts is entitled to confidential treatment has been highlighted.

b. Exhibit B consists of a copy of the confidential documents, on which all the information that is entitled to confidential treatment under Florida law has been redacted.

c. Exhibit C is a table that identifies by column and line the information for which confidential treatment is being sought and references the specific statutory basis for the claim of confidentiality. Exhibit C also identifies the declarants who support the requested classification.

d. Exhibit D contains the declarations of the individuals who support the requested classification.

3. The Confidential Information is intended to be and has been treated by FPL as private, its confidentiality has been maintained, and its disclosure would cause harm to FPL and its customers. Pursuant to Section 366.093, Fla. Stat., such materials are entitled to confidential treatment and are exempt from the disclosure provisions of the public records law. Thus, once the Commission determines that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information.

4. As described in the declarations included as Exhibit D, the Confidential Information consists of information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information. Specifically, the information contains credit agency reports which are proprietary to the credit agency. This information is protected by Sections 366.093(3) (e), Fla. Stat.

5. Upon a finding by the Commission that the Confidential Information is proprietary confidential business information, the information should not be declassified for a period of at least eighteen (18) months and should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business. See§ 399.093(4), Fla. Stat.

WHEREFORE, for the above and foregoing reasons, as more fully set forth in the supporting materials and declarations included herewith, FPL respectfully requests that its Request for Confidential Classification be granted.

Respectfully submitted,

FLORIDA POWER & LIGHT COMPANY

By: *_/s/ Maria Jose Moncada_*

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CERTIFICATE OF SERVICE
20210015-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing* has been furnished by electronic mail this 30th day of July 2021 to the following parties:

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By: *s/ Maria Jose Moncada*
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* The exhibits to this Request are not included with the service copies, but copies of Exhibits B, C and D are available upon request.