

ENTERGY MISSISSIPPI INC
Form 424B3
September 08, 2016
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-213335-02

This preliminary prospectus supplement and the accompanying prospectus relate to an effective registration statement under the Securities Act of 1933, but are not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 8, 2016

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated August 26, 2016)

\$

Entergy Mississippi, Inc.

First Mortgage Bonds,

% Series due October 1, 2066

We are offering \$ million of our First Mortgage Bonds, % Series due October 1, 2066. We will pay interest on the bonds on January 1, April 1, July 1 and October 1 of each year. The first interest payment on the bonds will be made on January 1, 2017. We may redeem the bonds prior to maturity, in whole or in part, at any time on or after October 1, 2021, at a redemption price equal to 100% of the principal amount of the bonds being redeemed plus any accrued and unpaid interest thereon to, but not including, the redemption date. The bonds will be issued in denominations of \$25 and integral multiples of \$25 in excess thereof.

We intend to apply to list the bonds on the New York Stock Exchange. If approved for listing, trading on the New York Stock Exchange is expected to commence within 30 days after the bonds are first issued.

As described in the accompanying prospectus, the bonds are a series of first mortgage bonds issued under our mortgage and deed of trust, which has the benefit of a first mortgage lien on substantially all of our property.

Investing in the bonds involves risks. See Risk Factors on page 2 in the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Price to Public (1)	Underwriting Discounts and Commissions	Proceeds to Entergy Mississippi (before expenses)
	\$ %	\$ %	\$ %
Per bond			
Total	\$	\$	\$

(1) The price to public will also include any interest that has accrued on the bonds since their issue date if delivered after that date. The underwriters expect to deliver the bonds to purchasers through the book-entry facilities of The Depository Trust Company in New York, New York on or about September , 2016.

Joint Book-Running Managers

BofA Merrill Lynch

Morgan Stanley

Wells Fargo Securities

Co-Managers

BNY Mellon Capital Markets, LLC

J.P. Morgan
September , 2016

Ramirez & Co., Inc.

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This prospectus supplement, the accompanying prospectus and any related free writing prospectus required to be filed with the Securities and Exchange Commission, or SEC, contain and incorporate by reference information that you should consider when making your investment decision. We have not, and the underwriters have not, authorized anyone else to provide you with different information. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus 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. If the information in this prospectus supplement is different from, or inconsistent with, the information in the accompanying prospectus, you should rely on the information contained in this prospectus supplement. We are not, and the underwriters are not, making an offer or sale of the bonds in any jurisdiction where the offer or sale is not permitted.

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You should read our selected financial information set forth below in conjunction with the financial statements and other financial information contained in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. The selected financial information set forth below has been derived from (i) our annual financial statements for the three-year period ended December 31, 2015, which have been audited by Deloitte & Touche LLP, our independent registered public accounting firm, and incorporated by reference in this prospectus supplement and the accompanying prospectus from our Annual Report on Form 10-K for the year ended December 31, 2015, and (ii) our unaudited financial statements for the six months ended and as of June 30, 2016 incorporated by reference in this prospectus supplement and the accompanying prospectus from our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016. The following material, which is presented in this prospectus supplement solely to furnish summary information, is qualified by, and should be considered in conjunction with, the more detailed information appearing in the documents incorporated by reference herein.

	June 30, 2016	For the Twelve Months Ended December 31,		
		2015	2014	2013
(Dollars in thousands)				
Income Statement Data:				
Operating Revenues	\$ 1,202,379	\$ 1,396,985	\$ 1,524,193	\$ 1,334,540
Operating Income	202,444	211,906	186,760	190,230
Interest Expense	56,944	56,198	55,759	57,492
Net Income	90,806	92,708	74,821	82,159
	Actual Amount	As of June 30, 2016		
		Percent (Dollars in Thousands)	As Adjusted (1) Amount	Percent
Balance Sheet Data:				
Preferred Stock without sinking fund	\$ 50,381	2.3%	\$	%
Common Equity:				
Common Stock	199,326	9.2		
Capital Stock Expense and Other	(690)	0.0		
Retained Earnings	837,312	38.4		
Total Common Equity	1,035,948	47.6		
First Mortgage Bonds	1,105,000	50.7		
Unamortized Premium and Discount-Net and Unamortized Debt Issuance Costs	(13,062)	(0.6)		
Total Capitalization	\$ 2,178,267	100.0%	\$	%

- (1) Adjusted to reflect the issuance and sale of the bonds and the application of the net proceeds thereof. See "Use of Proceeds" in this prospectus supplement.

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USE OF PROCEEDS

We anticipate our net proceeds from the sale of the bonds will be approximately \$ _____ million after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds we receive from the issuance and sale of the bonds (i) to redeem \$30 million aggregate par value of our preferred stock paying dividends at 6.25% per year, (ii) to redeem prior to maturity \$230 million in aggregate principal amount of our first mortgage bonds maturing between 2040 and 2051 and bearing interest at 6% - 6.2% per year, and (iii) for general corporate purposes. This prospectus supplement shall not constitute a notice of redemption of such first mortgage bonds or preferred stock to be redeemed. The remaining proceeds will be used for general corporate purposes. Pending the application of the net proceeds of the bonds, we will invest them in short-term, highly liquid, high-rated money market instruments and/or the Entergy system money pool.

DESCRIPTION OF THE BONDS

General

The mortgage (as defined in the accompanying prospectus) permits us to issue an unlimited amount of first mortgage bonds from time to time in one or more series, so long as we meet issuance tests set forth in the mortgage, which are generally described in the accompanying prospectus under Description of the New Bonds 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 such series. Thus, we may, from time to time, without notice to or the consent of the existing holders of the bonds, create and issue further first mortgage bonds having the same terms and conditions as the bonds offered hereby in all respects, except for issue date, price to public and, if applicable, the initial interest payment on such first mortgage bonds. Additional first mortgage bonds issued in this manner will be consolidated with, and will form a single series with, the previously outstanding first mortgage bonds of such series.

Interest, Maturity and Payment

We are offering \$ _____ million of our First Mortgage Bonds, _____ % Series due October 1, 2066. We will pay interest on the bonds on January 1, April 1, July 1 and October 1 of each year, beginning on January 1, 2017. Interest will accrue at the rate of _____ % per year and will start to accrue from the date that the bonds are issued. As long as the bonds are registered in the name of The Depository Trust Company (DTC) or its nominee, the record date for interest payable on any interest payment date shall be the close of business on the Business Day (as defined below) immediately preceding such interest payment date. We have agreed to pay interest on any overdue principal and, if such payment is enforceable under applicable law, on any overdue installment of interest on the bonds at a rate of _____ % per year to holders of record at the close of business on the Business Day immediately preceding our payment of such interest.

Interest on the bonds will be computed on the basis of a 360-day year of twelve 30-day months. If any interest payment date or the maturity date falls on a day that is not a Business Day, the payment due on that interest payment date or the maturity date will be made on the next Business Day, and without any interest or other payment in respect of such delay.

Business Day means any day other than a Saturday or a Sunday or a day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed or a day on which the corporate trust office of the trustee is closed for business.

Form and Denomination

The bonds will be issued in denominations of \$25 and integral multiples of \$25 in excess thereof. The bonds will be represented by a global certificate without coupons registered in the name of a nominee of DTC. As long as the bonds are registered in the name of DTC or its nominee, we will pay principal, any premium and interest due on the bonds to DTC. DTC will then make payment to its participants for disbursement to the beneficial owners of the bonds as described in the accompanying prospectus under the heading Description of the New Bonds Book-Entry Only Securities.

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Optional Redemption

At any time on or after October 1, 2021, we may redeem the bonds prior to maturity, in whole or in part, at our option, on not less than 30 days nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the bonds being redeemed plus any accrued and unpaid interest thereon to, but not including, the redemption date.

If, at the time notice of redemption is given, the redemption monies are not held by the trustee, the redemption may be made subject to receipt of such monies before the date fixed for redemption, and such notice shall be of no effect unless such monies are so received.

We may apply cash we deposit under any provision of the mortgage, with certain exceptions, to the redemption or purchase, including the purchase from us, of first mortgage bonds of any series under our mortgage, including the bonds.

Issuance of Additional First Mortgage Bonds

See "Description of the New Bonds - Issuance of Additional First Mortgage Bonds" in the accompanying prospectus for a description of the bases upon which we are permitted to issue first mortgage bonds under our mortgage and related requirements for such issuance. As of July 31, 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 \$771 million of unfunded property additions, entitling us to issue approximately \$540 million principal amount of first mortgage bonds on the basis of property additions. Based upon our results of 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 supplement, solely based on the earnings coverage test described in the fourth paragraph under "Description of the New Bonds - Issuance of Additional First Mortgage Bonds" in the accompanying prospectus (and, therefore, not taking into account the property additions and retired first mortgage 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 the bonds and by subsequent net earnings. First mortgage bonds in a greater amount may also be issued for the refunding of outstanding first mortgage bonds. The bonds will be issued on the basis of property additions.

Trading Characteristics

We intend to apply to list the bonds on the New York Stock Exchange. If approved for listing, trading on the New York Stock Exchange is expected to commence within 30 days after the bonds are first issued. The bonds are expected to trade at a price that takes into account the value, if any, of accrued but unpaid interest. This means that purchasers will not pay, and sellers will not receive, accrued and unpaid interest on the bonds except as included in the trading price thereof. Any portion of the trading price of a bond that is attributable to accrued but unpaid interest will be treated as ordinary interest income for federal income tax purposes and will not be treated as part of the amount realized for purposes of determining gain or loss on the disposition of the bonds.

Additional Information

For additional information about the bonds, see "Description of the New Bonds" in the accompanying prospectus, including:

1. additional information about the terms of the bonds, including security,
2. general information about our mortgage and the trustee,
3. a description of certain reservations of rights to amend the mortgage,
4. a description of certain restrictions contained in our mortgage, and

5. a description of events of default under our mortgage.

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Under the terms and conditions set forth in the underwriting agreement, dated the date of this prospectus supplement, we have agreed to sell to each of the underwriters named below, and each of the underwriters has severally agreed to purchase, the principal amounts of bonds set forth opposite its name below:

Name	Principal Amount of Bonds
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$
Morgan Stanley & Co. LLC	
Wells Fargo Securities, LLC	
J.P. Morgan Securities LLC	
BNY Mellon Capital Markets, LLC	
Samuel A. Ramirez & Company, Inc.	
Total	\$

Under the terms and conditions set forth in the underwriting agreement, the underwriters have committed, subject to the terms and conditions set forth therein, to take and pay for all of the bonds if any are taken, provided, that under certain circumstances involving a default of an underwriter, less than all of the bonds may be purchased. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The underwriters initially propose to offer all or part of the bonds directly to the public at the price to public set forth on the cover page hereof and may offer the bonds to certain securities dealers at such price less a concession not in excess of \$ per bond. The underwriters may allow, and such dealers may reallow to certain brokers and dealers, a concession not in excess of \$ per bond. After the initial offering of the bonds, the offering price and other selling terms may from time to time be varied by the underwriters.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

We estimate that our total expenses for this offering will be \$535,000 excluding underwriting discounts and commissions.

The bonds will constitute a new class of securities with no established trading market. We intend to apply to list the bonds on the New York Stock Exchange. If approved for listing, trading of the bonds on the New York Stock Exchange is expected to commence within 30 days after the bonds are first issued. The underwriters have advised us that they intend to make a market in the bonds prior to the commencement of trading on the New York Stock Exchange, but they are not obligated to do so and may discontinue such market-making activities at any time without notice. If such a market develops, the bonds could trade at prices that may be higher or lower than their principal amount or purchase price, depending on many factors, including prevailing interest rates, the market for similar debt securities and our business, results of operations, financial condition or prospects. We cannot give any assurance as to the maintenance of the trading market for, or the liquidity of, the bonds.

In order to facilitate the offering of the bonds, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the bonds. Specifically, they may over-allot in connection with the offering, creating a short position in the bonds for their own accounts. In addition, to cover over-allotments or to stabilize the price of the bonds, the underwriters may bid for, and purchase, the bonds in the open market. Finally, the underwriters may reclaim selling concessions allowed to dealers for distributing the bonds in the offering, if they repurchase previously distributed bonds in transactions to cover short positions established by them, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the bonds above independent market levels. The underwriters are not required to engage in these activities and may end any of these activities at any time.

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It is expected that delivery of the bonds will be made on or about the date specified on the cover page of this prospectus supplement, which will be the fifth business day (T+5) following the date of this prospectus supplement. Under Rule 15c6-1 under the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days (T+3), unless the parties to any such trade expressly agree otherwise. Accordingly, the purchasers who wish to trade the bonds on the date of this prospectus supplement or the next succeeding business day will be required to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the bonds who wish to trade the bonds on the date of this prospectus supplement or the next succeeding business day should consult their own advisors.

In the ordinary course of their respective businesses, the underwriters and certain of their affiliates have in the past and may in the future engage in investment banking, commercial banking or other transactions of a financial nature with us and our affiliates, for which they have received, or may receive, customary compensation. Certain of the underwriters, either directly or through affiliates, are lenders under certain Entergy System credit facilities.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Certain of the underwriters or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the bonds offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the bonds offered hereby.

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PROSPECTUS

FIRST MORTGAGE BONDS
ENTERGY MISSISSIPPI, INC.

308 East Pearl Street

Jackson, Mississippi 39201

(601) 368-5000

We

may periodically offer our first mortgage bonds in one or more series; and

will determine the price and other terms of each series of first mortgage bonds when sold, including whether any series will be subject to redemption prior to maturity.

The First Mortgage Bonds

will be secured by a mortgage that constitutes a first mortgage lien (subject to certain exceptions and permitted liens) on substantially all of our property; and

will not be listed on a national securities exchange unless otherwise indicated in the accompanying prospectus supplement.

You

will receive interest payments in the amounts and on the dates specified in an accompanying prospectus supplement.

This prospectus may be used to offer and sell series of first mortgage bonds only if accompanied by the prospectus supplements for those series. We will provide the specific information for those offerings and the specific terms of those first mortgage bonds, including their offering prices, interest rates and maturities, in supplements to this prospectus. The supplements may also add, update or change the information in this prospectus. You should read this prospectus and any supplements carefully before you invest.

Investing in the first mortgage bonds offered by this prospectus involves risks. See Risk Factors on page 2.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We may offer the first mortgage bonds directly or through underwriters, agents or dealers. Each prospectus supplement will provide the terms of the plan of distribution for the related series of first mortgage bonds.

The date of this prospectus is August 26, 2016.

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RISK FACTORS

Investing in the first mortgage bonds involves certain risks. In considering whether to purchase the first mortgage bonds being offered by this prospectus (the New Bonds), you should carefully consider the information we have included 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](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		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.