

WISCONSIN ENERGY CORP
Form S-3ASR
May 29, 2015
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As filed with the Securities and Exchange Commission on May 29, 2015.

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

WISCONSIN ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

WISCONSIN

(State or other jurisdiction of incorporation or organization)

39-1391525

(I.R.S. Employer

Identification Number)

231 West Michigan Street

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P.O. Box 1331

Milwaukee, Wisconsin 53201

(414) 221-2345

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Scott J. Lauber
Vice President and Treasurer
231 West Michigan Street
P.O. Box 1331
Milwaukee, Wisconsin 53201
(414) 221-2345

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Joshua M. Erickson
Wisconsin Energy Corporation
231 West Michigan Street, P.O. Box 1331
Milwaukee, Wisconsin 53201
(414) 221-2544

John T. W. Mercer

Mercer Thompson LLC

191 Peachtree Street, Suite 4410
Atlanta, Georgia 30303-1740
(404) 577-4201

Approximate date of commencement of proposed sale to the public: From time to time, after this Registration Statement becomes effective as the registrant shall determine, in light of market conditions and other factors.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

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If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer
Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Debt Securities	(1)	(1)	(1)	(2)
(1) There is being registered hereunder an indeterminate number or amount of Debt Securities of Wisconsin Energy Corporation as may from time to time be offered at indeterminate prices.				
(2) In accordance with Rules 456(b) and 457(r) under the Securities Act of 1933, as amended, the registrant is deferring payment of all of the registration fee.				

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PROSPECTUS

WISCONSIN ENERGY CORPORATION

Debt Securities

Wisconsin Energy Corporation may issue and sell debt securities to the public. We urge you to read this prospectus and the applicable prospectus supplement carefully before you make your investment decision.

This prospectus describes some of the general terms that may apply to these debt securities. The specific terms of any debt securities to be offered, and any other information relating to a specific offering, will be set forth in a prospectus supplement that will describe the interest rates, payment dates, ranking, maturity and other terms of any debt securities that we issue or sell.

We may offer and sell these debt securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis. The supplements to this prospectus will provide the specific terms of the plan of distribution. This prospectus may not be used to offer and sell securities unless accompanied by a prospectus supplement.

Our common stock is quoted on the New York Stock Exchange under the symbol WEC.

See Risk Factors on page 1 for information on certain risks related to the purchase of the debt securities.

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.

The date of this prospectus is May 29, 2015.

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ABOUT THIS PROSPECTUS

In this prospectus, we, us, our and Wisconsin Energy refer to Wisconsin Energy Corporation.

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (SEC) utilizing a shelf registration process. Under this shelf process, we may issue and sell to the public the debt securities described in this prospectus in one or more offerings.

This prospectus provides you with only a general description of the debt securities we may issue and sell. Each time we issue and sell debt securities, we will provide a prospectus supplement that will contain specific information about the particular debt securities and terms of that offering. In the prospectus supplement, we will describe the interest rate, payment dates, ranking, maturity and other terms of any debt securities that we issue and sell.

The prospectus supplement will also describe the proceeds and uses of proceeds from the debt securities, together with the names and compensation of the underwriters, if any, through which the debt securities are being issued and sold, and other important considerations for investors. The prospectus supplement may also add to, update or change information contained in this prospectus.

If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement. Please carefully read this prospectus and the applicable prospectus supplement, in addition to the information contained in the documents we refer you to under the heading WHERE YOU CAN FIND MORE INFORMATION.

RISK FACTORS

Investing in the securities of Wisconsin Energy involves risk. Please see the Risk Factors described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2014, which are incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this prospectus. The risks and uncertainties described are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations, financial results and the value of our securities.

FORWARD-LOOKING STATEMENTS AND CAUTIONARY FACTORS

We have included or may include statements in this prospectus or in any prospectus supplement (including documents incorporated by reference) that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance may be forward-looking statements. Also, forward-looking statements

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may be identified by reference to a future period or periods or by the use of forward-looking terminology such as anticipates, believes, could, estimates, expects, forecasts, goals, guidance, intends, may, objectives, plans, possible, potential, projects, seeks, sl terms or variations of these terms.

We caution you that any forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from the future results, performance or achievements we have anticipated in the forward-looking statements.

In addition to the assumptions and other factors referred to specifically in connection with those statements, factors that could cause our actual results to differ materially from those contemplated in the forward-looking statements include factors we have described under the captions Cautionary Statement Regarding Forward-Looking Information and Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2014, and under the caption Factors Affecting Results, Liquidity and Capital Resources in the Management s Discussion

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and Analysis of Financial Condition and Results of Operations section of our Annual Report on Form 10-K for the year ended December 31, 2014, or under similar captions in the other documents we have incorporated by reference. Any forward-looking statement speaks only as of the date on which that statement is made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances, including unanticipated events, after the date on which that statement is made.

WISCONSIN ENERGY

Wisconsin Energy Corporation was incorporated in the State of Wisconsin in 1981 and became a diversified holding company in 1986. We conduct our operations primarily in two reportable segments: a utility energy segment and a non-utility energy segment. Our primary subsidiaries are Wisconsin Electric Power Company (Wisconsin Electric), Wisconsin Gas LLC (Wisconsin Gas) and W.E. Power, LLC (We Power).

Utility Energy Segment: Our utility energy segment consists of Wisconsin Electric and Wisconsin Gas. As of March 31, 2015, we served approximately 1,136,300 electric customers in Wisconsin and the Upper Peninsula of Michigan, 1,092,100 gas customers in Wisconsin and 435 steam customers in metropolitan Milwaukee, Wisconsin. Wisconsin Electric and Wisconsin Gas operate under the trade name of We Energies.

Non-Utility Energy Segment: Our non-utility energy segment consists primarily of We Power, which owns and leases to Wisconsin Electric the generating capacity included in our Power the Future strategy.

On June 22, 2014, we entered into an agreement to acquire Integrys Energy Group, Inc. (Integrys). The combined company will serve approximately 1.6 million electric customers, 2.8 million gas customers, and own approximately 60% of American Transmission Company LLC. The proposed acquisition is subject to several conditions, including, among others, the receipt of approvals from various government agencies. For additional information on this proposed acquisition and the status of these approvals, see Note 3 Proposed Acquisition in the Notes to Consolidated Condensed Financial Statements and Corporate Developments in Item 2 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2015.

Our principal executive offices are located at 231 West Michigan Street, P.O. Box 1331, Milwaukee, Wisconsin 53201. Our telephone number is (414) 221-2345.

RATIO OF EARNINGS TO FIXED CHARGES

Our historical ratios of earnings to fixed charges are described below for the periods indicated.

Year Ended December 31,

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	Three Months Ended March 31, 2015(1)	2014	2013	2012	2011	2010
Ratio of Earnings to Fixed Charges(2)	5.8x	4.6x	4.2x	3.9x	3.6x	3.3x

(1) Results of operations for the three months ended March 31, 2015, are not necessarily indicative of the results that may be expected for the entire 2015 fiscal year because of seasonal and other factors.

(2) These computations include us and our subsidiaries. For these ratios, earnings is determined by adding (a) pre-tax income from continuing operations (less undistributed equity in earnings of our unconsolidated affiliates), (b) nonutility amortization of capitalized interest and (c) fixed charges, and subtracting from the total, capitalized interest. Fixed charges consists of interest charges on our long-term and short-term debt (including a representative portion of lease expense), capitalized interest, amortization of debt expenses and an amount equal to the earnings before income taxes required to pay preferred dividends of a subsidiary.

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USE OF PROCEEDS

Except as otherwise described in the applicable prospectus supplement, we intend to use the net proceeds from the sale of our debt securities to fund a portion of the cash consideration for our proposed acquisition of Integrys and related transaction costs, to repay and/or refinance debt, for investments (including equity contributions and loans to affiliates) and/or for other general corporate purposes. Pending disposition, we may temporarily invest any proceeds of the offering not required immediately for the intended purposes in U.S. governmental securities and other high quality U.S. securities. We expect to borrow money or sell securities from time to time, but we cannot predict the precise amounts or timing of doing so. For current information, please refer to our current filings with the SEC. See WHERE YOU CAN FIND MORE INFORMATION.

DESCRIPTION OF DEBT SECURITIES

The debt securities will be our direct unsecured general obligations. The debt securities will consist of one or more senior debt securities, subordinated debt securities and junior subordinated debt securities. The debt securities will be issued in one or more series under the indenture described below between us and The Bank of New York Mellon Trust Company, N.A. (as successor to The First National Bank of Chicago), as trustee, dated as of March 15, 1999, and under a securities resolution (which may be in the form of a resolution or a supplemental indenture) authorizing the particular series.

We have summarized selected provisions of the indenture and the debt securities that we may offer hereby. This summary is not complete and may not contain all of the information important to you. Copies of the indenture and a form of securities resolution are filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part. The securities resolution for each series of debt securities issued also has been or will be filed or incorporated by reference as an exhibit to the registration statement. You should read the indenture and the applicable securities resolution for provisions that may be important to you. In the summary below, where applicable, we have included references to section numbers in the indenture so that you can easily find those provisions. The particular terms of any debt securities we offer will be described in the related prospectus supplement, along with any applicable modifications of or additions to the general terms of the debt securities described below and in the indenture. For a description of the terms of any series of debt securities, you should also review both the prospectus supplement relating to that series and the description of the debt securities set forth in this prospectus before making an investment decision.

General

The indenture does not significantly limit our operations. In particular, it does not:

- limit the amount of debt securities that we can issue under the indenture;

- limit the number of series of debt securities that we can issue from time to time;

- restrict the total amount of debt that we or our subsidiaries may incur; or
- contain any covenant or other provision that is specifically intended to afford any holder of the debt securities protection in the event of highly leveraged transactions or any decline in our ratings or credit quality.

The ranking of a series of debt securities with respect to all of our indebtedness will be established by the securities resolution creating the series.

Although the indenture permits the issuance of debt securities in other forms or currencies, the debt securities covered by this prospectus will only be denominated in U.S. dollars in registered form without coupons, unless otherwise indicated in the applicable prospectus supplement.

Unless we say otherwise in the applicable prospectus supplement, we may redeem the debt securities for cash.

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Terms

A prospectus supplement and a securities resolution relating to the offering of any new series of debt securities will include specific terms relating to the offering. The terms will include some or all of the following:

- the designation, aggregate principal amount, currency or composite currency and denominations of the debt securities;
- the price at which the debt securities will be issued and, if an index, formula or other method is used, the method for determining amounts of principal or interest;
- the maturity date and other dates, if any, on which the principal of the debt securities will be payable;
- the interest rate or rates, if any, or method of calculating the interest rate or rates, which the debt securities will bear;
- the date or dates from which interest will accrue and on which interest will be payable and the record dates for the payment of interest;
- the manner of paying principal and interest on the debt securities;
- the place or places where principal and interest will be payable;
- the terms of any mandatory or optional redemption of the debt securities by us, including any sinking fund;
- the terms of any conversion or exchange right;
- the terms of any redemption of debt securities at the option of holders;

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- any tax indemnity provisions;
- if payments of principal or interest may be made in a currency other than U.S. dollars, the manner for determining those payments;
- the portion of principal payable upon acceleration of any discounted debt security (as described below);
- whether and upon what terms debt securities may be defeased (which means that we would be discharged from our obligations by depositing sufficient cash or government securities to pay the principal, interest, any premiums and other sums due to the stated maturity date or a redemption date of the debt securities of the series);
- whether any events of default or covenants in addition to or instead of those set forth in the indenture apply;
- provisions for electronic issuance of debt securities or for debt securities in uncertificated form;
- the ranking of the debt securities, including the relative degree, if any, to which the debt securities of a series are subordinated to one or more other series of debt securities in right of payment, whether outstanding or not;
- any provisions relating to extending or shortening the date on which the principal and premium, if any, of the debt securities of the series is payable;
- any provisions relating to the deferral of any interest; and
- any other terms not inconsistent with the provisions of the indenture, including any covenants or other terms that may be required or advisable under United States or other applicable laws or regulations or advisable in connection with the marketing of the debt securities. (Section 2.01)

We may issue debt securities of any series as registered debt securities, bearer debt securities or uncertificated debt securities. (Section 2.01) We may issue the debt securities of any series in whole or in part in the

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form of one or more global securities that will be deposited with, or on behalf of, a depository identified in the prospectus supplement relating to the series. We may issue global securities in registered, bearer or uncertificated form and in either temporary or permanent form. Unless and until it is exchanged in whole or in part for securities in definitive form, a global security may not be transferred except as a whole by the depository to a nominee or a successor depository. (Section 2.12) We will describe in the prospectus supplement relating to any series the specific terms of the depository arrangement with respect to that series.

Unless otherwise indicated in a prospectus supplement, we will issue registered debt securities in denominations of \$1,000 and whole multiples of \$1,000 and bearer debt securities in denominations of \$5,000 and whole multiples of \$5,000. We will issue one or more global securities in a denomination or aggregate denominations equal to the aggregate principal amount of outstanding debt securities of the series to be represented by that global security or securities. (Section 2.12)

In connection with its original issuance, no bearer debt security will be offered, sold or delivered to any location in the United States. We may deliver a bearer debt security in definitive form in connection with its original issuance only if a certificate in a form we specify to comply with United States laws and regulations is presented to us. (Section 2.04)

A holder of registered debt securities may request registration of a transfer upon surrender of the debt security being transferred at any agency we maintain for that purpose and upon fulfillment of all other requirements of the agent. (Sections 2.03 and 2.07)

We may issue debt securities under the indenture as discounted debt securities to be offered and sold at a substantial discount from the principal amount of those debt securities. Special U.S. federal income tax and other considerations applicable to discounted debt securities, if material, will be described in the related prospectus supplement. A discounted debt security is a debt security where the amount of principal due upon acceleration is less than the stated principal amount. (Sections 1.01 and 2.10)

Conversion and Exchange

The terms, if any, on which debt securities of any series will be convertible into or exchangeable for our common stock or other equity or debt securities, property, cash or obligations, or a combination of any of the foregoing, will be summarized in the prospectus supplement relating to the series. The terms may include provisions for conversion or exchange on a mandatory basis, at the option of the holder or at our option. (Sections 2.01 and 9.01)

Certain Covenants

Any restrictive covenants which may apply to a particular series of debt securities will be described in the related prospectus supplement.

Ranking of Debt Securities

Unless stated otherwise in a prospectus supplement, the debt securities issued under the indenture will rank equally and ratably with our other unsecured and unsubordinated debt. The debt securities will not be secured by any properties or assets and will represent our unsecured debt.

Because we are a holding company and conduct all of our operations through subsidiaries, holders of debt securities will generally have a position that is effectively junior to claims of creditors of our subsidiaries, including trade creditors, debt holders, secured creditors, taxing authorities, guarantee holders and any preferred stockholders. Various financing arrangements and regulatory requirements impose restrictions on the ability of our utility subsidiaries to transfer funds to us in the form of cash dividends, loans or advances. Under Wisconsin law, our utility subsidiaries are prohibited from loaning funds, either directly or indirectly, to us. The indenture does not limit us or our subsidiaries if we decide to issue additional debt. Some of our operating subsidiaries, including Wisconsin Electric and Wisconsin Gas, have ongoing corporate debt programs used to finance their business activities.

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As of March 31, 2015, our direct obligations included \$200 million of outstanding Senior Notes and \$500 million of Junior Subordinated Debentures. We have a \$400 million multi-year bank back-up credit facility to support our short-term debt, but we did not have any short-term debt outstanding at March 31, 2015. In addition, as of March 31, 2015, our utility subsidiaries had approximately \$563 million of outstanding short-term debt supported by multi-year bank back-up credit facilities and approximately \$5.5 billion of outstanding long-term debt (including approximately \$2.8 billion of capitalized leases, approximately \$2.7 billion of which are with subsidiaries of We Power and eliminated in consolidation). As of March 31, 2015, subsidiaries of We Power had approximately \$1.1 billion of outstanding Senior Notes with mortgage style principal amortizations, and our other non-utility subsidiaries had approximately \$72.1 million of outstanding long-term debt (including \$20.1 million of intercompany debt). Outstanding preferred stock of Wisconsin Electric as of March 31, 2015, had an aggregate liquidation preference value of \$30.4 million and was entitled to annual dividends of approximately \$1.2 million.

Successor Obligor

The indenture provides that, unless otherwise specified in the securities resolution establishing a series of debt securities, we will not consolidate with or merge into another company in a transaction in which we are not the surviving company, or transfer all or substantially all of our assets to another company, unless:

- that company is organized under the laws of the United States or a state thereof or is organized under the laws of a foreign jurisdiction and consents to the jurisdiction of the courts of the United States or a state thereof;

- that company assumes by supplemental indenture all of our obligations under the indenture, the debt securities and any coupons;

- all required approvals of any regulatory body having jurisdiction over the transaction shall have been obtained; and

- immediately after the transaction no default exists under the indenture.

The successor will be substituted for us as if it had been an original party to the indenture, securities resolutions and debt securities. Thereafter, the successor may exercise our rights and powers under the indenture, the debt securities and any coupons, and all of our obligations under those documents will terminate. (Section 5.01)

Exchange of Debt Securities

Registered debt securities may be exchanged for an equal principal amount of registered debt securities of the same series and date of maturity in authorized denominations requested by the holders upon surrender of the registered debt securities at an agency we maintain for that purpose and upon fulfillment of all other requirements of the agent. (Section 2.07)

To the extent permitted by the terms of a series of debt securities authorized to be issued in registered form and bearer form, bearer debt securities may be exchanged for an equal aggregate principal amount of registered or bearer debt securities of the same series and date of maturity in authorized denominations upon surrender of the bearer debt securities with all unpaid interest coupons, except as may otherwise be provided in the debt securities, at our agency maintained for that purpose and upon fulfillment of all other requirements of the agent. (Section 2.07) As of the date of this prospectus, we do not expect that the terms of any series of debt securities will permit registered debt securities to be exchanged for bearer debt securities.

Defaults and Remedies

Unless the securities resolution establishing the series provides for different events of default, in which event the prospectus supplement will describe any differences, an event of default with respect to a series of debt securities will occur if:

- we default in any payment of interest on any debt securities of that series when the payment becomes due and payable and the default continues for a period of 60 days;

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- we default in the payment of the principal and premium, if any, of any debt securities of that series when those payments become due and payable at maturity or upon redemption, acceleration or otherwise;

- we default in the payment or satisfaction of any sinking fund obligation with respect to any debt securities of that series as required by the securities resolution establishing that series and the default continues for a period of 60 days;

- we default in the performance of any of our other agreements applicable to that series and the default continues for 90 days after the notice specified below;

- pursuant to or within the meaning of any Bankruptcy Law we:

- commence a voluntary case,

- consent to the entry of an order for relief against us in an involuntary case,

- consent to the appointment of a custodian for us or for all or substantially all of our property, or

- make a general assignment for the benefit of our creditors;

- a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that remains unstayed and in effect for 60 days and that:

- is for relief against us in an involuntary case,

- appoints a custodian for us or for all or substantially all of our property, or

- orders us to liquidate; or

- there occurs any other event of default provided for in that series. (Section 6.01)

The term **Bankruptcy Law** means Title 11, U.S. Code or any similar federal or state law for the relief of debtors. The term **custodian** means any receiver, trustee, assignee, liquidator or a similar official under any Bankruptcy Law. (Section 6.01)

A default under the indenture means any event which is, or after notice or passage of time would be, an event of default under the indenture. (Section 1.01) A default under the fourth bullet point above is not an event of default until the trustee or the holders of at least 25% in principal amount of the series notify us of the default and we do not cure the default within the time specified after receipt of the notice. (Section 6.01)

If an event of default occurs under the indenture and is continuing on a series, the trustee by notice to us, or the holders of at least 25% in principal amount of the series by notice both to us and to the trustee, may declare the principal of and accrued interest on all the debt securities of the series to be due and payable immediately. Discounted debt securities may provide that the amount of principal due upon acceleration is less than the stated principal amount. (Section 6.02)

The holders of a majority in principal amount of a series of debt securities, by notice to the trustee, may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing events of default on the series have been cured or waived except nonpayment of principal or interest that has become due solely because of the acceleration. (Section 6.02)

If an event of default occurs and is continuing on a series, the trustee may pursue any available remedy to collect principal or interest then due on the series, to enforce the performance of any provision applicable to the series or otherwise to protect the rights of the trustee and holders of the series. (Section 6.03)

The trustee may require indemnity satisfactory to it before it performs any duty or exercises any right or power under the indenture or the debt securities which it reasonably believes may expose it to any loss, liability or expense. (Section 7.01) With some limitations, holders of a majority in principal amount of the debt securities of a series may direct the trustee in its exercise of any trust or power with respect to that series. (Section 6.05) Except in

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the case of default in payment on a series, the trustee may withhold notice of any continuing default if it in good faith determines that withholding the notice is in the interest of holders of the series. (Section 7.04) We are required to furnish to the trustee annually a brief certificate as to our compliance with all conditions and covenants under the indenture. (Section 4.04)

The failure to redeem any debt securities subject to a conditional redemption is not an event of default if any event on which the redemption is conditioned does not occur and is not waived before the scheduled redemption date. (Section 6.01) Debt securities are subject to a conditional redemption if the notice of redemption relating to the debt securities provides that it is subject to the occurrence of any event before the date fixed for the redemption in the notice. (Section 3.04)

The indenture does not have a cross-default provision. Thus, a default by us on any other debt, including a default on another series of debt securities issued under the indenture, would not automatically constitute an event of default under the indenture. A securities resolution may provide for a cross-default provision. In that case, the prospectus supplement will describe the terms of that provision.

Amendments and Waivers

The indenture and the debt securities, or any coupons, of any series may be amended, and any default may be waived. Unless the securities resolution provides otherwise, in which event the prospectus supplement will describe the revised provision, we and the trustee may amend the indenture, the debt securities and any coupons with the written consent of the holders of a majority in principal amount of the debt securities of all series affected voting as one class. (Section 10.02)

Without the consent of each debt security holder affected, no amendment or waiver may:

- reduce the principal amount of debt securities whose holders must consent to an amendment or waiver;

- reduce the interest on or change the time for payment of interest on any debt security (subject to any right to defer one or more payments of interest we may have retained in the securities resolution and described in the prospectus supplement);

- change the fixed maturity of any debt security (subject to any right we may have retained in the securities resolution and described in the prospectus supplement);

- reduce the principal of any non-discounted debt security or reduce the amount of principal of any discounted debt security that would be due on its acceleration;

- change the currency in which the principal or interest on a debt security is payable;
- make any change that materially adversely affects the right to convert or exchange any debt security;
- waive any default in payment of interest on or principal of a debt security or any default in respect of a provision that pursuant to the indenture cannot be amended without the consent of each debt security holder affected; or
- make any change in the