

ITC Holdings Corp.  
Form 425  
February 27, 2012

ITC Holdings Corp.  
Association of Louisiana Electric Cooperatives  
Baton Rouge, Louisiana  
February 2012  
Filed by ITC Holdings Corp.

Edgar Filing: ITC Holdings Corp. - Form 425

Pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange Act of 1934  
Subject Company: ITC Holdings Corp.  
Commission File No. 001-32576

Safe Harbor Language & Legal Disclosure

This  
presentation  
contains  
certain  
statements  
that

describe  
ITC  
Holdings  
Corp.  
( 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  
electric  
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.  
These  
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 annual report on Form 10-K and ITC's quarterly reports on Form 10-Q filed with the Securities and Exchange  
Commission  
(the  
SEC )  
from  
time  
to

time  
and  
(b)  
the  
following  
transactional  
factors  
(in  
addition  
to  
others  
described  
elsewhere  
in  
this  
document  
and  
in  
subsequent  
filings  
with  
the  
SEC):

(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 made 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 any of 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 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.  
2

Safe Harbor Language & Legal Disclosure  
ITC  
and  
Mid  
South  
TransCo  
LLC



( TransCo )  
will  
file  
registration  
statements  
with  
the  
SEC  
registering  
shares  
of  
ITC  
common  
stock  
and  
TransCo  
common  
units  
to  
be  
issued  
to  
Entergy  
Corporation  
( Entergy )  
shareholders  
in  
connection  
with  
the  
proposed  
transactions. ITC will also file a proxy statement with the SEC that will be sent to the shareholders of ITC. Entergy shareholders are urged to read the prospectus and/or information statement that will be included in the registration statements and any other relevant documents, because they contain important information about ITC, TransCo and the proposed transactions. ITC's shareholders are

urged  
to  
read  
the  
proxy  
statement  
and  
any  
other  
relevant  
documents  
because  
they  
contain  
important  
information  
about ITC, TransCo and the proposed transactions.

The proxy statement, prospectus and/or information statement, 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 presentation 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 2010 Annual Report on Form 10-K filed with the SEC on February 28, 2011, and its definitive proxy statement relating to its 2011 Annual Meeting of Shareholders filed with the SEC on March 24, 2011. Information about the directors and executive officers of ITC may be found in its 2011 Annual Report on Form 10-K filed with the SEC on February 22, 2012, and its definitive proxy statement relating to its 2011 Annual Meeting of Shareholders filed with the SEC on April 21, 2011.

3

Transaction Overview

ITC is an independent transmission-only company headquartered in Novi, Michigan

Business model is singularly focused on owning, operating and maintaining transmission

Actively developing transmission infrastructure required for reliability needs and emerging long-term energy

policy

ITC has a history of efficiently and  
effectively integrating transmission  
systems

ITC has a proven track record of safe  
and reliable operations

5

5

ITC Overview

ITC Overview  
System Peak Load  
26,100 MW  
28,000 MW  
Service Area  
Seven states  
Four states\*  
Total  
Transmission

Miles

15,100 miles

15,700 miles

Service Area

Square Miles

89,850

114,669

RTO Membership

MISO/SPP

Anticipated

MISO

membership

by 12/2013

6

\*Entergy also owns limited assets in Missouri and Tennessee.

6

Transmission Business



7  
Independent Model  
7  
Benefits of ITC independent  
transmission model  
Transparency  
Improved  
Reliability  
Enhanced Generator  
Interconnections

Aligned with  
Public Policy  
Operational  
Excellence  
Improved Credit  
Quality  
Competitive  
Markets  
Reduced System  
Congestion

Transaction Overview  
8  
Transaction Structure

Reverse  
Morris  
Trust  
-

Entergy's  
transmission  
business  
merges  
into  
ITC

Prior to merger, Entergy to pursue tax free spin-off of transmission business and ITC to effectuate a recapitalization, anticipated to be special dividend of \$700 million

100% stock consideration

Entergy to issue approximately \$1.775 billion of debt, to be assumed by ITC

ITC to issue approximately \$700 million of unsecured debt at holdings level  
ITC Shareholders  
Post-Merge

50.1% Entergy shareholders

49.9% ITC shareholders  
ITC Senior  
Mgmt & Board

Two new independent directors who have transmission industry knowledge and familiarity with Entergy's region

ITC's management team will remain intact for combined business, supplemented with key Entergy leadership personnel from Entergy's transmission business  
Headquarters

Regional headquarters in Jackson, MS

Corporate headquarters in Novi, MI  
Expected Closing

In 2013, subject to timing of approvals  
Approval Process

Entergy retail regulatory approvals

Federal Energy Regulatory Commission approvals

ITC shareholder approval

Certain other regulatory approvals

## Operational Excellence

9

Operational excellence and safety are integral to ITC's culture and day-to-day operational performance.

ITC's goal: Best-in-class system operations and performance, including system security and safety.

Our operating companies consistently rank strongly in the SGS Statistical

Services Transmission Reliability Benchmarking program.

ITC's security operations recognized as an Example of Excellence  
for our  
Reliability Readiness Evaluation and Improvement Program.

Our control room is staffed with operators qualified at the highest level under  
the federal Operator Certification Program.

Restoring power quickly is a core competency and strategic advantage for  
ITC.

Historic Capital Spend

Investing in the System

ITC has a history of investing in the systems we acquire in order to improve reliability, facilitate generator interconnections and market efficiency, and serve customer needs.

Reliability

11

ITC's capital investments  
and maintenance  
programs have resulted in  
improved reliability

ITC Midwest's  
performance trend is  
improving, following the  
paths of ITC *Transmission*



and METC  
Better  
Performance  
(Average Sustained Outages per Circuit)

Safety Statistics

ITC Compared to Peers

Accidents per 100 workers with  
no lost time, relative to industry  
average.

Accidents per 100 workers  
resulting in lost time, relative to  
industry average.

Security

13

Critical ITC substations are protected 24/7 with a sophisticated, integrated security system

Closed-circuit television cameras

Photo-beam motion detectors

Intrusion monitors

Access control

Cyber locks

Audible alarms

Barbed wire perimeter fencing

ITC headquarters access is restricted by a security checkpoint and steel gates. Building is equipped with layered access control devices, closed-circuit television cameras, and biometric identification system for control room access.

Storm Restoration  
Building on Entergy's Record of Excellence  
Jurisdiction  
14

ITC's record:

In Michigan, ITC's systems are very reliable, resulting in only a handful of customer outages.

On our midwest system, 78% of outages impacting customers are restored at the point of interconnection within 90 minutes.

Post Closing: ITC plans to integrate key areas of its Incident Command System ( ICS ) with Entergy 's ICS structure to ensure continued excellence in storm restoration.

ITC and Entergy will be developing detailed, integrated restoration plans prior to closing.  
ITC 's number one priority is getting customers back on line

ITC's Storm Restoration  
Supply Chain Operational Excellence

ITC's Supply chain provides necessary steel structures and conductors to a site whenever a disaster requires line restoration.

Variety of methods ensure conductors and structures are readily available for storm restoration:

Numerous warehouses across footprint provide replacement conductors

and structures.

Specially designed temporary emergency structures available.

Alliance suppliers available as backup.

15



ITC's Restoration Readiness

Resource Transfer: Construction to Restoration

16

ITC alliance partner agreements provide  
for quick transfer of capital project  
contractors to storm recovery work

Hydaker-Wheatlake

MJ Electric

MYR Group

Allows ITC to respond efficiently to a storm event, lessening downtime

Labor contractors participating in recovery efforts already familiar with ITC safety practices, operating requirements and procedures

Expands ITC's available capital and equipment pool to a level that can address major storm events

ITC's Restoration Readiness  
Example of Pole Supply Alliance  
17

ITC has alliance partnership with Hydaker-Wheatlake Powerline Supply to manage a pole yard serving the ITC Midwest footprint.

Ability to supply minimum 750 poles during a storm recovery event.

Can deliver poles to 90% of region within 4 hours, with significant portion delivered within 2 hours. Remaining area can be serviced within 4-6 hours.

Examples -  
Restoration Challenges

Straight-line Wind Storm in Iowa

Nuclear Plant Restoration in Michigan

Spring 2011 Storm Restoration in Michigan

2010 Pole Washout in Iowa



Straight-Line Wind Storm in Iowa  
July 2011  
Straight-line  
winds reported up to 130  
mph  
ITCM restored all customers  
capable of taking service within  
72 hours. Three days later,  
system experienced historic  
peak load without incident.

NOAA: Wind event was most widespread and damaging in east central Iowa since 1998



Nuclear Plant Restoration  
Summer 2011  
20

Severe storms with tornado  
damaged DTE Energy's Fermi 2  
nuclear plant in Monroe County,  
Michigan in June 2011

Storms cut power to the plant,

automatically shutting down the  
reactor

With the outstanding support from ITC, we were able to restore our offsite  
lines and our switchyard, assess the plant condition and exit the emergency  
plan by about 2 a.m. Monday morning.

--

DTE Fermi Plant Manager

21

June 20, 2011

Dear Mr. Welch:

I wanted to express my appreciation for the support and assistance the City of Mason received from ITC after the large storm and tornado on May 29, 2011. Our City's west side was cut off due to significant damage, with at least 60 poles knocked down. ITC reacted very quickly with equipment and resources, and ensured that the power lines were put up in a safe and timely manner.

This storm was one of the largest to hit the Mason area in years, and without your company's help, we could not have recovered as quickly as we did.

ITC reacted very quickly with equipment and resources, and ensured that the power lines were put up in a safe and timely manner.

Martin A. Colburn,  
City Administrator  
Mason, Michigan  
Storm Restoration  
Spring 2011

22  
Erosion Restoration  
Pole Washout, Wapello County, Iowa, 2010  
Before  
After

Working Relationships with RECs and  
Municipal Utilities

23

ITC has long-standing, close working relationships with the Rural Electric  
Cooperative (REC) and Municipal Utility Customers it Serves

Dedicated Stakeholder Relations  
group serves as single point of contact for  
RECs and Municipal Utility Customers

Stakeholder Relations Group:

Advocates for the customer and seeks resolution when issues arise

Provides timely communications for planned outages such that coordinated maintenance can be accomplished

Provides ongoing and proactive communications on unplanned outages

Tracks customer issues to ensure prompt closure

Holds semi-annual Partners in Business meetings to provide updates on capital and maintenance plans, energy policy, rates, and legislative and regulatory updates

Conducts annual survey on effectiveness

Stakeholder Relations Survey 2011

24

- (1) Strongly disagree
- (2) Disagree
- (3) Neutral
- (4) Agree
- (5) Strongly



agree

Rate Your Level of Agreement with

Overall, I am satisfied with ITC

2009 Results

2011 Results

Mean: 3.96

N:

78

Mean: 3.96

N:

78

1%6%

14%

51%

27%

0%

20%

40%

60%

80%

100%

2%1%12%

57%

27%

0%

20%

40%

60%

80%

100%

Customer & Stakeholder Benefits

25

Furthers objectives of independent transmission model

Facilitator of competitive wholesale markets

Culture of safety and proven safety performance

Investments

in

the  
system

both  
capital  
and  
O&M

Commitment  
to  
regions  
and  
communities  
we  
serve  
through  
corporate  
citizenship

Including the commitment to maintain strong reliability, reduce congestion, enhance opportunities for interconnecting generators and foster greater access to competitive markets

Building robust interconnections and related system upgrades to bring all generation to market

Top safety performance of all EEI companies

Invested \$2.3 billion in CAPEX and \$640 million in O&M since inception to support system reliability and expansion

Ingrain company in communities and regions including supporting economic development and resulting jobs, community involvement and supporting charities