

TATA MOTORS LTD/FI
Form 6-K
May 18, 2007
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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

**Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

For the Month of May 2007

Commission File Number: 001-32294

TATA MOTORS LIMITED

(Translation of registrant's name into English)

BOMBAY HOUSE

24, HOMI MODY STREET,

MUMBAI 400 001, MAHARASHTRA, INDIA

Telephone # 91 22 6665 8282 Fax # 91 22 6665 7799

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file

annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K

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in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K

in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether by furnishing the information
contained in this Form, the Registrant is also thereby furnishing the

information to the Commission pursuant to Rule 12g3-2(b)

under the Securities Exchange Act of 1934:

Yes No

If Yes is marked, indicate below the file

number assigned to the registrant in

connection with Rule 12g 3-2(b): Not Applicable

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Item 1: Form 6-K dated May 18, 2007 along with the Press Release.

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Tata Motors Limited

Bombay House

24, Homi Mody Street,

Mumbai 400 001 Maharashtra India

Consolidated Revenue in 2006-07 grows by 36% to Rs.36987.82

Consolidated Profit Rs.2169.99 crores, up by 26%

Consolidated financial results for the year ended March 31, 2007

Mumbai, May 18, 2007: Tata Motors today reported a consolidated gross revenue of Rs.36987.82 crores in 2006-07, a growth of 36% compared to Rs.27263.73 crores in 2005-06.

The consolidated revenues (net of excise) at Rs.32426.41 crores posted a growth of 36% over Rs.23769.45 crores in the previous year. The consolidated Profit Before Tax (PBT) for the year was Rs.3088.14 crores, an increase of 32% over Rs.2348.98 crores for the previous year. The consolidated Profit After Tax (PAT) for the year, after adjustment for share of minority interest and profit in associate companies was Rs.2169.99 crores compared to Rs.1728.09 crores, a growth of 26% over the previous year. Tata Motors has reported a Basic Earnings Per Share (EPS) of Rs.56.43 for its consolidated operations as against Rs.45.86 for the previous year.

Tata Motors stand-alone financial results

Quarter ended March 31, 2007

The revenues (net of excise) for the quarter ended March 31, 2007, at Rs.8267 crores posted a growth of 20% over Rs.6869.65 crores in the corresponding quarter previous year. The PBT for the quarter was Rs.779.80 crores, an increase of 20% over Rs.647.61 crores in the corresponding quarter last year.

The PAT for the quarter was Rs.576.72 crores, an increase of 26% over Rs.458.11 crores in the corresponding quarter last year.

The total sales volume for the quarter at 172,355 units grew by 16% over 148,343 units sold in the corresponding quarter last year. Sales of commercial vehicles in the domestic market increased by 22% to 87,467 units, while passenger vehicles sales at 70,248 units increased by 14% compared to the corresponding quarter last year.

Financial year ended March 31, 2007

Tata Motors gross revenue for the financial year 2006-07 was Rs.31884.69 crores (2005-06: Rs.24001.44 crores)

The revenues (net of excise) for the financial year ended March 31, 2007, at Rs.27535.24 crores posted a growth of 33% over Rs.20653.49 crores in the previous year. The PBT for the year was Rs.2573.18 crores, an increase of 25% over Rs.2053.38 crores last year. The PAT for the year was Rs.1913.46 crores, an increase of 25% over Rs.1528.88 crores last year.

The total sales volume (including exports) for 2006-07 at 580,280 units, the highest ever of the company, grew by 28% over 454,129 vehicles sold last year.

Sales of commercial vehicles in the domestic market increased by 39% to 298,586 units, the highest ever. The Company's overall market share in commercial vehicles has now reached 63.9%, improving from 61.2% in 2005-06. Passenger vehicles sales in the domestic market at 228,220 units, the highest ever by the company, increased by 21% compared to last year. In spite of growing competition and loss of production due to a fire in the paint shop of the Car Plant, the Company's market share in passenger vehicles was maintained at last fiscal's levels at 16.4%. Exports at 53,474 units grew by 7% compared to 50,223 in 2005-06.

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During the year, the Company launched new vehicles, and also extended its products to new markets. The mini-truck, Ace, has now been extended across the country, and a new variant, Ace HT, has been launched. The 100,000th Ace was rolled out within 22 months of launch. In passenger vehicles, launches included the long wheel base Indigo XL with two new powertrains, a new range of the Indica and the Indigo along with a new 1.2 litre petrol engine option for the Indica. All these products have received encouraging response.

Dividend

The Board of Directors has recommended a dividend of Rs.15/- per share of Rs.10/- each for the financial year 2006-07 (2005-06: Rs.13/-). The dividend is subject to approval of shareholders; tax on the dividend will be borne by the Company.

The Audited Financial Results for the quarter and the financial year ended March 31, 2007, are enclosed.

AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED MARCH 31, 2007

Particulars	Nine months ended Dec 31,	Quarter ended		Year ended	
	2006	March 31, 2007	2006	March 31, 2007	2006
(A)					
1 Vehicle Sales: (in Nos.) (includes traded vehicles)					
Commercial Vehicles	211119	87467	71416	298586	214836
Passenger cars and Utility vehicles	157972	70248	61553	228220	189070
Exports	38834	14640	15374	53474	50223
	407925	172355	148343	580280	454129
2 Vehicle Production: (in Nos.)					
Commercial vehicles	242428	96844	76280	339272	246363
Passenger cars and Utility vehicles	169447	76067	67782	245514	209959
	411875	172911	144062	584786	456322
(B)					
		(Rupees Crores)			
1 Sales/Income from operations	22283.72	9600.97	7972.72	31884.69	24001.44
Less: Excise Duty	3015.48	1333.97	1103.07	4349.45	3347.95
Net Sales/Income from operations	19268.24	8267.00	6869.65	27535.24	20653.49
2 Total Expenditure					
(a) (Increase)/Decrease in stock in trade and work in progress	(643.29)	293.61	413.73	(349.68)	(256.91)
(b) Consumption of raw materials & components and Purchase of products for sale	13813.12	5561.81	4392.36	19374.93	14263.86
(c) Staff cost	1003.17	364.66	315.10	1367.83	1147.17
(d) Other expenditure	2747.76	1080.68	856.63	3828.44	2923.69
(e) Sub total 2(a) to 2(d)	16920.76	7300.76	5977.82	24221.52	18077.81
3 Operating Profit [1-2]	2347.48	966.24	891.83	3313.72	2575.68
4 Other Income	184.75	60.44	4.42	245.19	289.08
5 Interest					
(a) Gross interest	299.51	90.35	80.33	389.86	296.49
(b) Interest Income/Interest capitalised	(46.21)	(30.58)	(11.16)	(76.79)	(70.14)
(c) Net interest	253.30	59.77	69.17	313.07	226.35
6 Product development expenses	56.50	28.52	52.91	85.02	73.78
7 Depreciation and Amortisation	428.04	158.25	136.25	586.29	520.94
8 Profit after interest and depreciation [3+4-5-6-7]	1794.39	780.14	637.92	2574.53	2043.69
9 Exceptional items					
(a) Provision/(reversal) for diminution in value of investments (net)	0.75	0.34	(9.69)	1.09	(9.69)
(b) Employee Separation cost	0.26			0.26	
(c) Sub total of 9(a) and 9(b)	1.01	0.34	(9.69)	1.35	(9.69)

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10	Profit before tax [8-9]	1793.38	779.80	647.61	2573.18	2053.38
11	Less: Tax expense	456.64	203.08	189.50	659.72	524.50
12	Profit After Tax [10-11]	1336.74	576.72	458.11	1913.46	1528.88
13	Paid-up Equity Share Capital (Face value of Rs.10 each)	385.32	385.41	382.87	385.41	382.87
14	Reserves excluding Revaluation Reserve				6458.39	5127.81
15	Basic EPS (not annualised) Rupees	34.78	14.97	12.10	49.76	40.57
	Diluted EPS (not annualised) Rupees	33.02	14.22	11.44	47.24	38.20
16	Aggregate of Public Shareholding					
	- Number of Shares	222097068	214252323	223279749	214252323	223279749
	- Percentage of Shareholding	57.64%	55.60%	58.33%	55.60%	58.33%

1. Figures for the previous period have been regrouped / reclassified wherever necessary.

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2. Sales / Income from operations includes foreign exchange gain of Rs.60.20 crores for the quarter ended March 31, 2007 as against Rs.29.38 crores for the quarter ended March 31, 2006 netted off in other expenditure. The corresponding figures for the year ended March 31, 2007 is gain of Rs.130.48 crores included in Sales / Income from operations as against loss for the year ended March 31, 2006 of Rs.18.53 crores included in other expenditure. The figure for nine months ended December 31, 2006 is gain of Rs.70.28 crores included in Sales / Income from operations.
3. During the quarter ended March 31, 2007, 1,260 Zero coupon Foreign Currency Convertible Notes (2009) have been converted into 96,405 Ordinary Shares of Rs.10/- each at a premium as per the terms of issue. Subsequent to the quarter ended March 31, 2007, 100 Zero coupon Foreign Currency Convertible Notes (2009) have been converted into 7,651 Ordinary Shares of Rs.10/- each at a premium as per the terms of issue.
4. During the quarter ended March 31, 2007 the Company has made following investments in subsidiaries: (a) additional investment in TML Financial Services Ltd - Rs.200 crores (b) Tata Motors (Thailand) Ltd - Rs.11.61 crores and (c) Tata Marcopolo Motors Ltd - Rs.0.03 crore.
5. The Company is engaged mainly in the business of automobile products consisting of all types of commercial and passenger vehicles including financing of the vehicles sold by the Company. These, in the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, are considered to constitute one single primary segment.
6. As on January 1, 2007, 3 Investor complaints were outstanding. The Company received 7 complaints during the fourth quarter and resolved 8 complaints by March 31, 2007. There are 2 complaints unresolved as on March 31, 2007.

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7. Public Shareholding excludes 10.97% (8.02% as on March 31, 2006) of Citibank NA as Depository for ADR holders.
8. The Statutory Auditors have carried out an audit of the results stated in (B) above for the quarter and year ended March 31, 2007.
9. The Board of Directors has recommended a dividend of Rs.15/- per share of Rs.10/- each for the financial year 2006-07 (Previous year Rs.13/- per share), subject to approval of the Shareholders. Tax on dividend will be borne by the Company.

The above Results have been reviewed by the Audit Committee of the Board and were approved by the Board of Directors at its meeting held on May 18, 2007.

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED MARCH 31, 2007

Particulars	(Rs in Crores)				
	Nine months ended December 31,		Quarter ended March 31,		Year ended March 31,
	2006	2007	2006	2007	2006
1 Sales/Income from operations	25828.93	11158.89	9011.52	36987.82	27263.73
Less: Excise Duty	3161.76	1399.65	1146.56	4561.41	3494.28
Net Sales/Income from operations	22667.17	9759.24	7864.96	32426.41	23769.45
2 Total Expenditure					
(a) (Increase)/Decrease in stock-in-trade and work-in-progress	(725.80)	314.54	471.30	(411.26)	(240.62)
(b) Consumption of raw materials & components and purchase of products for sale	15957.00	6415.59	4980.52	22372.59	16258.62
(c) Staff cost	1779.78	635.75	515.74	2415.53	1783.12
(d) Other expenditure	2791.69	1142.02	861.12	3933.71	2920.06
(e) Sub Total 2(a) to 2(d)	19802.67	8507.90	6828.68	28310.57	20721.18
3 Operating Profit [1-2]	2864.50	1251.34	1036.28	4115.84	3048.27
4 Other Income	122.33	30.85	1.10	153.18	243.52
5 Interest (Net)	284.67	121.14	74.03	405.81	246.01
6 Product development expenditure	56.50	28.52	50.90	85.02	71.77
7 Depreciation	503.95	184.14	158.84	688.09	623.31
8 Amortisation of Deferred Revenue Expenditure in Subsidiaries	0.31	0.21	0.01	0.52	0.02
9 Profit after depreciation and interest [3+4-5-6-7-8]	2141.40	948.18	753.60	3089.58	2350.68
10 Exceptional Items					
a) Provision for diminution in value of investments (net)	0.85	0.33	1.70	1.18	1.70
b) Employees Separation Cost	0.26			0.26	
c) Sub Total 10(a) and 10(b)	1.11	0.33	1.70	1.44	1.70
11 Profit Before Tax [9-10]	2140.29	947.85	751.90	3088.14	2348.98
12 Less: Tax Expense	600.94	282.27	232.23	883.21	640.00
13 Profit After Tax [11-12]	1539.35	665.58	519.67	2204.93	1708.98
14 Adjustment of Miscellaneous Expenditure in Subsidiaries	(0.10)	(0.04)	(0.19)	(0.14)	(2.53)
15 Share of Minority Interest	(48.37)	(25.85)	(11.73)	(74.22)	(22.29)
16 Profit in respect of investments in Associate Companies	29.30	10.12	14.85	39.42	43.93
17 Profit for the period	1520.18	649.81	522.60	2169.99	1728.09

cluded or incorporated by reference in this prospectus. In particular, you should carefully consider the information under the heading Risk

Factors as well as the factors listed under the heading "Forward-Looking Information," in each case, contained in our Annual Report on Form 10-K for our most recent fiscal year, in any Quarterly Report on Form 10-Q that we have filed since our most recent Annual Report on Form 10-K and in any other document that we file (not furnish) with the Securities and Exchange Commission (the "SEC"), each of which is incorporated by reference in this prospectus.

ABOUT THIS PROSPECTUS

This prospectus is part of an automatic shelf registration statement on Form S-3 that we filed with the SEC as a majority-owned subsidiary of Entergy Corporation, which is a well-known seasoned issuer, as defined in Rule 405 under the Securities Act of 1933 (the "Securities Act"). By utilizing a shelf registration statement, we may sell, at any time and from time to time, in one or more offerings, the New Bonds described in this prospectus. This prospectus provides a general description of the New Bonds being offered. Each time we sell a series of New Bonds we will provide a prospectus supplement containing specific information about the terms of that series of New Bonds and the related offering. It is important for you to consider the information contained in this prospectus, the related prospectus supplement and the exhibits to the registration statement, together with the additional information referenced under the heading "Where You Can Find More Information" in making your investment decision.

For more detailed information about the New Bonds, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

ENTERGY MISSISSIPPI, INC.

We are a corporation organized under the laws of the State of Mississippi. Our principal executive offices are located at 308 East Pearl Street, Jackson, Mississippi 39201. Our telephone number is 1-601-368-5000. We are an electric public utility company providing service to customers in the State of

Mississippi since 1923. We currently serve approximately 445,000 customers in the State of Mississippi.

We are owned by Entergy Corporation. The other major public utilities owned, directly or indirectly, by Entergy Corporation are Entergy Arkansas, Inc., Entergy Louisiana, LLC, Entergy New Orleans, Inc. and Entergy Texas, Inc. Entergy Corporation also owns all of the common stock of System Energy Resources, Inc., the principal asset of which is its interest in the Grand Gulf Electric Generating Station (Grand Gulf), Entergy Operations, Inc., a nuclear management services company, and Entergy Services, Inc., an administrative services company from which we buy services.

We are subject to regulation by the Mississippi Public Service Commission as to our electric service, rates and charges. We are also subject to regulation by the Federal Energy Regulatory Commission.

The information above is only a summary and is not complete. You should read the incorporated documents listed under the heading [Where You Can Find More Information](#) for more specific information concerning our business and affairs, including significant contingencies, significant factors and known trends, our general capital requirements, our financing plans and capabilities, and pending legal and regulatory proceedings.

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WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934 (the Exchange Act), and therefore are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. Our filings are available to the public on the Internet at the SEC's website located at (<http://www.sec.gov>).

You may read and copy any document that we file with the SEC at the SEC public reference room located at:

100 F Street, N.E.

Room 1580

Washington, D.C. 20549-1004.

Call the SEC at 1-800-732-0330 for more information about the public reference room and how to request documents.

The SEC allows us to incorporate by reference the information filed by us with the SEC, which means we can refer you to important information without restating it in this prospectus. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below, along with any future filings that we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and until the offerings contemplated by this prospectus are completed or terminated:

1. our Annual Report on Form 10-K for the year ended December 31, 2015 (the 2015 Form 10-K);

2. our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, and June 30, 2016; and

3. our Current Reports on Form 8-K filed May 13, 2016 and June 28, 2016.

You may access a copy of any or all of these filings, free of charge, at our web site, which is located at <http://www.entergy.com>, or by writing or calling us at the following address:

Ms. Dawn A. Balash

Assistant Secretary

Entergy Mississippi, Inc.

639 Loyola Avenue

New Orleans, Louisiana 70113

(504) 576-6755

You may also direct your requests via e-mail to dbalash@entergy.com. We do not intend our Internet address to be an active link or to otherwise incorporate the contents of the website into this prospectus or any accompanying prospectus supplement.

This prospectus, any accompanying prospectus supplement and any free-writing prospectus that we file with the SEC contain and incorporate by reference information that you should consider when making your investment decision. We have not, and any underwriters, dealers or agents have not, authorized anyone else to provide you with different information. You should not assume that the information contained in this prospectus, any accompanying prospectus supplement or the documents incorporated by reference is accurate as of any date other than as of the dates of these documents or the dates these documents were filed with the SEC. Our business, financial condition, results of operations and prospects may have changed since these dates. We are not, and any underwriters, dealers or agents are not, making an offer of the New Bonds in any jurisdiction where the offer or sale is not permitted.

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We have calculated ratios of earnings to fixed charges pursuant to Item 503 of Regulation S-K of the SEC as follows:

Six Months Ended

June 30,			Twelve Months Ended December 31,			
2016	2015	2015	2014	2013	2012	2011
3.48	3.86	3.59	3.23	3.19	2.79	3.55

Earnings represent the aggregate of (1) income before the cumulative effect of an accounting change, (2) taxes based on income, (3) investment tax credit adjustments-net and (4) fixed charges. Fixed Charges include interest (whether expensed or capitalized), related amortization and estimated interest applicable to rentals charged to operating expenses. We accrue interest expense related to unrecognized tax benefits in income tax expense and do not include it in fixed charges.

USE OF PROCEEDS

Except as otherwise described in a prospectus supplement, the net proceeds from the offering of the New Bonds will be used either (a) to repurchase or redeem one or more series of our outstanding securities on their stated due dates or in some cases prior to their stated due dates or (b) for other general corporate purposes. The specific purposes for the proceeds of a particular series of New Bonds or the specific securities, if any, to be acquired or redeemed with the proceeds of a particular series of New Bonds will be described in the prospectus supplement relating to that series.

DESCRIPTION OF THE NEW BONDS

We will issue the New Bonds offered by this prospectus from time to time in one or more series under one or more separate supplemental indentures to the Mortgage and Deed of Trust dated as of February 1, 1988, with The Bank of New

York Mellon, successor trustee (the trustee). This Mortgage and Deed of Trust, as it has heretofore been and may be amended or supplemented from time to time, is referred to in this prospectus as the mortgage. All first mortgage bonds issued or to be issued under the mortgage, including the New Bonds offered by this prospectus, are referred to herein as first mortgage bonds.

The statements in this prospectus and any accompanying prospectus supplement concerning the New Bonds and the mortgage are not comprehensive and are subject to the detailed provisions of the mortgage. The mortgage and a form of supplemental indenture are filed as exhibits to the registration statement of which this prospectus forms a part.

You should read these documents for provisions that may be important to you.

The mortgage has been qualified under the Trust Indenture Act of 1939, and you should also refer to the Trust Indenture Act of 1939 for provisions that apply to the New Bonds. Wherever particular provisions or defined terms in the mortgage are referred to under this heading Description of the New Bonds, those provisions or defined terms are incorporated by reference in this prospectus.

General

The mortgage permits us to issue first mortgage bonds from time to time in an unlimited aggregate amount subject to the limitations described under Issuance of Additional First Mortgage Bonds. All

first mortgage bonds of any one series need not be issued at the same time, and a series may be reopened for issuances of additional first mortgage bonds of that series. This means that we may from time to time, without the consent of the existing holders of the first mortgage bonds of any series, including the New Bonds, create and issue additional first mortgage bonds of a series having the same terms and conditions as the previously issued first mortgage bonds of that series in all respects, except for issue date, issue price and, if applicable, the initial interest payment on those additional first mortgage bonds.

Additional first mortgage bonds issued in this manner will be consolidated with and will form a single series with, the previously issued first mortgage bonds

of that series. For more information, see the discussion below under Issuance of Additional First Mortgage Bonds.

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Terms of Specific Series of the New Bonds

The prospectus supplement relating to each series of New Bonds offered by this prospectus will include a description of the specific terms relating to the offering of that series. These terms will include any of the following terms that apply to that series:

1. the designation, or name, of the series of New Bonds;
2. the aggregate principal amount of the series;
3. the offering price of the series;
4. the date on which the series will mature;
5. the rate or method for determining the rate at which the series will bear interest;
6. the date from which interest on the series accrues;
7. the dates on which interest on the series will be payable;
8. the prices and other terms and conditions upon which we may redeem the series prior to maturity;
9. the applicability of the dividend covenant described below to the series;
10. the terms of an insurance policy, if any, that will be provided for the payment of principal of and/or

interest on the series;

11. the rights, if any, of a holder to elect repayment; and

12. any other terms or provisions relating to that series that are not inconsistent with the provisions of the mortgage.

As of June 30, 2016, we had approximately \$1,105 million principal amount of first mortgage bonds outstanding.

We may sell New Bonds at a discount below their principal amount or at a premium above their principal amount.

United States federal income tax considerations applicable to New Bonds sold at an original issue discount will be described in the applicable prospectus supplement if we sell New Bonds at an original issue discount. In addition, important United States federal income tax or other tax considerations applicable to any New Bonds denominated or payable in a currency or currency unit other than United States dollars will be described in the applicable prospectus supplement if we sell New Bonds denominated or payable in a currency or currency unit other than United States dollars.

Except as may otherwise be described in the applicable prospectus supplement, the covenants contained in the mortgage will not afford holders of New Bonds protection in the event of a highly-leveraged or a change of control transaction involving us.

Payment

The New Bonds and interest thereon will be paid in any coin or currency of the United States of America that at the time of payment is legal tender at the corporate trust office of the trustee in the Borough of Manhattan, City and State of New York. See [Book-Entry Only Securities](#) for additional information relating to payment on the New Bonds.

Redemption and Retirement

We will set forth any terms for the redemption of New Bonds of any series

in the applicable prospectus supplement.

Unless we indicate differently in a prospectus supplement, and except with respect to New Bonds redeemable at the option of the holder of those New Bonds,

New Bonds will be redeemable upon notice to holders by mail at least 30 days prior to the redemption date. Unless the New Bonds are held in book-entry only

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form through the facilities of The Depository Trust Company (DTC), in which case DTC 's procedures for selection shall apply (see Book-Entry Only Securities), if less than all of the New Bonds of any series are to be redeemed, the trustee will select the New Bonds to be redeemed.

Unless we default in the payment of the redemption price and accrued interest, if any, in the case of an unconditional notice of redemption, New Bonds will cease to bear interest on the redemption date. We will pay the redemption price and any accrued interest to the redemption date upon presentation and surrender of any New Bond for redemption. If only part of a New Bond is redeemed, the trustee will deliver to the holder of the New Bond a new New Bond of the same series for the remaining portion without charge.

We may make any redemption at our option conditional upon the receipt by the trustee, prior to the date fixed for redemption, of money sufficient to pay the redemption price and accrued interest, if any. If the trustee has not received the money by the date fixed for redemption, we will not be required to redeem the New Bonds.

Form and Exchange

The New Bonds will be fully-registered bonds without coupons. See Book-Entry Only Securities. The New Bonds will be exchangeable for other New Bonds of the same series in equal aggregate principal amounts. No service charge will be made for any registration of transfer or exchange of the New Bonds. However, we may require payment to cover any tax or other governmental charge that may be imposed in connection with a registration, transfer or exchange. We will not be required to provide for the transfer or exchange of any New Bond

1. during the 15 days before an interest payment date (unless such New Bond has a record date for the

payment of interest),

2. during the 15 days before giving any notice of redemption, or
3. selected for redemption.

Security

The New Bonds, together with all other first mortgage bonds outstanding now or in the future under the mortgage, will be secured by the mortgage. The mortgage constitutes a first mortgage lien on substantially all of our property (the mortgaged property) subject to bankruptcy law and:

1. minor defects and encumbrances customarily found in similar properties that do not materially impair the use of the mortgaged property in the conduct of our business;

2. other liens, defects and encumbrances, if any, existing or created at the time of our acquisition of the mortgaged property; and

3. excepted encumbrances.

The mortgage does not create a lien on the following excepted property :

1. cash and securities;

2. all merchandise, equipment, apparatus, materials or supplies held for sale or other disposition in the usual course of business or consumable during use;

3. automobiles, vehicles and aircraft, timber, minerals, mineral rights and royalties; and

4. accounts receivable, contracts, leases and operating agreements.

The mortgage contains provisions that impose the lien of the mortgage on property we acquire after the date of the mortgage, other than the excepted property, subject to pre-existing liens.

However, if we consolidate or merge with, or convey or transfer all or substantially all of our mortgaged property to, another entity, the lien created by the mortgage will generally not cover the property of the successor company, other than the mortgaged property it acquires from us and improvements, replacements and additions to such property.

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The mortgage also provides that the trustee has a lien on the mortgaged property to ensure the payment of its reasonable compensation, expenses and disbursements and for indemnity against certain liabilities. This lien takes priority over the lien securing the first mortgage bonds, including the New Bonds.

We have reserved the right to amend the mortgage without the consent or other action by the holders of any first mortgage bonds created after April 30, 2016, to revise the definition of "excepted encumbrances" to mean the following:

tax liens, assessments and other governmental charges or requirements which are not delinquent or which are being contested in good faith and by appropriate proceedings or of which at least ten business days' notice has not been given to our general counsel or to such other person designated by us to receive such notices;

mechanics', workmen's, repairmen's, materialmen's, warehousemen's and carriers' liens, other liens incident to construction, liens or privileges of any of our employees for salary or wages earned, but not yet payable, and other liens, including without limitation liens for workers' compensation awards, arising in the ordinary course of business for charges or requirements which are not delinquent or which are being contested in good faith and by appropriate proceedings or of which at least ten business days' notice has not been given to our general counsel or to such other person designated by us to receive such notices;

specified judgment liens and prepaid liens;

easements, leases, reservations or other rights of others (including governmental entities) in, and defects

of title in, our property;

liens securing indebtedness or other obligations relating to real property we acquired for specified transmission, distribution or communication purposes or for the purpose of obtaining rights-of-way;

specified leases and leasehold, license, franchise and permit interests;

liens resulting from law, rules, regulations, orders or rights of governmental authorities and specified liens required by law or governmental regulations;

liens to secure public or statutory obligations;

rights of others to take minerals, timber, electric energy or capacity, gas, water, steam or other products produced by us or by others on our property;

rights and interests of persons other than us arising out of agreements relating to the common ownership or joint use of property, and liens on the interests of those persons in the property;

restrictions on assignment and/or requirements of any assignee to qualify as a permitted assignee and/or public utility or public services corporation; and

liens which have been bonded for the full amount in dispute or for the payment of which other adequate security arrangements have been made.

Issuance of Additional First Mortgage Bonds

Subject to the issuance restrictions described below, the aggregate principal

amount of first mortgage bonds that we can issue under the mortgage is unlimited. First mortgage bonds of any series may be issued from time to time on the basis of:

1. 70% of property additions after adjustments to offset retirements;
2. retirements of first mortgage bonds; or
3. deposit of cash with the trustee.

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Property additions generally include, among other things, electric, gas, steam or hot water property acquired after December 31, 1987. Securities, automobiles, vehicles or aircraft, or property used principally for the production or gathering of natural gas, are not included as property additions. Deposited cash may be withdrawn upon the bases stated in clause (1) or (2) above.

As of June 30, 2016, we could have issued approximately \$754 million principal amount of first mortgage bonds on the basis of retired first mortgage bonds, and we had approximately \$752 million of unfunded property additions, entitling us to issue approximately \$526 million principal amount of first mortgage bonds on the basis of property additions.

With certain exceptions in the case of clause (2) above, the issuance of first mortgage bonds must meet an earnings test. The adjusted net earnings, before income taxes, for 12 consecutive months of the preceding 18 months, must be at least twice the annual interest requirements on all first mortgage bonds outstanding at the time, including the additional first mortgage bonds to be issued, plus all indebtedness, if any, of prior rank. In general, interest on variable interest rate bonds, if any, is calculated using the average rate in effect during such 12-month period. Based upon the results of our operations for the twelve months ended June 30, 2016, if we were to make an application for authentication and delivery of first mortgage bonds as of the date of this prospectus, solely based on the earnings coverage test (and, therefore not taking into account the property additions and retired bond issuance limitations), we could issue approximately \$1,088 million in principal amount of first mortgage bonds, in addition to the amount of first mortgage bonds then outstanding (assuming an interest rate of 5% for additional first mortgage bonds). Such amount will be affected by the issuance of any additional first mortgage bonds, including the New Bonds, and the retirement of existing first mortgage bonds with the proceeds of the New

Bonds and by subsequent net earnings. New Bonds in a greater amount may also be issued for the refunding of outstanding first mortgage bonds.

We have reserved the right to amend the mortgage without the consent or other action by the holders of any first mortgage bonds created after February 28, 2014, to remove the earnings coverage test described above, including all provisions of the mortgage that require a net earning certificate, whether as a condition precedent to the authentication and delivery of bonds or otherwise.

The mortgage contains restrictions on the issuance of first mortgage bonds against property subject to liens.

Other than the security afforded by the lien of the mortgage and restrictions on the issuance of additional first mortgage bonds described above, there are no provisions of the mortgage that grant the holders of the first mortgage bonds protection in the event of a highly leveraged transaction involving us.

Release and Substitution of Property

Property may be released from the lien of the mortgage without applying any earnings test, on the following bases:

1. the deposit with the trustee of cash or, to a limited extent, purchase money mortgages;
2. the lower of cost or fair value to us of unfunded property additions designated by us, after adjustments in certain cases to offset retirements and after making adjustments for certain prior lien bonds, if any, outstanding against property additions; or
3. a waiver by us of our right to issue a specified principal amount of first mortgage bonds.

Property owned by us on December 31, 1987, may be released from the lien of the mortgage at its depreciated book

value on December 31, 1987; all other property may be released at its cost, as defined in the mortgage. Unfunded property may also be released without applying any earnings test or complying with clauses (1), (2) or (3) above if, after its release, we would have at least one dollar of unfunded property that remains subject to the lien of the mortgage.

We can withdraw cash upon the bases stated in clauses (2) and/or (3) above.

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We have reserved the right to amend the mortgage without the consent or other action of the holders of any of the first mortgage bonds created after November 30, 2012, to permit the release or substitution of property from the lien of the mortgage on the following bases:

1. mortgaged property may be released in an amount equal to the principal amount of the retired first mortgage bonds that we elect to use as the basis for such release times the reciprocal of the bonding ratio in effect at the time such retired first mortgage bonds were originally issued;
2. existing limitations on the amount of obligations secured by purchase money mortgages upon property released will be eliminated such that the property can be released; and
3. **Funded Property** shall mean only property specified by us with a fair value, to be determined by an independent expert, of not less than 10/7ths of the sum of the amount of the outstanding first mortgage bonds and retired bond credits.

We have further reserved the right to amend the mortgage without the consent or other action by the holders of any first mortgage bonds created after April 30, 2016, to allow us, without any release or consent by the trustee, to cancel or make changes or alterations in or substitutions for any and all easements, servitudes, rights-of-way and similar rights and/or interests.

Modification

Modification Without Consent

Without the consent of any holder of first mortgage bonds, we and the trustee may enter into one or more supplemental indentures for any of the following purposes:

to evidence the assumption by any permitted successor of our covenants in the mortgage and in the first mortgage bonds;

to add one or more covenants or other provisions for the benefit of the holders of all or any series or tranche of first mortgage bonds, or to surrender any right or power conferred upon us;

to cure any ambiguity in the mortgage or any supplemental indenture; or

to establish the form or terms of first mortgage bonds of any other series as permitted by the mortgage; provided that any such modification does not adversely affect any first mortgage bonds then outstanding.

We have reserved the right to amend the mortgage without the consent or action of any of the holders of first mortgage bonds created after November 30, 2012, to permit us to amend the mortgage without the consent of the holders of first mortgage bonds for any of the following additional purposes:

to add additional events of default under the mortgage for all or any series of first mortgage bonds;

to correct or amplify the description of the mortgaged property or to subject additional property to the lien of the mortgage;

to change, eliminate or add any provision to the mortgage; provided that no such change, elimination or addition will adversely affect the interests of the holders of first mortgage bonds of any series in any material respect;

to provide for the procedures required for use of a non-certificated system of registration for the first mortgage bonds of all or any series;

to change any place where principal, premium, if any, and interest shall be payable, first mortgage bonds may be surrendered for registration of transfer or exchange, and notices and demands to us may be served;

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to cure any ambiguity or inconsistency or to make any other changes or additions to the provisions of the mortgage if such changes or additions will not adversely affect the interests of first mortgage bonds of any series in any material respect.

Modification Requiring Consent

Except as provided below, the consent of the holders of a majority in aggregate principal amount of then outstanding first mortgage bonds, considered as one class, is required for all other amendments or modifications to the mortgage. However, if less than all of the series of first mortgage bonds outstanding are directly affected by a proposed amendment or modification, then the consent of the holders of only a majority in aggregate principal amount of the outstanding first mortgage bonds of all series that are directly affected, considered as one class, will be required.

Notwithstanding the foregoing, no amendment or modification may be made without the consent of the holder of each directly affected first mortgage bond then outstanding to:

impair or affect the right of such holder to receive payment of the principal of (and premium, if any) and interest on such first mortgage bond, on or after the respective due dates expressed in such first mortgage bond, or to institute suit for the enforcement of any such payment on or after such respective dates;

permit the creation of any lien ranking prior to or on a parity with the lien of the mortgage with respect to the mortgaged property, or permit the deprivation of any non-assenting holder of a first mortgage bond of a lien on the mortgaged property for the security of such holder's first mortgage bonds (subject only to certain tax, assessment and governmental liens and certain prior liens); or

permit the reduction of the percentage in principal amount of the outstanding first mortgage bonds of any series the consent of the holders of which is required for any amendment or modification.

The mortgage provides that first mortgage bonds owned by us, for our benefit or by any affiliate of ours shall not be deemed outstanding for the purpose of certain votes, consents or quorums; provided that first mortgage bonds which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the trustee its right to vote such first mortgage bonds and such pledgee is not our affiliate.

Any request, consent or vote of the owner of any first mortgage bond will bind every future holder and owner of that first mortgage bond and the holder and owner of every first mortgage bond issued upon the registration of transfer of or in exchange for that first mortgage bond.

Defaults and Notices Thereof

Defaults under the mortgage include:

1. failure to pay the principal of any first mortgage bond after it is due and payable;
2. failure to pay interest upon any first mortgage bond for a period of 30 days after it is due and payable;
3. certain events of bankruptcy, insolvency or reorganization;
4. defaults under a supplemental indenture; and
5. the expiration of a period of 90 days after the mailing by the trustee to us of a written demand, or by the holders of 15% in principal amount of the first mortgage bonds at the time outstanding to us and the trustee of a written demand, that we perform

a specified covenant or agreement in the mortgage or a first mortgage bond, which specified covenant or agreement we shall have failed to perform prior to such mailing, unless we during such period shall have performed such covenant or agreement or shall have in good faith commenced efforts to perform the same. The trustee may, and, if requested to do so in writing by the holders of a majority in principal amount of the first mortgage bonds outstanding, shall, make such demand.

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The trustee may withhold notice of default, except in payment of principal, interest or funds for purchase or redemption of first mortgage bonds, if the trustee in good faith determines it is in the interests of the holders of first mortgage bonds.

Remedies

Acceleration of Maturity

If a default under the mortgage occurs and is continuing, then the trustee, by written notice to us, or the holders of at least 25% in aggregate principal amount of the outstanding first mortgage bonds, by written notice to us and the trustee, may declare the principal amount of all of the first mortgage bonds to be due and payable immediately, and upon the giving of such notice, such principal amount and accrued and unpaid interest will become immediately due and payable.

There is no automatic acceleration, even in the event of our bankruptcy, insolvency or reorganization.

Annulment of Acceleration

At any time after such a declaration of acceleration has been made but before any sale of the mortgaged property, the holders of a majority in principal amount of all outstanding first mortgage bonds may annul such declaration of acceleration, by written notice to us and the trustee, if the default under the mortgage giving rise to such declaration of acceleration has been cured, and we have paid or deposited with the trustee a sum sufficient to pay:

(1) all overdue interest on all outstanding first mortgage bonds;

(2) the principal of and premium, if any, on the outstanding first mortgage bonds that have become due otherwise than by such declaration of acceleration and

overdue interest thereon;

(3) interest on overdue interest, if any, to the extent lawful, at the rate borne by the first mortgage bonds for which interest is overdue plus 1% per annum; and

(4) all amounts due to the trustee under the mortgage.

Trustee Powers

Subject to the mortgage, under specified circumstances and to the extent permitted by law, if a default under the mortgage occurs, the trustee shall be entitled to the appointment of a receiver for the mortgaged property, and is entitled to all other remedies available under applicable law.

Control by Holders

The holders of a majority in principal amount of the first mortgage bonds may direct the time, method and place of conducting any proceedings for any remedy available to the trustee or exercising any trust or power conferred on the trustee. The trustee is not obligated to comply with directions that conflict with law or other provisions of the mortgage or that the trustee determines in good faith would involve the trustee in personal liability, would be unjustifiably prejudicial to non-assenting holders or would be in circumstances where indemnity would not be sufficient.

The trustee is not required to risk its funds or incur personal liability if there is reasonable ground for believing that repayment is not reasonably assured.

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Limitation on Holders' Right to Institute Proceedings

No holder of first mortgage bonds will have any right to institute any proceeding under the mortgage, or any remedy under the mortgage, unless:

the holder has previously given to the trustee written notice of a default under the mortgage;

the holders of 25% in aggregate principal amount of the outstanding first mortgage bonds of all series have made a written request to the trustee and have offered the trustee reasonable opportunity and indemnity satisfactory to the trustee to institute proceedings; and

the trustee has failed to institute any proceeding for 60 days after notice; provided that no holder or holders of first mortgage bonds shall have any right in any manner to affect or prejudice the lien of the mortgage or to obtain priority over other holders of outstanding first mortgage bonds. However, these limitations do not apply to the absolute and unconditional right of a holder of a first mortgage bond to institute suit for payment of the principal, premium, if any, or interest on the first mortgage bond on or after the applicable due date.

Evidence to be Furnished to the Trustee

Compliance with the mortgage provisions is evidenced by written statements of our officers or persons we select or pay. In certain cases, opinions of counsel and certifications of an engineer, accountant, appraiser or other expert (who in some cases must be independent) must be furnished. We must give the trustee an annual certificate as to whether or not we have fulfilled our obligations under the mortgage throughout the preceding year.

Satisfaction and Discharge of Mortgage

After we provide for the payment of all of the first mortgage bonds (including the New Bonds) and after paying all other sums due under the mortgage, the mortgage may be satisfied and discharged. The first mortgage bonds will be deemed to have been paid when money or Eligible Obligations (as defined below) sufficient to pay the first mortgage bonds (in the opinion of an independent accountant in the case of Eligible Obligations) at maturity or upon redemption have been irrevocably set apart or deposited with the trustee, provided that the trustee shall have received an opinion of counsel to the effect that the setting apart or deposit does not require registration under the Investment Company Act of 1940, does not violate any applicable laws and does not result in a taxable event with respect to the holders of the first mortgage bonds prior to the time of their right to receive payment. Eligible Obligations means obligations of the United States of America that do not permit the redemption thereof at the issuer's option.

Consolidation, Merger and Conveyance of Assets

The mortgage provides that we may consolidate with or merge into any other entity or convey, transfer or lease as, or substantially as, an entirety to any entity the mortgaged property, if:

(a) the surviving or successor entity to such merger or consolidation has authority to carry on the energy, fuel, water or steam business, or (b) the successor entity which acquires by conveyance or transfer or which leases our mortgaged property as, or substantially as, an entirety, is authorized to acquire, lease or operate the mortgaged property so conveyed or transferred;

such merger, consolidation, conveyance, transfer or lease is upon such terms as to preserve, and in no respect impair, the lien and security of the mortgage and the rights and powers of the trustee and the holders of first mortgage bonds;

the survivor or successor entity expressly assumes by supplemental indenture our obligations on all first mortgage bonds then outstanding and under the mortgage;

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immediately after giving effect to such transaction, no default under the mortgage shall have occurred and be continuing; and

in the case of a lease, such lease is made expressly subject to termination by us or by the trustee and by the purchaser of the property so leased at any sale thereof at any time during the continuance of a default under the mortgage.

In the case of the conveyance or other transfer of the mortgaged property as, or substantially as, an entirety to another entity, upon the satisfaction of all the conditions described above, the successor entity would be substituted for us under the mortgage, but we would not be released and discharged from our obligations on the first mortgage bonds then outstanding.

However, we have reserved the right to amend the mortgage without the consent or other action of the holders of any of the first mortgage bonds created after November 30, 2012, to provide that, if we transfer as an entirety all or substantially all of our mortgaged property to a successor, the successor will assume all of our obligations under the mortgage and we may be released of all such obligations.

The mortgage does not prevent or restrict any conveyance or other transfer, or lease, of any part of the mortgaged property that does not constitute the entirety, or substantially the entirety, of the mortgaged property.

Although the successor entity may, in its sole discretion, subject to the lien of the mortgage property then owned or thereafter acquired by the successor entity, the lien of the mortgage generally will not cover the property of the successor entity other than the mortgaged property it acquires from us and improvements, extensions and additions to such property and renewals, replacements and substitutions thereof, within the meaning of the mortgage.

The terms of the mortgage do not restrict mergers in which we are the surviving entity.

We have reserved the right to amend the mortgage without the consent or other action by the holders of any first mortgage bonds created after April 30, 2016, as follows:

1. to provide that a statutory merger pursuant to which our assets and liabilities are allocated to one or more entities shall not be considered to be a merger subject to the provisions of the mortgage relating to a merger, consolidation or conveyance of all or substantially all of the mortgaged property unless all of our assets and liabilities are allocated to an entity other than us and we do not survive such statutory merger; in all other cases of a statutory merger pursuant to which any mortgaged property is allocated to one or more entities other than us, each allocation of any mortgaged property to an entity other than us shall be deemed, for purposes of the mortgage, to be a transfer of such mortgaged property to such entity and not a merger;
2. to provide that any conveyance, transfer or lease of any of our properties where we retain mortgaged property with a fair value in excess of 143% of the aggregate principal amount of all outstanding first mortgage bonds, and any other outstanding debt secured by a purchase money lien that ranks equally with, or senior to, the first mortgage bonds with respect to the mortgaged property, shall not be deemed to be a conveyance, transfer or lease of all or substantially all of our mortgaged property. This fair value will be determined within 90 days of the conveyance, transfer or lease by an independent expert that we select; and
3. to provide that, in the case of a consolidation or merger after the consummation of which we would be

the surviving or resulting entity, unless we otherwise provide in a supplemental indenture to the mortgage, the lien of the mortgage will generally not cover any of the properties acquired by us in or as a result of such transaction or any improvements, extensions or additions to those properties.

Release of Obligations under New Bonds upon Transfer of All or Substantially All Mortgaged Property

If we transfer as an entirety all or substantially all of our mortgaged property to a successor, the successor will assume all of our obligations under the New Bonds and we may be released of all such obligations.

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Consent to Amendments

Each initial and future holder of the New Bonds, by its acquisition of an interest in such New Bonds, will irrevocably

- (a) consent to the amendments to the mortgage described herein, and
- (b) designate the trustee, and its successors, as its proxy with irrevocable instructions to vote and deliver written consents on behalf of such holder in favor of such amendments at any meeting of bondholders, in lieu of any meeting of bondholders, in response to any consent solicitation or otherwise.

Information about the Trustee

The trustee will be The Bank of New York Mellon. In addition to acting as trustee, The Bank of New York Mellon also acts, and may act, as trustee under various other of our and our affiliates indentures, trusts and guarantees. We and our affiliates maintain deposit accounts and credit and liquidity facilities and conduct other banking transactions with the trustee and its affiliates in the ordinary course of our respective businesses. We have reserved the right to amend the mortgage without the consent or other action by the holders of any first mortgage bonds created after April 30, 2016, to provide that, so long as no event of default or event which, after notice or lapse of time, or both, would become an event of default has occurred and is continuing and except with respect to a trustee appointed by act of the holders, if we have delivered to the trustee a board resolution appointing a successor trustee and the successor has accepted the appointment in accordance with the terms of the mortgage, the trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the mortgage.

Book-Entry Only Securities

Unless otherwise specified in the applicable prospectus supplement, the New Bonds will trade through DTC. Each series of New Bonds will be represented by one or more global certificates and registered in the name of

Cede & Co., DTC's nominee. Upon issuance of the global certificates, DTC or its nominee will credit, on its book-entry registration and transfer system, the principal amount of the New Bonds represented by such global certificates to the accounts of institutions that have an account with DTC or its participants. The accounts to be credited shall be designated by the underwriters. Ownership of beneficial interests in the global certificates will be limited to participants or persons that may hold interests through participants. The global certificates will be deposited with the trustee as custodian for DTC.

DTC is a New York clearing corporation and a clearing agency registered under Section 17A of the Exchange Act. DTC holds securities for its participants. DTC also facilitates the post-trade settlement of securities transactions among its participants through electronic computerized book-entry transfers and pledges in the participants' accounts. This eliminates the need for physical movement of securities certificates. The participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Others who maintain a custodial relationship with a participant can use the DTC system. The rules that apply to DTC and those using its systems are on file with the SEC.

Purchases of the New Bonds within the DTC system must be made through participants, who will receive a credit for the New Bonds on DTC's records. The beneficial ownership interest of each purchaser will be recorded on the appropriate participant's records. Beneficial owners will not receive written confirmation from DTC of their purchases, but beneficial owners should receive written confirmations of the transactions, as well as periodic statements of their holdings, from the participants through whom they purchased New Bonds. Transfers of ownership in the New Bonds are to be accomplished by entries made on the

books of the participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates for their New Bonds of a series, except if use of the book-entry system for the New Bonds of that series is discontinued.

To facilitate subsequent transfers, all New Bonds deposited by participants with DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of the New Bonds with DTC and their registration in the name

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of Cede & Co. effects no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the New Bonds. DTC's records reflect only the identity of the participants to whose accounts such New Bonds are credited. These participants may or may not be the beneficial owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to participants, and by participants to beneficial owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of New Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the New Bonds, such as redemptions, tenders, defaults and proposed amendments to the mortgage. Beneficial owners of the New Bonds may wish to ascertain that the nominee holding the New Bonds has agreed to obtain and transmit notices to the beneficial owners.

Redemption notices will be sent to DTC. If less than all of the New Bonds of a series are being redeemed, DTC's practice is to determine by lot the amount of New Bonds of such series held by each participant to be redeemed.

Neither DTC nor Cede & Co. will itself consent or vote with respect to New Bonds, unless authorized by a participant in accordance with DTC's procedures. Under its usual procedures, DTC would mail an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns the consenting or voting rights of Cede & Co. to those participants to whose accounts the New Bonds are credited on the record date.

Payments of redemption proceeds, principal of, and interest on the New Bonds will be made to Cede & Co., or such other nominee as may be requested by DTC. DTC's practice is to credit participants' accounts upon DTC's receipt of funds and corresponding detail information from us or our agent, on the

payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices. Payments will be the responsibility of participants and not of DTC, the trustee, or us, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of redemption proceeds, principal and interest to Cede & Co. (or such other nominee as may be requested by DTC) is our responsibility.

Disbursement of payments to participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of participants.

Except as provided in the applicable prospectus supplement, a beneficial owner will not be entitled to receive physical delivery of the New Bonds. Accordingly, each beneficial owner must rely on the procedures of DTC to exercise any rights under the New Bonds.

DTC may discontinue providing its services as securities depository with respect to the New Bonds at any time by giving us reasonable notice. In the event no successor securities depository is obtained, certificates for the New Bonds will be printed and delivered. We may decide to replace DTC or any successor depository. Additionally, subject to the procedures of DTC, we may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository) with respect to some or all of the New Bonds. In that event or if an event of default with respect to a series of New Bonds has occurred and is continuing, certificates for the New Bonds of such series will be printed and delivered. If certificates for such series of New Bonds are printed and delivered,

those New Bonds will be issued in fully registered form without coupons;

a holder of certificated New Bonds would be able to exchange those New Bonds, without charge, for an equal

aggregate principal amount of New Bonds of the same series, having the same issue date and with identical terms and provisions; and

a holder of certificated New Bonds would be able to transfer those New Bonds without cost to another holder, other than for applicable stamp taxes or other governmental charges.

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The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we do not take any responsibility for the accuracy of this information.

PLAN OF DISTRIBUTION

Methods and Terms of Sale

We may use a variety of methods to sell the New Bonds including:

1. through one or more underwriters or dealers;
2. directly to one or more purchasers;
3. through one or more agents; or
4. through a combination of any such methods of sale.

The prospectus supplement relating to a particular series of the New Bonds will set forth the terms of the offering of the New Bonds, including:

1. the name or names of any underwriters, dealers or agents and any syndicate of underwriters;
2. the initial public offering price;
3. any underwriting discounts and other items constituting underwriters' compensation;
4. the proceeds we receive from that sale; and
- 5.

any discounts or concessions allowed or reallocated or paid by any underwriters to dealers.

Underwriters

If we sell the New Bonds through underwriters, they will acquire the New Bonds for their own account and may resell them from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The underwriters for a particular underwritten offering of New Bonds will be named in the applicable prospectus supplement and, if an underwriting syndicate is used, the managing underwriter or underwriters will be named on the cover page of the applicable prospectus supplement. In connection with the sale of New Bonds, the underwriters may receive compensation from us or from purchasers in the form of discounts, concessions or commissions. The obligations of the underwriters to purchase New Bonds will be subject to certain conditions. The underwriters will be obligated to purchase all of the New Bonds of a particular series if any are purchased. However, the underwriters may purchase less than all of the New Bonds of a particular series should certain circumstances involving a default of one or more underwriters occur.

The initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers by any underwriters may be changed from time to time.

Stabilizing Transactions

Underwriters may engage in stabilizing transactions and syndicate covering transactions in accordance with Rule 104 under the Exchange Act. Stabilizing transactions permit bids to purchase the underlying New Bond so long as the stabilizing bids do not exceed a specified maximum. Syndicate covering transactions involve purchases of the New Bonds in the open market after the distribution has been completed in order to cover syndicate short positions. These stabilizing transactions and syndicate covering transactions may cause the price of the New Bonds to be higher than it would otherwise be if such transactions had not occurred.

Agents

If we sell the New Bonds through agents, the applicable prospectus supplement will set forth the name of any agent involved in the offer or sale of the New Bonds as well as any commissions we will pay to them. Unless

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otherwise indicated in the applicable prospectus supplement, any agent will be acting on a best efforts basis for the period of its appointment.

Related Transactions

Underwriters, dealers and agents (or their affiliates) may engage in transactions with, or perform services for, us or our affiliates in the ordinary course of business.

Indemnification

We will agree to indemnify any underwriters, dealers, agents or purchasers and their controlling persons against certain civil liabilities, including liabilities under the Securities Act.

Listing

Unless otherwise specified in the applicable prospectus supplement, the New Bonds will not be listed on a national securities exchange. No assurance can be given that any broker-dealer will make a market in any series of the New Bonds and, in any event, no assurance can be given as to the liquidity of the trading market for any of the New Bonds.

EXPERTS

The financial statements, and the related financial statement schedule incorporated in this Prospectus by reference from the 2015 Form 10-K, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements and financial statement schedule have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGALITY

The legality of the New Bonds will be passed upon for us by Morgan, Lewis & Bockius LLP, New York, New York, as

to matters of New York law, and Wise Carter Child & Caraway, Professional Association, Jackson, Mississippi, as to matters of Mississippi law. Certain legal matters with respect to the offering of the New Bonds will be passed on for any underwriters by Pillsbury Winthrop Shaw Pittman LLP, New York, New York. Pillsbury Winthrop Shaw Pittman LLP regularly represents our affiliates in connection with various matters. Morgan, Lewis & Bockius LLP may rely on the opinion of Wise Carter Child & Caraway, Professional Association, as to matters of Mississippi law relevant to its opinion.