



VIA Email

September 25, 2012

Ms. Susan M. Cosper
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Ms. Cosper:

File Reference: 2012-200 – Financial Instruments (Topic 825) Disclosures about Liquidity Risk and Interest Rate Risk

NextEra Energy, Inc. (NextEra Energy) is a public company with 2011 revenues of more than \$15 billion. Its rate-regulated subsidiary, Florida Power & Light Company (FPL), serves approximately 4.6 million customer accounts in Florida. NextEra Energy's competitive energy business, NextEra Energy Resources, LLC, is a leader in producing electricity from clean and renewable fuels that operates in 23 states and 4 provinces in Canada.

NextEra Energy appreciates the opportunity to provide its views on the Exposure Draft, *Proposed Accounting Standards Update of Financial Instruments (Topic 825), Disclosures about Liquidity Risk and Interest Rate Risk* (ED). We fully support the Financial Accounting Standards Board's (FASB) overall objective of providing users of financial statements with decision-useful information about an entity's liquidity risk and interest rate risk, but strongly feel that it needs to be balanced with concerns regarding some duplicative and excessive disclosures that we discuss below.

Under current Securities and Exchange Commission (SEC) rules, public companies are currently required to include in their Management's Discussion and Analysis of Financial Condition and Results of Operations a tabular disclosure of their contractual obligations by time period. It is our belief that the proposed amendments of the ED significantly overlap with the SEC's contractual obligations disclosure requirements, as well as other accounting standards such as future obligations for debt, leases, purchase obligations and commitments. We believe this overlap in disclosure is in direct conflict with certain FASB statements acknowledged in its recently issued Discussion Paper, *Invitation to Comment on Disclosure Framework*. Namely, the FASB's concern about "disclosure effectiveness and volume beyond notes to financial statements, especially for reporting entities subject to SEC requirements," and the FASB's commitment to "work with all parties concerned to improve effectiveness, reduce overlap, and otherwise streamline the entire reporting package."

Comment letter re: Financial Instruments (Topic 825) Disclosures about Liquidity Risk and Interest Rate Risk

We also believe the amount and timing of certain items required to be disclosed in the ED may differ from those currently required by the SEC, which would cause confusion to users who need to interpret the differences. The proposed amendments of the ED appear to limit the disclosures to those cash outflows from contractual obligations. As a regulated utility, FPL has a regulatory requirement to serve its customers, which requires significant capital expenditures to replace or refurbish an aging infrastructure and generating facilities, as well as, comply with environmental regulations. Because of this regulatory requirement, we include FPL's projected capital expenditures in our SEC contractual obligations table, whether currently contracted or not. The proposed amendments of the ED would lead us to believe we would only include those capital expenditures for which we are currently contracted. Excluding FPL's projected capital expenditures not currently contracted in a liquidity analysis would not provide investors a realistic view of FPL's known future regulatory cash obligations. Additionally, NextEra Energy has power contracts where the amount paid includes a capacity payment plus a contingent payment based on the actual power that is generated or taken (energy payment). If no power is generated/taken, then we are contractually required to make only the capacity payment. We do not include contingent future energy payments related to these contracts in our SEC contractual obligations table or in the contingencies footnote because we have no known obligation. The proposed amendments of the ED would lead us to believe we would need to include an expected amount for these contingent obligations. Differences such as these could be very confusing to financial statement users.

Additionally, we believe that interim footnote disclosures should only be required when material changes have occurred since the end of the preceding year. This approach to interim reporting is consistent with the SEC's interim disclosure requirements for its contractual obligations table.

For these reasons, we recommend that the FASB delay implementing the amendments of the ED until it has completed its Disclosure Framework Project and has further collaborated with the SEC to address and minimize the potential for duplicate disclosure. This would ensure that the focus remains on meeting the users' need for more decision-useful information about entity-level exposures to liquidity risk.

Conclusion

Thank you for taking the time to consider the views of NextEra Energy on the Exposure Draft, *Proposed Accounting Standards Update of Financial Instruments (Topic 825) Disclosures about Liquidity Risk and Interest Rate Risk*. We would be happy to respond to any questions or to participate in any discussions relating to the issues highlighted in this letter.

In addition to the comments above, we have actively participated in and support the Edison Electric Institute's comment letter on the ED.

Sincerely,

CHRIS N. FROGGATT
Chris N. Froggatt
Vice President, Controller and Chief Accounting Officer