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ITC Holdings Corp.
First Quarter 2012 Investor Call
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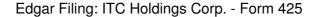
Safe Harbor Language & Legal Disclosure

This presentation contains certain statements that describe ITC Holdings Corp. ( ITC ) management s beliefs concerning fut conditions and prospects, growth opportunities and the outlook for ITC s business, including ITC s business and the electric industry based upon information currently available. Such statements are forward-looking statements within the meaning of Private Securities Litigation Reform Act of 1995. Wherever possible, ITC has identified these forward-looking statements by as anticipates, believes, intends, estimates, expects, projects and similar phrases. These forward-looking statements

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 implied by, these statements, including, among other things, (a) the risks and uncertainties disclosed in ITC s annual report on and ITC s quarterly reports on Form 10-Q filed with the Securities and Exchange Commission (the SEC) from time to time following transactional factors (in addition to others described elsewhere in this document and in subsequent filings with the S risks inherent in the contemplated transaction, including: (A) failure to obtain approval by the Company s shareholders; (B) fa obtain regulatory approvals necessary to consummate the transaction or to obtain regulatory approvals on favorable terms; (C) ability to obtain the required financings; (D) delays in consummating the transaction or the failure to consummate the transaction (E) exceeding the expected costs of the transactions; (ii) legislative and regulatory actions, and (iii) conditions of the capital materials are provided in 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, ecc and competitive uncertainties, many of which are beyond ITC s control or are subject to change, actual results could be mater 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 at affected by assumptions ITC might make or by known or unknown risks and uncertainties. Many factors mentioned in this doc and the exhibits hereto and in ITC s annual and quarterly reports will be important in determining future results. Consequently cannot assure you that ITC s expectations or forecasts expressed in such forward-looking statements will be achieved. Actual results may vary materially. Except as required by law, ITC undertakes no obligation to publicly update any of ITC s forward 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, no give assurances as to the terms on which such transactions will be consummated.



Safe Harbor Language & Legal Disclosure

ITC and Mid South TransCo LLC ( TransCo ) will file registration statements with the SEC registering shares of ITC comm TransCo common units to be issued to Entergy Corporation ( Entergy ) shareholders in connection with the proposed transac will also file a proxy statement with the SEC that will be sent to the shareholders of ITC. Entergy shareholders are urged to rea 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

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. The documents available, can also be obtained free of charge from Entergy upon written request to Entergy Corporation, Investor Relations, P. 61000 New Orleans, LA 70161 or by calling Entergy s Investor Relations information line at 1-888-ENTERGY (368-3749), on upon written request to ITC Holdings Corp., Investor Relations, 27175 Energy Way, Novi, MI 48377 or by calling 248-946-300. This presentation is not a solicitation of a proxy from any security holder of ITC. However, Entergy, ITC and certain of their redirectors and executive officers and certain other members of management and employees may be deemed to be participants in 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 Annual Report on Form 10-K filed with the SEC, and definitive proxy statement relating to its Annual Meeting of Shareholders filed with the SEC, and its definitive proxy statement to its Annual Meeting of Shareholders filed with the SEC.

Strong operational and financial performance in the first quarter

Relatively mild winter conditions contributed to solid system performance

No meaningful impact from severe weather events

Five-year capital plan remains on track with significant ramp up in capital investments in 2012 Significant milestone with Thumb Loop project in selecting contractor, M.J. Electric, to build first 62 miles

Awarded through competitive bid process; highlights the strengths of our strategic alliances

Development

plans also on track as evidenced by **MISO** approval of MVP s and recently announced expanded partnership agreement with Sunflower / Mid-Kansas Recent regulatory policy continues to support transmission expansion FERC issued an order reaffirming PJM s use of postage stamp cost allocation for facilities 500kv+ In response to 7th Circuit court decision remanding FERC s initial order

In response to 7th Circuit court decision remanding FERC s initial order March order demonstrates strong support by FERC for broad-based cost allocation for certain transmission facilities

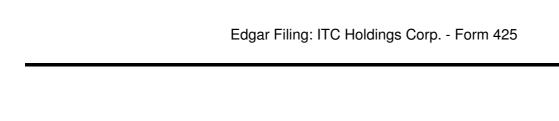
First Quarter 2012

STAND-ALONE OPERATING PLAN UPDATES

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Entergy Transaction Update STATUS UPDATE / TIMELINE Outreach efforts with key stakeholders ongoing; in process of preparing and refining regulatory applications and testimony: Expect to finalize and initiate a sequenced

filing schedule beginning mid-summer for both retail jurisdictions and FERC Other required approvals include ITC shareholder approval, pre-merger notification under Hart Scott Rodino Act and receipt of IRS private letter ruling Anticipated timeline for these activities expected to allow for closing in 2013, as initially contemplated FERC conditionally approved MISO and its transmission owners proposal to establish a transition period for the integration of Entergy Entergy currently in process of seeking approvals from its retail regulators to join **MISO** Transaction agreements contingent on Entergy receiving approval to join an acceptable RTO 5



Key operating earnings drivers

Higher net income due to higher rate base and AFUDC at our operating companies

Partially offset by:

Lower revenues associated with the amortization of the ITC*Transmission* rate freeze revenue deferral which expired in May 2011 and Lower G&A expenses in first quarter of 2011 due to recognition of a

regulatory asset associated with the Kansas V-Plan Project, which did not

reoccur in first quarter 2012

First Quarter 2012 Financial Results

**EARNINGS & DRIVERS** 

Reported Diluted EPS

\$ 0.88 \$ 0.81

\$ 0.07

THREE MONTHS ENDED

MARCH 31,

2012

2011

Operating Diluted EPS\*

\$ 0.93

\$ 0.81

\$ 0.12

Pre-Tax Entergy Transaction Expenses \$ 0.08

N/A

\$ 0.08

Income Taxes on Adjustments

(\$ 0.03)

N/A

(\$ 0.03)

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Increase /

(Decrease)

\*

Non-GAAP measure, reconciliation of reported net income to operating earnings provided on slide 12

Continued success in executing capital investment plans remains primary driver of financial performance

Invested \$203.0 million in capital projects at operating companies in

the three month period ended March 31, 2012

Relatively mild weather this winter allowed for strong start on our capital plans for 2012, positions us well to meet our overall goals and objectives for the full year Financial Results CAPITAL INVESTMENTS

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**ITC***Transmission* 

\$41.1

**METC** 

39.8

ITC Midwest

92.4

ITC Great Plains

29.7

**TOTAL** 

\$

203.0

FIRST QUARTER 2012 -

**CAPITAL INVESTMENTS** 

Financial Results 2012 GUIDANCE

Reaffirming 2012 operating EPS guidance of

\$3.90 to \$4.05, which excludes expenses associated with the Entergy transaction Also reaffirming 2012 capital investment guidance of \$730 to \$830 million **ITC***Transmission* \$ 185 -\$ 210 **METC** 155 -180 ITC Midwest 295 -325 ITC Great Plains 95 -115 TOTAL \$ 730 -\$830 2012 GUIDANCE -

**CAPITAL INVESTMENTS** 

Financing activities for remainder of 2012:
Refinancing of ITC Midwest revolvers in first half of 2012
Additional fixed debt at ITC Holdings and METC in the second half of 2012
Liquidity position remains quite robust; continues to be supported by revolving credit facility capacity
Financial Results
CAPITALIZATION & LIQUIDITY

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Total

Revolver

Capacity

Revolver

Capacity

Outstanding

Undrawn

Revolver

Capacity

**ITC Holdings** 

\$ 200.0

\$ 101.5

\$ 98.5

**ITC***Transmission* 

100.0

31.8

68.2

**METC** 

100.0

46.7

53.3

ITC Midwest

116.0 24.5

91.5

ITC Great Plains

150.0

70.3

79.7

TOTAL

\$ 666.0

\$ 274.8

\$ 391.2

Cash on Hand

23.1

TOTAL LIQUIDITY

\$ 414.3

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Five-Year Capital Plan
KEY PROJECT HIGHLIGHTS
200 mile, 345kV line; ITC s
portion is ~120 miles
~\$300 million
140 mile, 345kV line; four

new substations ~\$510 million Received siting approval in February 2011; commencing construction on first 62 miles, ROW acquisition remains underway as well Phase 1 in late 2013 and Phase 2 in 2015 225 mile, 345kV line; ITC s portion is ~174 miles ~\$160 million Completed ROW acquisition in early 2011, project well into construction Phase 1 mid-2012, Phase 2 Late 2012 Received siting approval in July 2011; pre-construction activities / ROW acquisition underway Late 2014 18 miles, 345kV line and new substation ~\$37 million Project construction close to completion Mid-2012 Portions of four MVP projects located within Iowa, Minnesota, Wisconsin & Missouri In excess of \$600 million Received MISO approval in December 2011, next steps include routing studies to support siting applications To Be Determined

Questions?

Reported Net Income
\$ 46,051 \$ 42,002 \$ 4,049
THREE MONTHS ENDED
MARCH 31,
2012
2011
Operating Earnings\*
\$ 48,580 \$ 42,002 \$ 6,578
Pre-Tax Entergy Transaction Expenses

3,863

N/A 3,863

Income Taxes on Adjustments

(1,334) N/A (1,334)

Increase / (Decrease)

Non-GAAP Measures

NET INCOME RECONCILIATION

(\$ in Thousands)

\* Non-GAAP measure

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