ITC Holdings Corp.
Form 425
April 17, 2012

ITC Holdings Corp.
Valero Refinery
Jackson, Mississippi
April 17, 2012
Entergy

Transmission Business
Filed by ITC Holdings Corp.
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

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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-look 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 diff materially from those expressed in, or implied by, these statements, including, among other things, (a) the risks and uncertainti disclosed in ITC s annual report on Form 10-K and ITC s quarterly reports on Form 10-Q filed with the Securities and Excha 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 da 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 obligatio 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.

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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 shareholde 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 webs at 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 2011 Annual Report on Form 1 filed with the SEC on February 28, 2012, and its definitive proxy statement relating to its 2012 Annual Meeting of Shareholder Information about the directors and executive officers of ITC may be found in its 2011 Annual Report on Form 10-K filed with SEC on February 22, 2012, and its definitive proxy statement relating to its 2012 Annual Meeting of Shareholders.

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About ITC

Largest independent transmission company in the country and only one publicly traded; 9 largest transmission owner overall
Over 15,100 miles of transmission
Seven states
Over 26,000 MW of load served

Develop transmission with the goal of:
Offering best in class transmission system reliability
Providing equal access to all generation sources
Supporting public policy needs
th

ITC and Entergy
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
* Entergy also owns limited assets in Missouri.
Entergy
Transmission
Business
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Independent Model
Benefits of ITC independent transmission model
Transparency
Reliability
Transparency
Operational Excellence
Infrastructure Investment
High Credit Quality

Public Policy
Alignment
Facilitate Generator
Interconnection
Customer
Focus

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Historical Capital Investments
2003-2011

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Transaction Overview
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 remain 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
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Approach to Transmission Planning

Independent and efficient transmission investment to benefit all customers

Address local, state and regional reliability and economic needs.

Identify transmission needs across a larger, footprint

Propose transmission solutions for consideration alongside non-transmission solutions in an open and transparent planning forum, where optimal solutions can be found

Economically reduce system congestion

Expanded grid and market access through investments in transmission

Lower overall cost of delivered energy

Plan the system to accommodate public policy mandates

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Operational Excellence

ITC s overarching goal: Best-in-class system operations and performance

Culture of safety and proven record of safety performance

Preventative maintenance emphasized to reduce costly reactive maintenance

Operating companies consistently rank strongly in the SGS Statistical Services Transmission Reliability Benchmarking program

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

Restoring power quickly is a core competency and area of focus for ITC

Experience in working cooperatively with large commercial and industrial entities to address their needs and concerns about power quality

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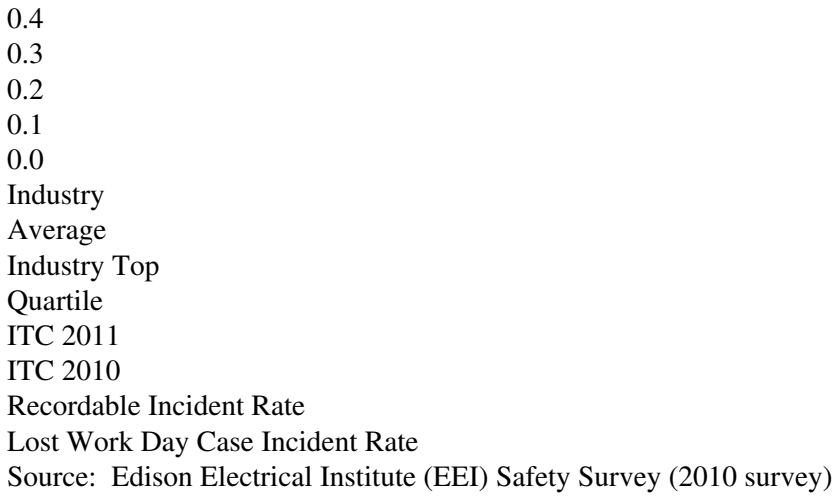
ITC Foundation in Safety
Safety is integral to ITC s culture of operational excellence. Amid active capital and maintenance initiatives, we sustain a safe work environment for our employees and contractors.
2.5
2.0
1.5
1.0
0.5
0.0
Industry Average
Industry Top Quartile
ITC 2011
ITC 2010
0.6
0.5



Source: Edison Electrical Institute (EEI) Safety Survey (2010 survey)

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Proactive Maintenance

Achieved 100% compliance with maintenance requirements under NERC standards in 2011 audit of ITC s three operating companies

ITC spends three times more on preventive maintenance than reactive, unplanned activities

Transmission lines were 100% available during 2011 summer all-time peak, or near all-time peak, demand
As the result of our singular focus on transmission, ITC s commitment to preventative maintenance has helped maximize the availability of critical equipment and the transmission system.

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Systematic Approach to Outage Reduction
Root cause analysis and feedback into both the maintenance plan and capital improvements
Example: Initiated a project to install a second shield wire for additional lightning protection on a circa 1950 120kV circuit that had seven lightning related outages since 2003
Identify and document cause of each sustained outage

< 5% of outages are recorded as unknown cause
Committee of operations, engineering, planning and stakeholder relations reviews each outage

Identification of system planning/maintenance/operating improvements or larger scale projects

Initiate additional inspections, special maintenance or study projects
Track performance trends

Circuits with repeat outages are identified and given extra attention
Separate committee performs an after action review for all human performance events


14
0.4
0.2
0.0
P10
Q1
Q2
ITC Midwest
0.57
Q3
Peer
0.35
Region
0.30

METC
0.19
Number of sustained outages per circuit, all voltages, 2010
ITC Transmission
0.12
0.6
Reliability
2010 Sustained Outage Performance
Lower is
better
Source: 2011 SGS Transmission Reliability Benchmarking Study
ITC*Transmission*
and METC perform with the best 10% of companies for number
of sustained outages per circuit. Majority of ITC Midwest system is 69kV and
improvement
programs
have
had
less
time
to
be
effective,
however
performance
has shown improvement in 2011.

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Reliability
2010 Outage Duration
Q3
ITC Midwest
181
Peer
160
200
130
METC
78
ITC
Transmission
16
300
Average circuit outage duration (in minutes), 2010
250

150
100
50
0
P10
Q1
Q2
Region
Source: 2011 SGS Transmission Reliability Benchmarking Study
ITC*Transmission*
and METC circuit outage duration is less than the Region and Peer
Group. ITC Midwest duration is longer, but within the third quartile. Transmission
circuit outages do not equate to end use customer outages in most cases, except
for ITC Midwest.
Lower is
better

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ITC s record:

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

On our Midwest system, where

we own 34.5kV and 69kV
transmission, 78% of outages
impacting customers are restored
at the point of interconnection
within 90 minutes

ITC and Entergy will be developing detailed, integrated storm restoration plans prior to 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 s number one priority: getting customers back on line safely.
Storm Restoration
Building on Entergy s Record of Excellence

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Straight-Line Wind Storm in Iowa
July 2011

Several counties across central
Iowa

Straight-line winds 130 mph

30-mile-wide, 70-mile-long path of destruction

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

Within 72 hours, ITC restored all customers capable of taking service

Three days later, the system experienced record peak demand without incident

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Severe storms spawned a
tornado which struck and
damaged DTE Energy s Fermi 2
nuclear power plant in Monroe
County, Michigan

Four of the five transmission
lines interconnecting the plant
were damaged and the reactor
automatically shutdown

Nuclear Plant Restoration
June 2010

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

ITC
crews
worked
around
the
clock

for
48
hours
to
restore
the
damaged lines.

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Working Relationships with Large Commercial
and Industrial Customers

Dedicated
Stakeholder
Relations
group
as
single
point
of
contact
for
stakeholders, providing advocacy and issue resolution at ITC

Stakeholders include municipal and cooperative utilities, independent power
producers and retail load of large industrial and commercial retail customers
connected at transmission level voltages

With Entergy, proactively coordinate meetings with stakeholders to
identify stakeholder issues and resolve any concerns through one-on-
one meetings and Semi-annual Partners in Business
meetings

Energy policy, legislative and regulatory matters

Capital project, transmission planning and preventative maintenance

Operations preparedness for summer peak load and storm events

Transmission rates

Timely customer communication

Storm restoration

Planned outages to eliminate or minimize any potential risk and costs to industrial
processes

Unplanned outages regarding cause, estimated duration, and future prevention

Conduct annual survey on effectiveness of group and of ITC in general

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Stakeholder Relations Example of Activities
with Large Industrial Customer
Major
Vehicle
Manufacturer
(Large
Industrial
Load)

ITC participates in bi-monthly utility interface meetings
with
manufacturer.

These meetings are an opportunity to continuously improve the electric services at their facilities

ITC reviews every electrical event at facility, giving special attention to their production facilities. Every event is extensively investigated to determine what, why and when the event took place but most importantly what will be done to ensure the events do not repeat again in the future. In addition to reviewing events, ITC works on scheduling preventative maintenance activities in non-production times when possible

ITC and manufacturer also share industry knowledge of our collective experiences with electric assets, procedures and experiences to gain a global perspective of knowledge in the electric industry

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Stakeholder Response to
Reliability Improvements

ITC was instrumental in a recent electrical interconnection upgrade in order to support an expansion at our Hemlock Semiconductor Facility in Michigan. ITC worked cooperatively with us and the local utility serving HSC to ensure the interconnection met our needs for timing and reliability.

Even now after the upgrade has been completed, ITC meets with us and the local utility quarterly to coordinate maintenance and address any of our concerns. The level of service and reliability that we have received from ITC has been outstanding!

Rod Williamson, Energy Development Manager

Dow Corning Corporation Midland, MI

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Customer & Stakeholder Benefits

Furthers objectives of independent transmission model

Including the commitment to maintain strong reliability, economically reduce congestion, foster competition and greater liquidity in wholesale markets

Facilitator of competitive wholesale markets

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

Culture of safety and commitment to operational excellence

Focus on achieving and maintaining best-in-class performance in safety, reliability and compliance

Since inception, ITC has made capital investments in its business of approximately $2.6 billion, largely to improve system reliability and expand system capacity, and annually spends three times more on preventive versus reactive maintenance

Ingrain company in communities and regions including supporting economic development and resulting jobs, community involvement and supporting charities
Commitment to regions and communities we serve through corporate citizenship
Investments in the system both capital and maintenance

Thank you
Entergy
Transmission Business