



NextEra Energy Reaches Agreement to Acquire Oncor Electric Delivery Company

July 29, 2016

Forward Looking Statements

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by words or phrases such as “may,” “will,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “predict,” and “target” and other words and terms of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. NEE cautions readers that any forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in any forward-looking statement. Such forward-looking statements include, but are not limited to, statements about the anticipated benefits of the proposed merger involving NEE and EFH, including future financial or operating results of NEE or Oncor, NEE’s, EFH’s or Oncor’s plans, objectives, expectations or intentions, the expected timing of completion of the transaction, the value, as of the completion of the merger or as of any other date in the future, of any consideration to be received in the merger in the form of stock or any other security, and other statements that are not historical facts. Important factors that could cause actual results to differ materially from those indicated by any such forward-looking statements include risks and uncertainties relating to: the risk that NEE, EFH or Oncor may be unable to obtain bankruptcy court and governmental and regulatory approvals required for the merger, or required bankruptcy court and governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the transaction; the risk that a condition to closing of the merger may not be satisfied; the expected timing to consummate the proposed merger; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the diversion of management time and attention on merger-related issues; general worldwide economic conditions and related uncertainties; the effect and timing of changes in laws or in governmental regulations (including environmental); fluctuations in trading prices of securities of NEE and in the financial results of NEE, EFH or Oncor or any of their subsidiaries; the timing and extent of changes in interest rates, commodity prices and demand and market prices for electricity; and other factors discussed or referred to in the “Risk Factors” section of Oncor’s or NEE’s most recent Annual Reports on Form 10-K filed with the Securities and Exchange Commission. These risks, as well as other risks associated with the merger, will be more fully discussed in subsequent filings with the SEC in connection with the merger. Additional risks and uncertainties are identified and discussed in NEE’s and Oncor’s reports filed with the SEC and available at the SEC’s website at www.sec.gov. Each forward-looking statement speaks only as of the date of the particular statement and NEE does not undertake any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

NextEra Energy announces agreement to acquire an 80% interest in Oncor Electric Delivery Company (Oncor)

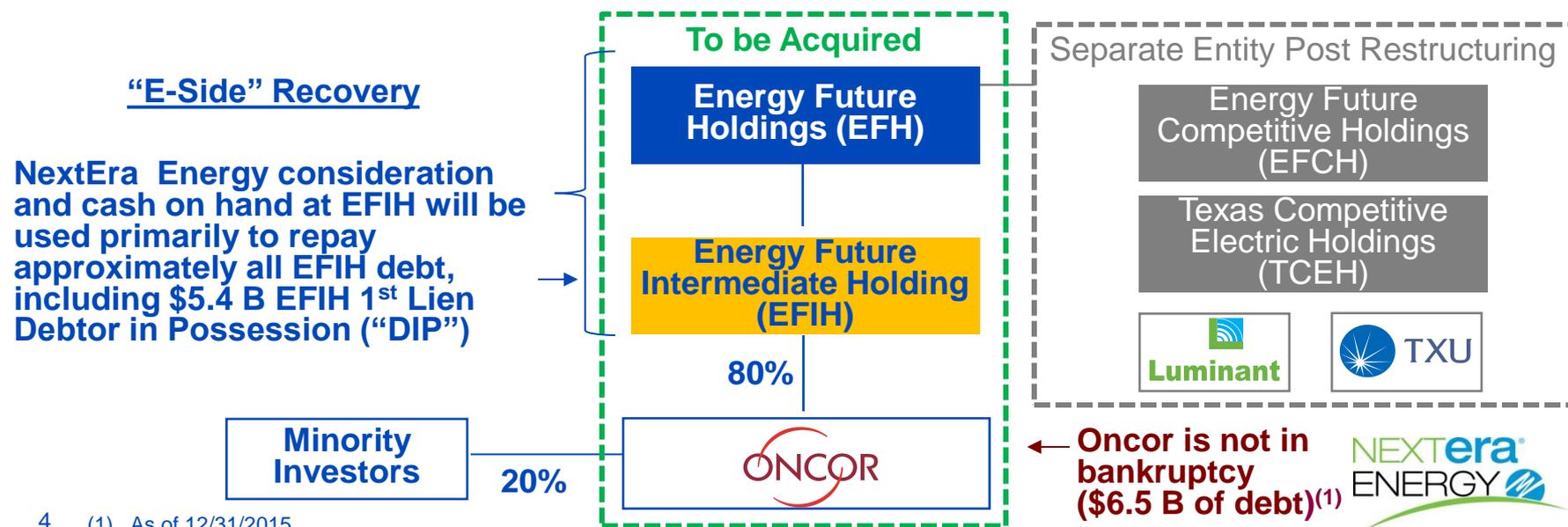
Transaction Overview

- **Oncor expected to add an attractive, rate regulated T&D utility to NextEra Energy**
 - NextEra Energy's proven track record of providing affordable, reliable electric service for customers complements Oncor's operational strengths
- **Transaction consideration:**
 - \$9.5 B to be used primarily to repay EFiH creditors, including approximately \$5.4 B of EFiH first lien debtor-in-possession financing
 - Expected to be financed with debt, convertible equity units and proceeds from recycling capital
 - Financing plan includes \$1.5 B of equity units with forward conversion
- **Implies an enterprise value for Oncor of \$18.4 B**

Agreement is part of an overall Plan of Reorganization designed to allow EFH to emerge from chapter 11 bankruptcy

Transaction Structure

- **Overall EFH Plan of Reorganization:**
 - Tax-free spin-off of merchant generation and retail electricity service businesses
 - NextEra Energy would acquire 100% of the equity of reorganized EFH and EFIH
- **Principal remaining business interest of reorganized EFH would be its indirect 80% ownership interest in Oncor**



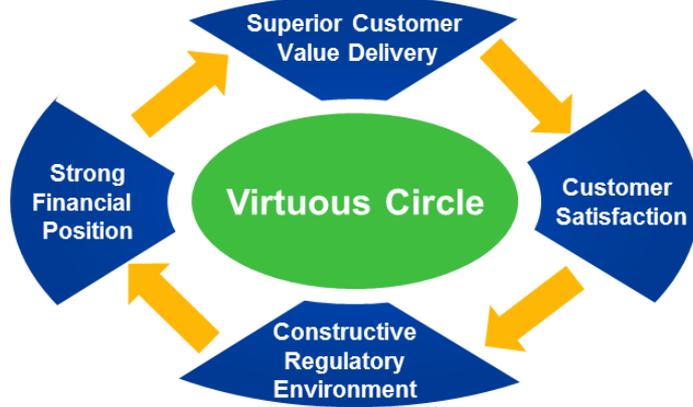
Based on our current targets for completing key milestones, we expect the transaction to close in the first quarter of 2017

Expected Timeline and Solicitation Rights

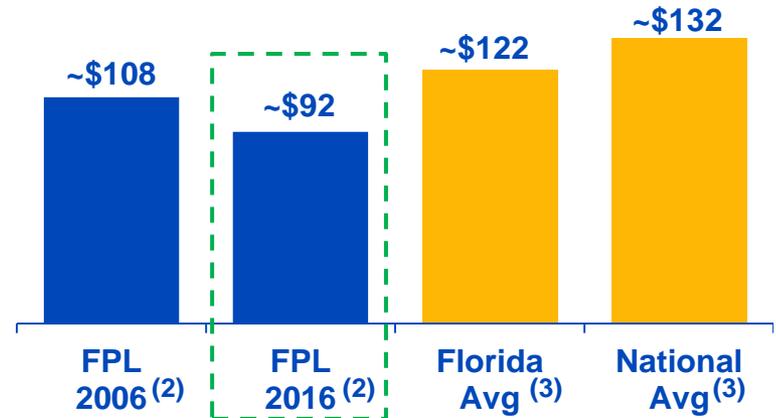
- **Transaction remains subject to certain conditions:**
 - EFH bankruptcy approvals include:
 - Approval of EFH entering into merger agreement (as soon as practicable)
 - Creditor vote expected in the fourth quarter of 2016
 - Bankruptcy court confirmation of EFH's plan of reorganization expected by year end 2016
 - Public Utility Commission of Texas approval (order expected within 180 days after filing)
 - IRS Private Letter Ruling affirming tax-free nature of the transaction
- **Solicitation rights:**
 - EFH can solicit proposals from third parties with no breakup fee until bankruptcy court approval of EFH entering into merger agreement
 - Thereafter, EFH can no longer solicit proposals and would owe NextEra a \$275 million breakup fee if it terminated with NextEra and closed another transaction

Florida Power & Light's (FPL) focus is on providing customers low bills, high reliability and outstanding customer service

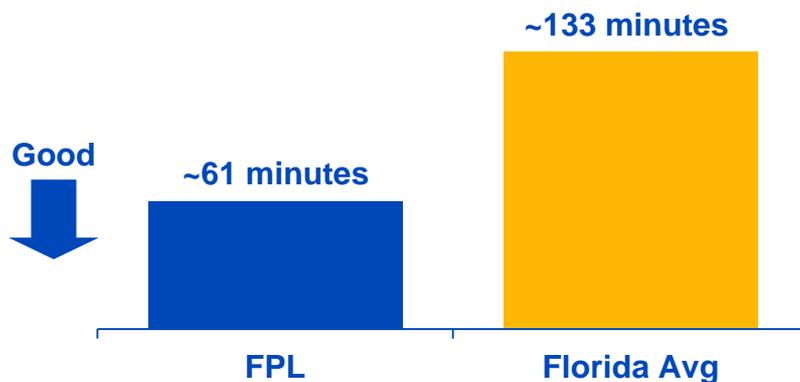
Areas of Focus



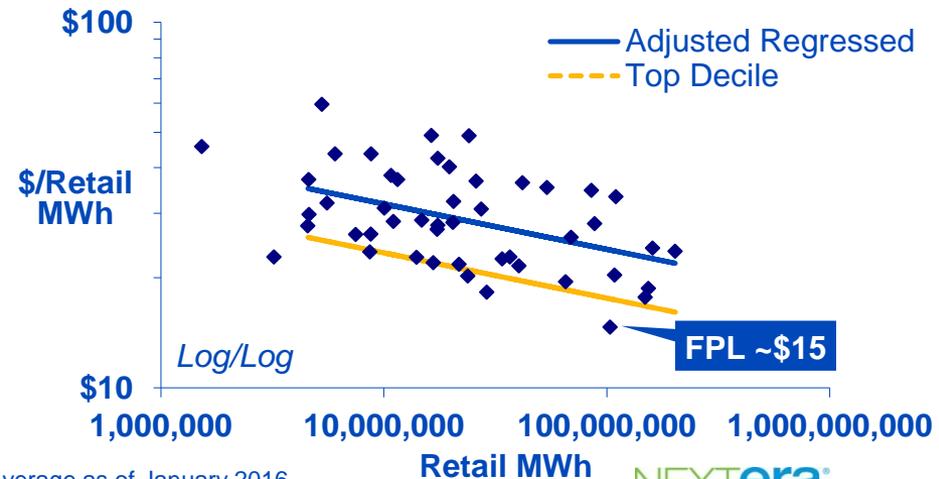
Typical Customer Bill⁽¹⁾



Service Reliability ("SAIDI")⁽⁴⁾



Operational Cost Effectiveness⁽⁵⁾



- (1) Rates based on a typical 1,000 kWh residential bill
- (2) FPL 2006 annual average and approved June 1, 2016 rate
- (3) FMEA 2015 average of Florida investor-owned utilities and EEI National Average as of January 2016
- (4) System Average Interruption Duration Index; 2015 data as reported to FL PSC; FL Avg consists of data from TECO, DEF, Gulf, and FPUC
- (5) FERC Form 1, 2014. Excludes pensions and other employee benefits. Holding companies with >100,000 customers. Excludes companies with no utility owned generation.

NextEra Energy is one of the strongest investment-grade rated electric companies in the U.S.

Strong Financial Position

Corporate Ratings:	NextEra Energy	Oncor Current Ratings (Pre-Announcement)
Standard & Poor's	A-	BBB+
Moody's	Baa1	Baa1 ⁽¹⁾
Fitch	A-	BBB

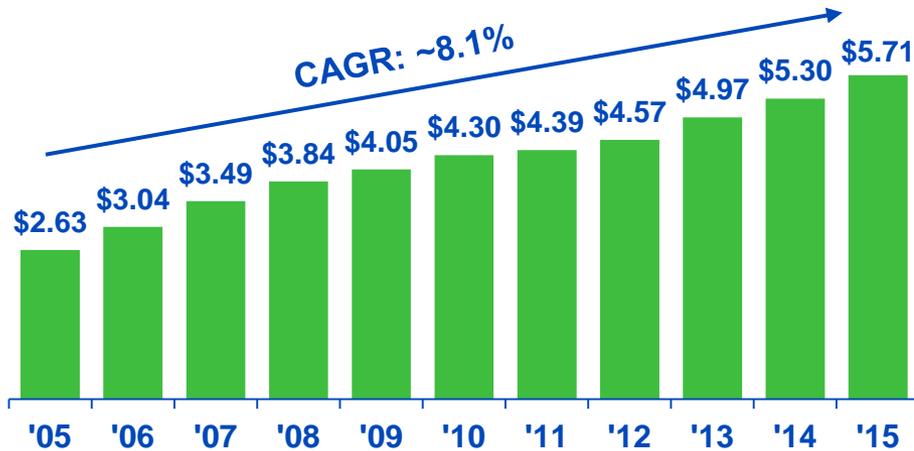
- **Transaction expected to strengthen Oncor's credit ratings**
- **Robust access to capital**
 - Average of ~\$7.5 B capital raised by NextEra Energy per year since 2011
 - Diverse banking relationships include over 100 banks in 20 countries
- **Experience executing large capital projects**
 - NextEra Energy deployed ~\$60 B of capital over the last decade

All Texas stakeholders expected to benefit from more efficient access to capital

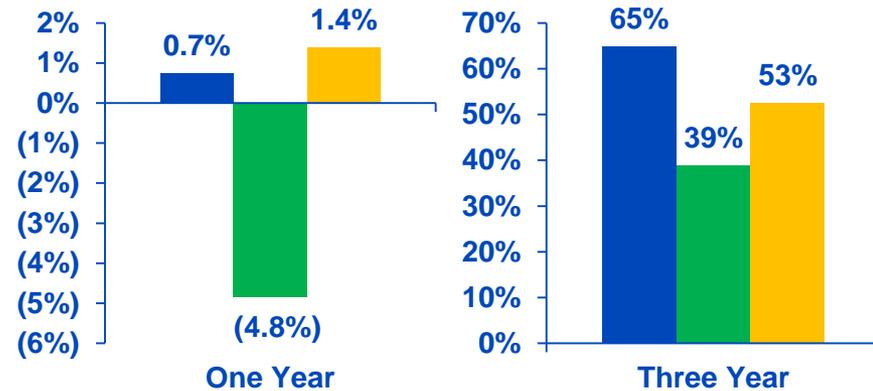


NextEra Energy has a long-term track record of delivering value to shareholders

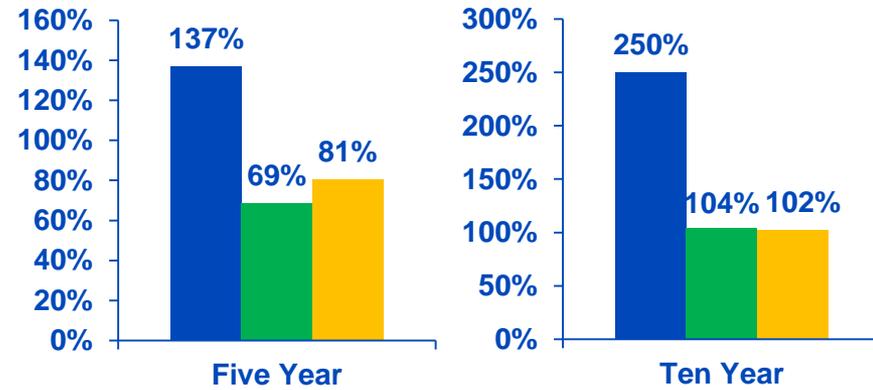
Adjusted Earnings Per Share⁽¹⁾



Total Shareholder Return⁽²⁾



Dividends Per Share



(1) See Appendix for reconciliation of adjusted amounts to GAAP amounts

(2) Source: FactSet; includes dividend reinvestment as of 12/31/2015

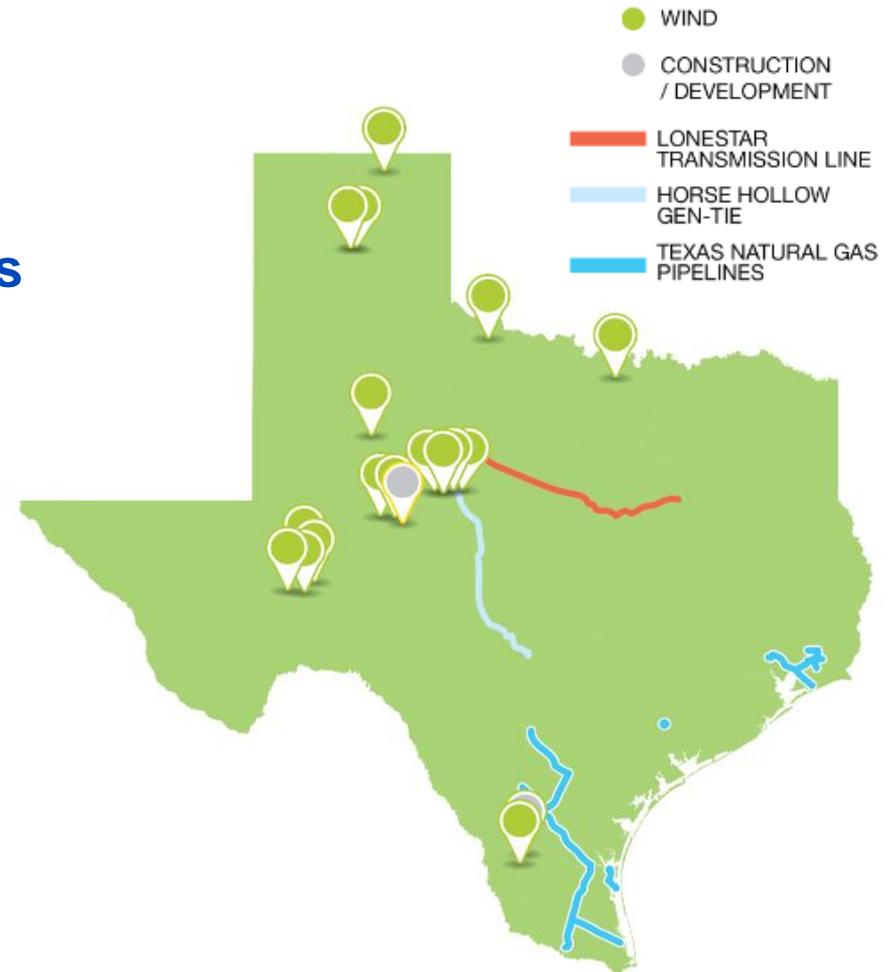
■ NEE
■ S&P 500 Utility Index
■ S&P 500



A proven partner for Texas

NextEra Energy and Texas

- **Significant presence in Texas since 1999**
- **Invested \$8 B in transmission, power generation, gas pipelines and other operations in Texas**
- **Provides hundreds of competitive jobs**
- **Pays millions of dollars annually in payroll, property taxes and lease payments to local landowners**
- **Owns and operates Lone Star Transmission, a transmission service provider**



Upon closing of the transaction, Oncor would become a principal business of NextEra Energy

Corporate Structure



- One of the largest U.S. electric utilities
- 4.8 MM customer accounts
- 25 GW in operation
- Largest transmission and distribution system in Texas
- 3.3 MM points of delivery
- The leader in North America in electricity generated from the wind and sun
- Assets primarily in 25 states and Canada

Current

- \$82 B in total assets
- Retail and wholesale electric services to 5.3 MM customers
- Power lines > 76,000 miles

Combined

- \$102 B in total assets
- 8.6 MM electric service customers/delivery points
- Power lines ~200,000 miles

Combination of NextEra Energy and Oncor expected to be a compelling opportunity to create benefits for all stakeholders

Expected Benefits for All Stakeholders

- **NextEra Energy's proven track record of providing affordable, reliable electric service for customers complements Oncor's operational strengths**
- **Expected to result in tangible benefits to Oncor's customers**
- **NextEra Energy is committed to retaining local management, the Dallas headquarters and the Oncor name**
- **Expected to be meaningfully accretive to NextEra Energy earnings with current credit ratings maintained**
- **Strong financial profile and deep regulated utility operating expertise offer uniquely compelling advantages**

Q & A

Appendix

Reconciliation of Earnings Per Share Attributable to NextEra Energy, Inc. to Adjusted Earnings Per Share

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Earnings Per Share Attributable to NextEra Energy, Inc. (assuming dilution)	\$ 2.34	\$ 3.23	\$ 3.27	\$ 4.07	\$ 3.97	\$ 4.74	\$ 4.59	\$ 4.56	\$ 4.47	\$ 5.60	\$ 6.06
Adjustments:											
Net unrealized mark-to-market losses (gains) associated with non-qualifying hedges	0.47	(0.38)	0.36	(0.70)	0.07	(0.69)	(0.75)	0.15	0.27	(0.70)	(0.64)
Loss (income) from other than temporary impairments, net		0.01	0.02	0.34	0.05	(0.02)	0.03	(0.13)	(0.01)	-	0.05
Merger-related expenses		0.06									0.06
Loss on sale of natural gas-fired generating assets							0.36				
Gain from discontinued operations (Hydro)									(0.87)		
Loss (gain) associated with Maine fossil									0.16	(0.05)	
Impairment charge and valuation allowance									0.70		
Operating loss (income) of Spain solar projects									0.03	0.09	(0.01)
Less related income taxes	(0.18)	0.12	(0.16)	0.13	(0.04)	0.27	0.16	(0.01)	0.22	0.36	0.19
Adjusted Earnings Per Share	<u>\$ 2.63</u>	<u>\$ 3.04</u>	<u>\$ 3.49</u>	<u>\$ 3.84</u>	<u>\$ 4.05</u>	<u>\$ 4.30</u>	<u>\$ 4.39</u>	<u>\$ 4.57</u>	<u>\$ 4.97</u>	<u>\$ 5.30</u>	<u>\$ 5.71</u>