



ITC Holdings Corp.

Michigan Energy Public Forum

February 25, 2013



Safe Harbor Language & Legal Disclosure

This document and the exhibits hereto contain 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, in the preliminary proxy statement/prospectus included in the registration statement on Form S-4 that ITC filed with the SEC on September 25, 2012 in connection with the proposed transactions, 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 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.



Safe Harbor Language & Legal Disclosure

On September 25, 2012, ITC filed a registration statement on Form S-4 (Registration No. 333-184073) with the SEC registering shares of ITC common stock to be issued to Entergy shareholders in connection with the proposed transactions, but this registration statement has not become effective. This registration statement includes a proxy statement of ITC that also constitutes a prospectus of ITC, and will be sent to ITC shareholders. In addition, Mid South TransCo LLC (TransCo) will file a registration statement with the SEC registering 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 proxy statement/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. 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. The proxy statement/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. 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- ENERGENCY (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 2011 Annual Report on Form 10-K filed with the SEC on February 28, 2012, 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 2011 Annual Report on Form 10-K filed with the SEC on February 22, 2012, and its definitive proxy statement relating to its 2012 Annual Meeting of Shareholders filed with the SEC on April 12, 2012.



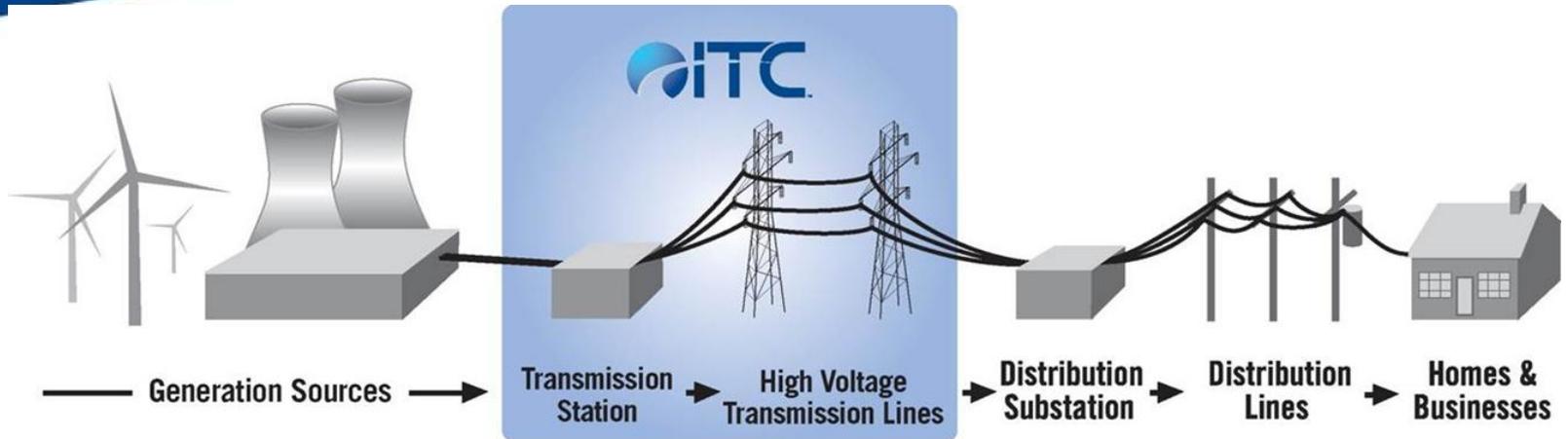
Overview of ITC



- Own, operate and maintain the high-voltage electric transmission infrastructure across most of Michigan's Lower Peninsula
- Largest fully independent electric transmission company in the nation
 - Headquartered in Novi, Michigan
- ITC belongs to the MISO regional transmission organization
- Four operating companies in seven states
- Pending transaction with Entergy Corporation to merge its transmission system into ITC
- Approximately 500 employees and 500 skilled labor contractors



The Power Flow Process



What is Transmission?

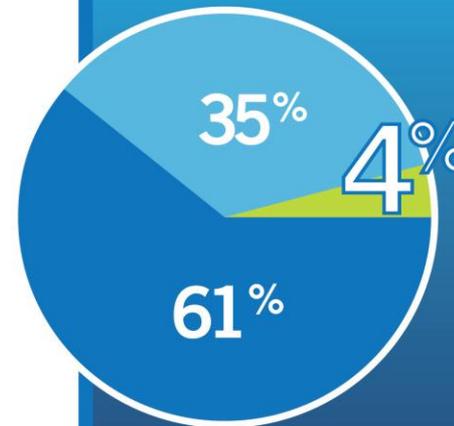
- The electric transmission system is the network of high voltage lines and towers that transfer electric energy in bulk from power generating plants to substations serving communities and businesses.
- ITC engages with energy partners across its service territory.
- Energy policy discussions often have implications for transmission grid role.



Transmission Component of Electric Bill

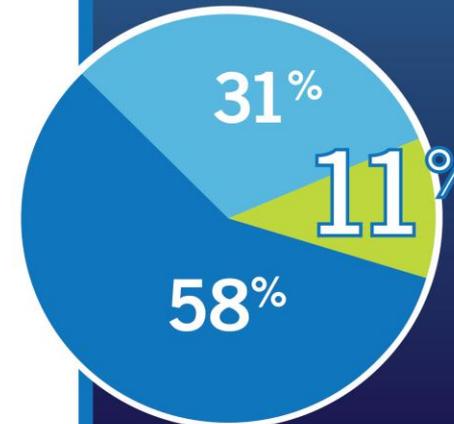
- **Transmission is a small fraction of the bill in Michigan.**
 - Michigan percentage is less than the national average.
 - The company has done this while having built a variety of projects to enhance reliability.
- **Benefits of regional transmission investment for Michigan:**
 - Opens wholesale energy markets across state boundaries
 - Levels costs to benefit Michigan consumers

INSIDE AN ELECTRIC BILL



Typical Monthly Residential Bills:
MICHIGAN
Usage: 500kWh/month

Source: Michigan Public Service Commission data



Major Components of
U.S. AVERAGE
Electricity Price, 2011
(Cents per kWh and Share of Total)

Source: U.S. Energy Information Administration

What have been the impacts of structurally separating transmission and distribution in Michigan?

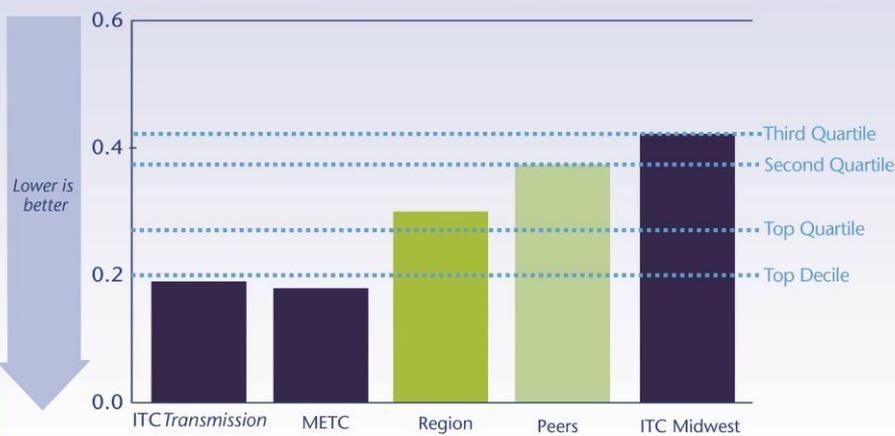
- Open access to the transmission grid for all generators of electricity.
- Improved service reliability and transmission efficiency
- More consistent, focused investment in transmission construction, operations and maintenance.
- Increased access to wholesale power markets.
- Ease of interconnection for larger customers.

What are the possible definitions of “reliability” that have been used or proposed for use by policy makers? What studies exist regarding the economic and environmental benefits of baseline or “additional” reliability?

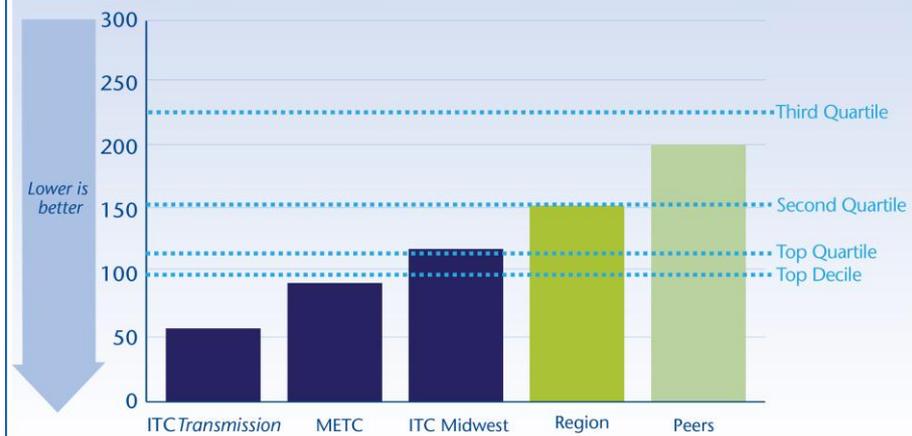
- For electric companies, “reliability” is often measured or discussed in terms of SAIDI (System Average Interruption Duration Index) (SAIDI) and SAIFI (System Average Interruption Frequency Index) — measures that speak to customer impact.
- The North American Electric Reliability Corporation (NERC) provides an independent view of the 10-year reliability outlook for the North American Bulk Power System. The most recent assessment is here: http://www.nerc.com/files/2012_LTRA_FINAL.pdf
- 100% compliance with NERC standards also constitutes “reliability” from a Transmission perspective.

Reliability Metrics

Number of Sustained Outages per Circuit, All Voltages, 2011



Average Circuit Outage Duration (in Minutes), 2011



- ITC participates in the annual SGS Statistical Services' Transmission Reliability Benchmarking Study. The SGS Study is the largest independent benchmarking forum for electric transmission reliability.
- ITC's Michigan operating companies perform with the top 10% of companies nationally for the number of sustained outages per circuit and outage duration.



Michigan Transmission Projects

ITC's capital investments since 2003 to improve reliability and efficiency of Michigan's power grid: \$1.9 billion.

Representative projects:

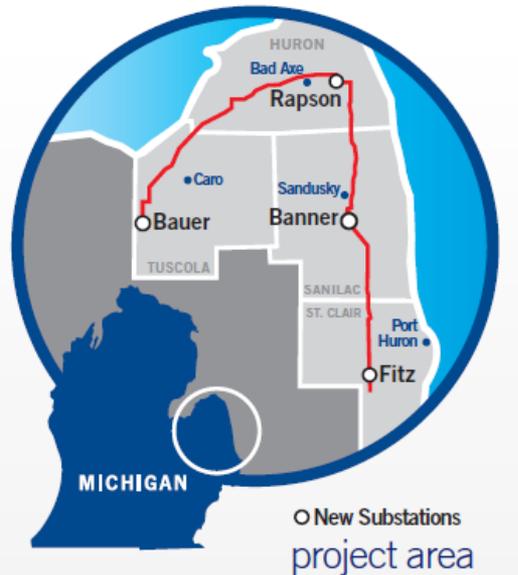
- Reconstruction and upgrade of more than 200 miles of 138 kV lines to 230 kV specification in northeastern and northwestern Michigan
- New 21-mile 120 kV line in Livingston and Oakland counties
- New 23-mile 138 kV line in Branch and St. Joseph counties
- Reconstruction of a 40-mile 138 kV line between Oakland and Ingham counties
- Major new substation in Midland County
- A new substation to provide a second source of power to the \$2 billion Medical Mile development in Grand Rapids
- A new 15-mile line to improve reliability in the Holland area
- Reconstruction of five 138 kV lines through 4.5 miles of wetlands near Muskegon



Thumb Loop Project



- 345kV double-circuit line, 140 miles, four new stations
- Purpose: Increase reliability, reduce congestion; serve as a backbone for future interconnection of new generation sources, including wind
- Received siting approval in February 2011
- Phase 1 (western side) in service late 2013
- Phase 2 (eastern side) in 2015



What policies does Michigan have regarding siting of transmission, and how does that compare to and/or coordinate with policies regarding siting of generation?

- Public Acts 30 and 295 provide siting guidance for transmission. PA 286 lays out the generation siting process.
- PA 30 is a 1 year process from filing to Commission order; PA 295 is a 180 day process; PA 286 is a 270 day process.
- The provisions in PA 295's and PA 286 regarding siting that come from the 2008 legislation are very streamlined and allow for needed development to occur in a timely manner.
- ITC has effectively utilized both PA30 and PA295 to obtain siting for needed infrastructure projects.

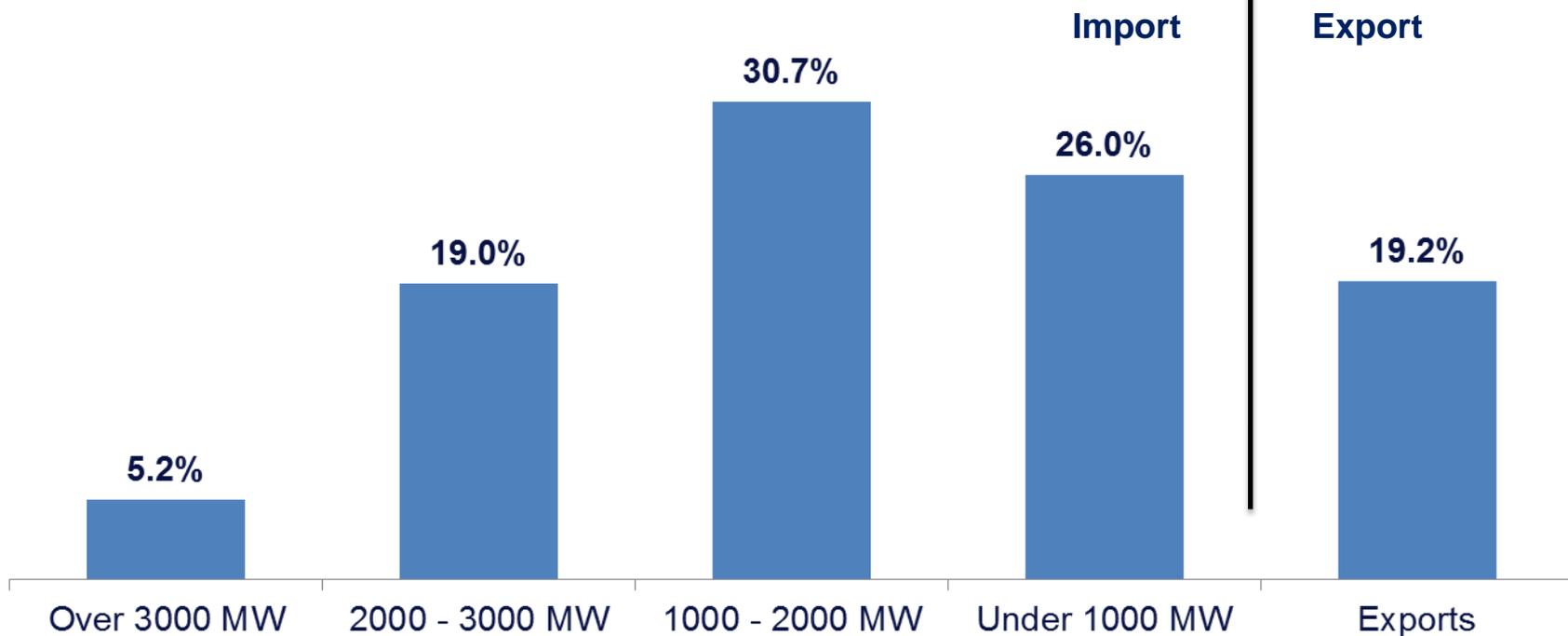
Michigan's Connectivity with MISO

What is the level of interconnection between Michigan and the rest of MISO?

- Michigan as with other states in the Midwest is interconnected via transmission within the MISO regional transmission organization.
- Energy transactions occur every day through Michigan and the rest of the MISO footprint.
- ITC's reliability improvements on the system have facilitated the ease of these transactions within the state while also reducing congestion on the system.

Michigan's Connectivity with MISO

Southern Michigan Imports and Exports
January 2009 through September 2011
Percent of Time



- **ITC is pleased to participate in the information gathering process.**
- **Reliability is at the core of our system improvements and will continue to be.**
- **Additional questions beyond what has been asked through this process merit inclusion in the process for completeness of the data collection.**
- **All participants in this process must provide meaningful data to help inform the future policy discussion in the state that leads to energy policy that is adaptable, energy that is reliable and affordable in the state.**