

ITC Holdings Corp.  
Form 425  
January 24, 2012

ITC Holdings Corp.  
Entergy Regional State Committee  
Working Group & Stakeholders Meeting  
January 2012  
ITC Holdings Corp.

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January 2012  
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Filed by ITC Holdings Corp.  
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Subject Company: ITC Holdings Corp.  
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001-32576

Safe Harbor Language & Legal Disclosure

2

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.

This  
presentation  
contains  
certain  
statements  
that  
describe  
ITC  
Holdings  
Corp.  
( "ITC" )  
management's  
beliefs  
concerning  
future

Safe Harbor Language & Legal Disclosure

3

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 2010 Annual Report on Form 10-K filed with the SEC on February 23, 2011, and its definitive proxy statement relating to its 2011 Annual Meeting of Shareholders filed with the SEC on April 21, 2011.



Transaction Overview  
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

#### Operational Excellence

8

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.

Reliability

9

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)

Transaction Overview  
10  
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

\$1.775b of newly-issued debt will be raised at Entergy's transmission business, the proceeds from which will be distributed to Entergy. Entergy will create and distribute new Transco (Mid

South TransCo LLC ) to

Entergy shareholders

Prior to the merger, ITC will recapitalize,

currently anticipated to be a one-time

\$700mm special dividend to existing

shareholders, funded by newly-issued senior

unsecured notes at ITC Holdings

Mid South TransCo LLC will subsequently merge

with ITC Merger Sub; Entergy shareholders will

receive 50.1% ownership in the combined company

49.9%

100%

11

Transaction Key Steps

ITC Pro Forma Structure

1

Entergy

shareholders

ITC

shareholders

Entergy

shareholders

ITC

shareholders

Entergy

Entergy

Entergy

Mid South

TransCo

LLC

ITC

ITC

Mid South

TransCo

LLC

Transmission

business

OpCos

OpCos

ITC Merger

Sub

2

3

4

Entergy

shareholders

Entergy

shareholders

ITC

shareholders

Mid South  
TransCo LLC  
Entergy  
OpCos  
ITC  
Holdings  
ITC  
OpCos



Pro Forma Ownership Structure

12

50.1% Entergy

Shareholders

49.9% ITC

Shareholders

Mid South

TransCo

LLC

OpCos

#### Approvals & Timeline

The  
transaction  
is  
targeted  
to  
close  
in  
2013,

subject  
to  
receipt  
of  
the  
following  
approvals  
and  
closing conditions

Anticipated Approval Requirements\*  
Entergy Retail Regulators  
(APSC, LPSC, MPSC,  
PUCT, CCNO)

Change of control of transmission assets

Authorization to incur debt in some jurisdictions  
FERC

Change of control of transmission assets

Establish new regulatory construct for new ITC subsidiaries

Authorization for operating company financings  
Hart-Scott-Rodino Act  
(DOJ / FTC)

Pre-merger notification to review potential antitrust and competition issues  
IRS Private Letter Ruling

Ruling regarding tax-free treatment of the distribution of Transco Holdco  
ITC Shareholders

Merger

Amendment to ITC Articles of Incorporation to increase the number of authorized  
shares

Authorization for issuance of greater than 20% of outstanding shares

\* Approvals may be required in Missouri and Tennessee due to limited assets in those territories. Approval may be required in  
13

Scope of Transaction

Final transaction value determined by ITC  
share price at time of closing

Combination of ITC market capitalization,  
post-recapitalization, and assumed debt

Transaction covers Entergy Transmission  
Business transmission assets

Transmission lines (operated at or above  
69 kV)

Substation assets operated at or above  
69 kV

Common-use equipment in transmission  
substations (three-terminal substations)

Equipment necessary for the safe and  
reliable operation of the grid

14

Projected Year-End Rate Base

For 2013 (Estimated)

(\$ amounts in billions)

The value of the Entergy Transmission  
Business assets used to calculate  
transmission rates will remain unchanged as  
a result of the transaction.

ITC

Companies

\$4.1

Entergy

Transmission

Business

\$3.0

Total

Combined

\$7.1

Customer & Stakeholder Benefits

15

Furthers objectives of independent transmission model

Including the commitment to maintain strong reliability, reduce congestion, enhance opportunities for

interconnecting generators and foster greater access to competitive markets

Facilitator of competitive wholesale markets

Building robust interconnections and related system upgrades to bring all generation to market  
Culture of safety and proven safety performance

Top safety performance of all EEI companies

Investments

in

the

system

both

capital

and

O&M

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

Commitment

to

regions

and

communities

we

serve

through

corporate

citizenship

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