

ENTERGY CORP /DE/  
Form 425  
March 06, 2013

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ITC, ELL & EGSL  
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Technical Conference  
Technical Conference

Edgar Filing: ENTERGY CORP /DE/ - Form 425

March 6, 2013

Filed by Entergy Corporation Pursuant to Rule 425

Under the Securities Act of 1933

Subject Company: Entergy Corporation

Commission File No. 001-11299

Transmission Business

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Entergy Forward-Looking Information

Entergy Forward-Looking Information

In this communication, and from time to time, Entergy makes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Except to the extent required by the federal securities laws, Entergy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new

information, future events, or otherwise. Forward-looking statements involve a number of risks and uncertainties. There are factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including (i) those factors discussed in Entergy's most recent Annual Report on Form 10-K, any subsequent Quarterly Reports on Form 10-Q, and other filings made by Entergy with the Securities and Exchange Commission (the SEC); (ii) the following transactional factors (in addition to others described elsewhere in this communication, in the proxy statement/prospectus included in the registration statement on Form S-4 that was filed by ITC Holdings Corp. (ITC) with the SEC in connection with the proposed transactions) involving risks inherent in the contemplated transaction, including: (1) failure to obtain ITC shareholder approval, (2) failure of Entergy and its shareholders to recognize the expected benefits of the transaction, (3) failure to obtain regulatory approvals necessary to consummate the transaction or to obtain regulatory approvals on favorable terms, (4) the ability of Entergy, Mid South TransCo LLC (TransCo) and ITC to obtain the required financings, (5) delays in consummating the transaction or the failure to consummate the transaction, (6) exceeding the expected costs of the transaction, and (7) the failure to receive an IRS ruling approving the tax-free status of the transaction; (iii) legislative and regulatory actions; and (iv) conditions of the capital markets during the periods covered by the forward-looking statements. The transaction is subject to certain conditions precedent, including regulatory approvals, approval of ITC's shareholders and the availability of financing. Entergy cannot provide any assurance that the transaction or any of the proposed transactions related thereto will be completed, nor can it give assurances as to the terms on which such transactions will be consummated.

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ITC Forward-Looking Information

ITC Forward-Looking Information

This document and the exhibits hereto contain certain statements that describe ITC management's beliefs concerning future business conditions and prospects, growth opportunities and the outlook for ITC's business, including ITC's business and the transmission industry based upon information currently available. Such statements are forward-looking statements within the

meaning of the Private Securities Litigation Reform Act of 1995. Wherever possible, ITC has identified these forward-looking statements by words such as anticipates , believes , intends , estimates , expects , projects and similar phrases. The forward-looking statements are based upon assumptions ITC management believes are reasonable. Such forward-looking statements are subject to risks and uncertainties which could cause ITC's actual results, performance and achievements to differ materially from those expressed in, or implied by, these statements, including, among other things, (a) the risks and uncertainties disclosed in ITC's most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q filed with the SEC from time to time and (b) the following transactional factors (in addition to others described elsewhere in this document, in the statement/prospectus included in the registration statement on Form S-4 that was filed by ITC with the SEC in connection with the proposed transactions): (i) risks inherent in the contemplated transaction, including: (A) failure to obtain approval by the Company's shareholders; (B) failure to obtain regulatory approvals necessary to consummate the transaction or to obtain regulatory approvals on favorable terms; (C) the ability to obtain the required financings; (D) delays in consummating the transaction or the failure to consummate the transactions; and (E) exceeding the expected costs of the transactions; (ii) legislative and regulatory actions, and (iii) conditions of the capital markets during the periods covered by the forward-looking statements.

Because ITC's forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond ITC's control or are subject to change, actual results could be materially different and any or all of ITC's forward-looking statements may turn out to be wrong. They speak only as of the date of the filing and can be affected by assumptions ITC might make or by known or unknown risks and uncertainties. Many factors mentioned in this document and the exhibits hereto and in ITC's annual and quarterly reports will be important in determining future results.

Consequently, ITC cannot assure you that ITC's expectations or forecasts expressed in such forward-looking statements will be achieved. Actual future results may vary materially. Except as required by law, ITC undertakes no obligation to publicly update or revise ITC's forward-looking or other statements, whether as a result of new information, future events, or otherwise.

The transaction is subject to certain conditions precedent, including regulatory approvals, approval of ITC's shareholders and the availability of financing. ITC cannot provide any assurance that the proposed transactions related thereto will be completed, nor can it give assurances as to the terms on which such transactions will be consummated.

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Additional Information and Where to Find It

Additional Information and Where to Find It

ITC filed a registration statement on Form S-4 (Registration No. 333-184073) with the SEC registering the offer and sale of shares of ITC common stock to be issued to Entergy shareholders in connection with the proposed transactions. This registration statement includes a proxy statement of ITC that also constitutes a prospectus of ITC.

This  
registration  
statement  
was  
declared  
effective  
by  
the  
SEC  
on  
February  
25,  
2013.

ITC  
mailed  
the  
proxy  
statement/prospectus to its shareholders on or about February 28, 2013. ITC shareholders are urged to read the proxy statement/prospectus included in the ITC registration statement and any other relevant documents because they contain important information about TransCo and the proposed transactions. In addition, TransCo will file a registration statement with the SEC registering the offer and sale of TransCo common units to be issued to Entergy shareholders in connection with the proposed transactions. Entergy shareholders are urged to read the proxy statement/prospectus included in the ITC registration statement and the prospectus to be included in the TransCo registration statement (when available) and any other relevant documents, because they contain important information about ITC, TransCo and the proposed transactions.

The proxy statement/prospectus, prospectus and other documents relating to the proposed transactions (when they are available) can be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). The documents, when available,

can  
also  
be  
obtained  
free  
of  
charge  
from  
Entergy  
upon  
written  
request  
to

Entergy  
Corporation,  
Investor

Relations, P.O. Box 61000 New Orleans, LA 70161 or by calling Entergy's Investor Relations information line at 1-888-

ENTERGY (368-3749), or from ITC upon written request to ITC Holdings Corp., Investor Relations, 27175 Energy Way, Novi, MI 48377 or by calling 248-946-3000.

This communication is not a solicitation of a proxy from any security holder of ITC. However, Entergy, ITC and certain of



their  
respective  
directors  
and  
executive  
officers  
and  
certain  
other  
members  
of  
management  
and  
employees  
may  
be

deemed to be participants in the solicitation of proxies from shareholders of ITC in connection with the proposed transaction under the rules of the SEC. Information about the directors and executive officers of Entergy, may be found in its 2012 Annual Report on Form 10-K filed with the SEC on February 27, 2013, and its definitive proxy statement relating to its 2012 Annual Meeting of Shareholders filed with the SEC on March 23, 2012. Information about the directors and executive officers of ITC may be found in its 2012 Annual Report on Form 10-K filed with the SEC on March 1, 2013, and its definitive proxy statement relating to its 2012 Annual Meeting of Shareholders filed with the SEC on April 12, 2012.

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4  
Agenda  
Agenda  
Morning  
Session  
(10:00

am

12:30

pm)

Welcome

&

Logistics

10:00

10:15

Montelaro, Blair, Freese

Vision

for

Industry

Future

10:15

11:15

Welch, May

Why is this transformation necessary?

Why this structure?

Why with ITC?

Why now?

Rationale

for

Transaction

-

11:15

12:30

Independence

Welch

Operational

Excellence

Jipping,

Riley

Storm Response

Regional

Planning

Vitez

IPL  
Transaction  
Experience  
&  
Results  
Jipping

Local Presence  
&  
Engagement  
w/Retail  
Regulators  
Jipping

Financial  
Flexibility  
and  
Growth  
Lewis

Financial  
Strength  
of  
ITC  
Bready  
Afternoon  
Session  
(1:00  
pm

4:00  
pm)  
Rate  
Effects  
1:00

2:30  
Bready, Dingle, Lewis

ELL/EGSL Retail Customer Rate Effects

Rate Construct

Forward Test Year

Bill Effects

Any Potential Impacts on ELL/EGSL  
Generation/Distribution Business

Wholesale Rate Effects Post-MISO

Break

2:30

2:45

Transaction Structure & ELL/EGSL Specific  
Implications

2:45

3:45

Bready, Lewis

Wrap

Up

3:45

4:00

Fontan, Freese

03/06/13

ITC, ELL & EGSL Technical Conference

ELL/EGSL

Credit

Ratings

Impacts

Securitization

Transaction

Impact

on

ADIT

Liability

Transaction

Structure

5  
5

Significant capital requirements to continue modernizing the grid best handled by an independent company who can better manage the transmission portion of capital spend

Affords the EOCs financial flexibility to manage the necessary investment in G&D

Independent ownership and operation of Entergy Transmission System (ETS)  
extracts the greatest benefits in an RTO with a Day 2 market

Consistent with efforts towards independent transmission operation and ownership

Nation's first, largest, & only publicly-traded independent transmission company

A proven track record of best-in-class performance, improving reliability for ETS

Extensive  
experience  
with  
MISO  
and  
committed  
to  
facilitating  
the  
MISO  
Day  
2  
Market

Inter-RTO experience applicable to ETS's seams with SPP and other regions

Financially sound with strong investment grade credit ratings & access to capital

Opportunities for greater economies and efficiencies

Final step in over a decade of work to pursue best management structure for ETS

Eliminates perception of bias in transmission system planning and operations

Comparable  
sizes  
of  
ITC's  
and  
the  
EOCs  
(Entergy  
Operating  
Companies)  
transmission businesses allows for a tax efficient transaction not necessarily  
available in future  
The right  
transaction...  
...with the

right  
partner...  
at the right  
time

This transaction creates the right model  
for the benefit of our customers...now and into the future  
ITC Transaction is the Right Transaction  
ITC Transaction is the Right Transaction  
with the Right Partner at the Right Time  
with the Right Partner at the Right Time



6  
6  
6  
U.S. Transmission Grid  
U.S. Transmission Grid  
Historically Fragmented and Inefficient  
Historically Fragmented and Inefficient

Historically, transmission infrastructure development in the U.S. primarily focused on connecting load and resources within balancing authority areas, with little interregional or national perspective  
In contrast,  
U.S. Electric Power Transmission Grid

More than 211,000 high voltage transmission line miles

Operated by ~130 balancing authority areas  
(ownership is even more fragmented)  
Source: FEMA, NERC

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Introduction

Industry Evolution

ITC s Business Model

ITC s Proven Track Record

Benefits Beyond MISO

Commitment to Louisiana & Communities we serve

Transaction Value for Louisiana

Strategic Overview

Strategic Overview

ITC

ITC

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9  
Agenda  
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Morning  
Session  
(10:00

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10

10

Transaction Rationale:

Transaction Rationale:

In the Public Interest

In the Public Interest

Independent model

Proven independent business model for owning and operating transmission systems

Independence from all buyers and sellers of electric energy allows ITC to plan improvements to the electric transmission grid for the broadest public benefit

Singular focus

Transaction  
results  
in  
two  
companies  
that  
are  
more  
specialized  
and  
focused

ITC  
on transmission and Entergy on generation and distribution

Operational excellence, cost efficiency, customer focus  
Wholesale markets and a regional planning view

Transaction  
facilitates  
infrastructure  
investment  
and  
fosters  
competition

activities  
that enhance wholesale electricity markets

Structural separation of the transmission business from generation and distribution  
businesses encourages greater participation in the transmission planning process and  
disclosure of information by third parties

Independent model aligns with national policy objectives  
Financial strength and flexibility

Transaction will yield separate companies with strong balance sheets and greater  
capability  
to  
finance  
the  
infrastructure  
investment

requirements  
today  
and  
in  
the  
future

11  
11  
Independent Model  
Independent Model  
Benefits of ITC Independent  
Transmission Model  
Transparency

Operational  
Excellence  
Reliability  
Infrastructure  
Investment  
High Credit  
Quality  
Public Policy  
Alignment  
Facilitate Generator  
Interconnection  
Customer  
Focus  
11

12  
12