

ITC Holdings Corp.
Form 425
March 13, 2012

IBEW/Entergy/ITC Meeting
Jackson Office
March 13, 2012
Filed by ITC Holdings Corp.
Pursuant to Rule 425 under the Securities Act of 1933

Edgar Filing: ITC Holdings Corp. - Form 425

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

1
1
1

Entergy Forward-Looking Information

Entergy Forward-Looking Information

In this communication, and from time to time, Entergy makes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Except to the extent required by the

federal securities laws, Entergy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Forward-looking statements involve a number of risks and uncertainties. There are factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including (i) those factors discussed in Entergy's Annual Report on Form 10-K for the year ended December 31, 2011 and other filings made by Entergy with the Securities and Exchange Commission; (ii) the following transactional factors (in addition to others described elsewhere in this presentation and in subsequent securities filings) involving risks

inherent
in
the
contemplated
transaction,
including:

(1)
failure
to
obtain
ITC
shareholder
approval,

(2)
failure
of

Entergy and its shareholders to recognize the expected benefits of the transaction, (3) failure to obtain regulatory approvals necessary to consummate the transaction or to obtain regulatory approvals on favorable terms, (4) the ability of Entergy, Transco and ITC to obtain the required financings, (5) delays in consummating the transaction or the failure to consummate the transaction, (6) exceeding the expected costs of the transaction, and (7) the failure to receive

an
IRS
ruling
approving
the
tax-free
status

of
the
transaction;

(iii)
legislative
and
regulatory
actions;

and
(iv)
conditions of the capital markets during the periods covered by the forward-looking statements. The transaction is subject to certain conditions precedent, including regulatory approvals, approval of ITC's shareholders and the availability of financing. Entergy cannot provide any assurance that the transaction or any of 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
2
2

Additional Information and Where to Find It

Additional Information and Where to Find It

ITC and Transco will file registration statements with the Securities and Exchange Commission (SEC)
registering shares of ITC common stock and Transco common units to be issued to 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 shareholders are urged to read the proxy statement and any other relevant documents because they contain important information about 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, 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 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 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

Edgar Filing: ITC Holdings Corp. - Form 425

relating to its 2011 Annual Meeting of Shareholders filed with the SEC on April 21, 2011.

3
3
3

Welcome, introductions

Safety moment

Why are we here?

Background on ITC

What's going to happen next and when?

What should employees know and do?

Questions and answers

Our Agenda

Our Agenda

4
4
4
Safety

5

5

5

What is happening and why

What is happening and why

Entergy to spin-off and merge its electric transmission business into ITC

Leadership will include:

Rick Riley, appointed to a senior executive position with responsibility for transmission business system operations (equivalent of chief operations officer for transmission business), reporting to the chairman, president and CEO of ITC.

Mike Vaughn, vice president, asset management, reporting to Riley.

Mark McCulla, vice president, reporting to executive vice president and chief business officer, ITC.

ITC will integrate approximately 750 positions from Entergy, assume operations of Entergy transmission and transmission-related facilities

Targeting completion of the transaction in 2013, subject to customary closing conditions and necessary approvals

ITC to become one of the largest electric transmission companies in the U.S., with subsidiaries from the Great Lakes to the Gulf Coast

ITC regional headquarters to be in Jackson, Miss.; ITC corporate headquarters to remain in Novi, Mich.

6

Entergy has been pursuing this course of
Entergy has been pursuing this course of
action for over a decade
action for over a decade

7

Increases flexibility of Entergy's investment alternatives

Protects credit quality of Entergy and its OpCos

Supports efficient infrastructure investment

Improves access to capital for Entergy's transmission business

Entergy Customers and Other Stakeholders

Entergy Customers and Other Stakeholders

to Benefit From Independent Transco
to Benefit From Independent Transco
Combines best operating practices of both Entergy and ITC
Brings ITC's experience and track record of safe and reliable
operations to ensure continued strengthening of overall grid
performance
Leverages Entergy employees
knowledge and experience and
fully utilizes Entergy's world-class storm restoration process
Provides singular focus on transmission system performance,
planning and operations
Aligns with national policy objectives to facilitate investment in
regional and inter-regional transmission, advance open access
initiatives and promote access to competitive energy markets
Financial
Flexibility
and Growth
Operational
Excellence
Independent
and
Transparent
ITC Model

8
Complete independence (divestiture)
Today's Announcement Builds on Key
Today's Announcement Builds on Key
Strategic Objectives
Strategic Objectives
Why a Transco?

--As presented 11/8/2011

Singular focus in one critical area

Substantial investment

Technological change

Investment needs > depreciation level

Consistent

with

Congress

and

FERC

direction

Protects

/

improves

credit

quality

of

Operating

Companies

9

Why This Transaction?

Why This Transaction?

Addresses Inefficient Transmission Framework

Addresses Inefficient Transmission Framework

Transmission infrastructure

development in the U.S.

historically has been focused
primarily on connecting
load and resources
within control areas,
with little interregional or
national perspective
In contrast,
U.S. Electric Power Transmission Grid

More than 211,000 high voltage
transmission line miles

Operated by 140 control areas
(ownership is even more fragmented)

Source: FEMA

kV

kV

115

115

138

138

161

161

230

230

345

345

500

500

December 2011

December 2011

Introduction to ITC Holdings Corp.

Introduction to ITC Holdings Corp.

Presentation to Entergy Employees

Presentation to Entergy Employees

Jon Jipping, Executive Vice President

Jon Jipping, Executive Vice President
& Chief Operating Officer
& Chief Operating Officer

Safe Harbor Language & Legal Disclosure

This
presentation
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 t
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 may 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

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 approval to consummate the transaction or to obtain regulatory approvals on favorable terms; (C) the ability to obtain the required financing to consummate the transaction or the failure to consummate the transactions; and (E) exceeding the expected costs of the transaction due to 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 from all 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 ITC might make or by known or unknown risks and uncertainties. Many factors mentioned in this document and the exhibits hereto in ITC's annual and quarterly reports will be important in determining future results. Consequently, ITC cannot assure you that the results 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 future events, or otherwise.

The transaction is subject to certain conditions precedent, including regulatory approvals, approval of ITC's shareholders and

financing. ITC cannot provide any assurance that the proposed transactions related thereto will be completed, nor can it give as the terms on which such transactions will be consummated.

11

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
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.
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

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