

ITC HOLDINGS CORP.

FORM 425

(Filing of certain prospectuses and communications in connection with business combination transactions)

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



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 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 and 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

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. 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



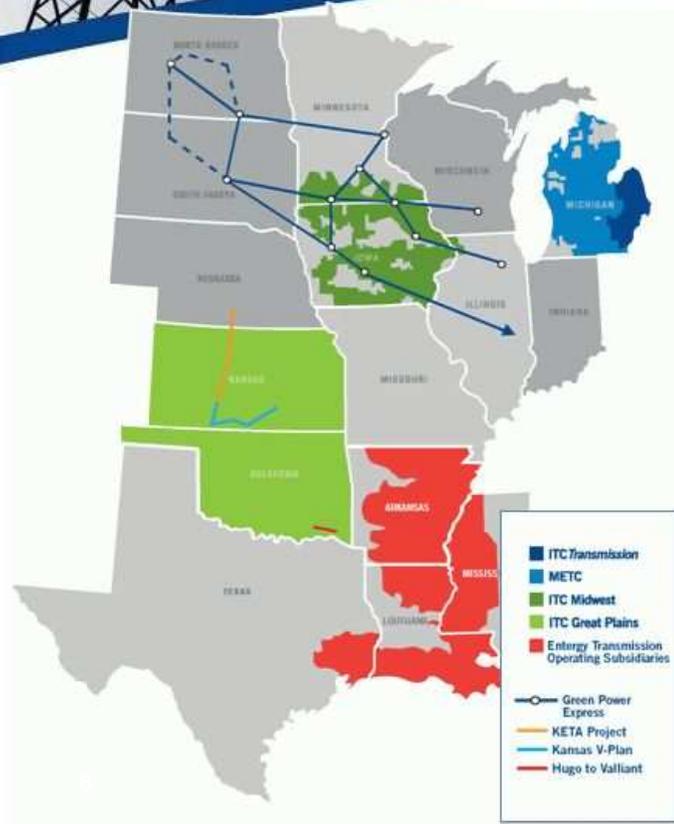
ITC Overview



- 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



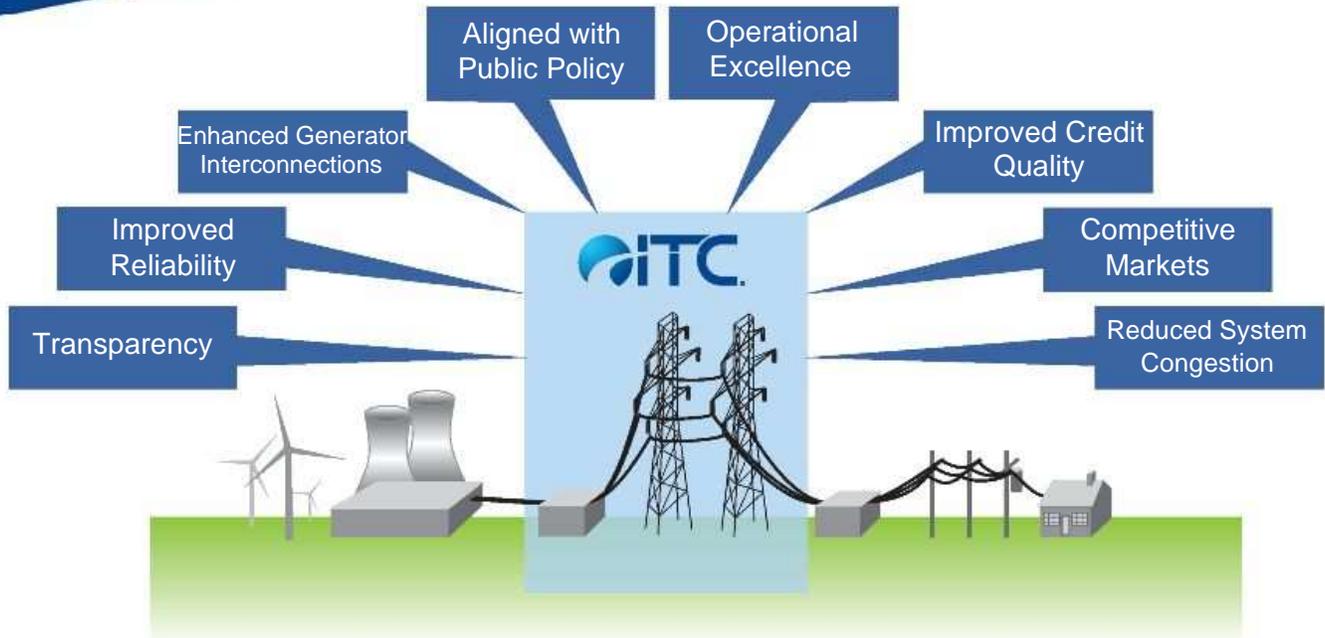
ITC Overview



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

*Entergy also owns limited assets in Missouri and Tennessee.

Independent Model



Benefits of ITC independent transmission model





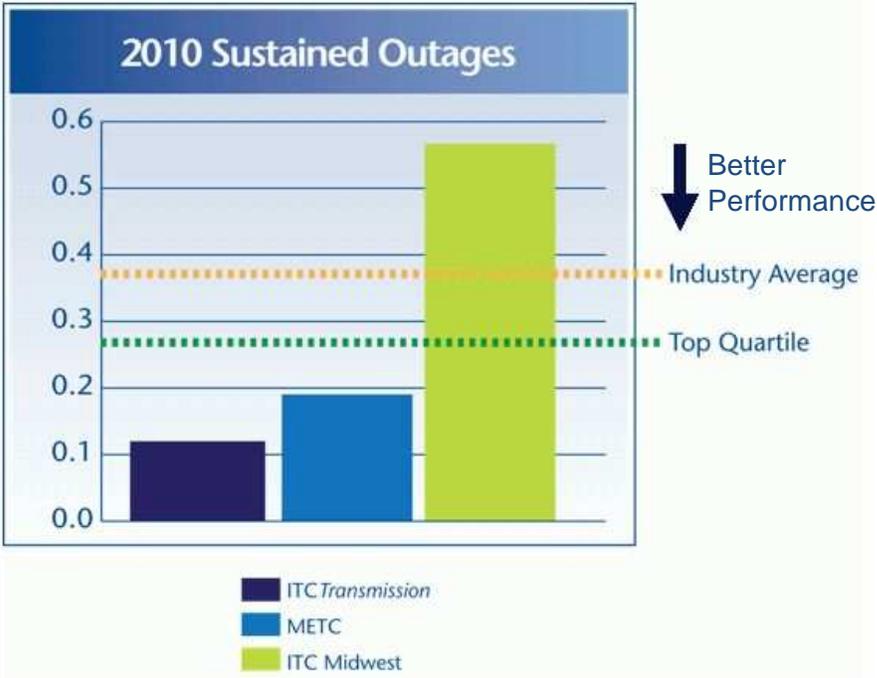
Operational Excellence

- 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

- 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



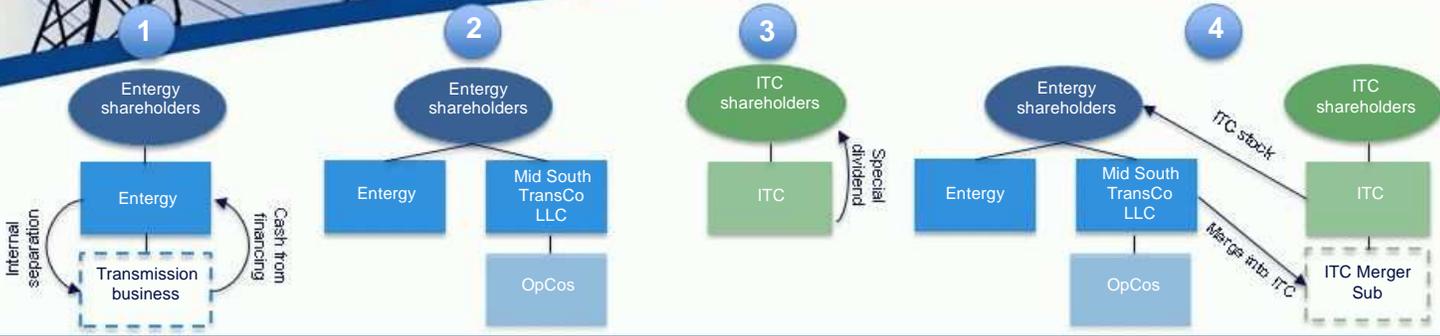
(Average Sustained Outages per Circuit)



Transaction Overview

Transaction Structure	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 50.1% Entergy shareholders• 49.9% ITC shareholders
ITC Senior Mgmt & Board	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Regional headquarters in Jackson, MS• Corporate headquarters in Novi, MI
Expected Closing	<ul style="list-style-type: none">• In 2013, subject to timing of approvals
Approval Process	<ul style="list-style-type: none">• Entergy retail regulatory approvals• Federal Energy Regulatory Commission approvals• ITC shareholder approval• Certain other regulatory approvals

Transaction Key Steps



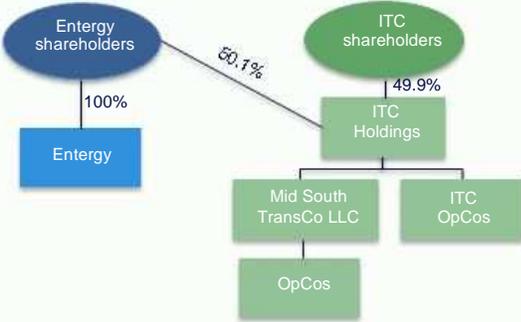
\$1.775b of newly-issued debt will be raised at Entergy's transmission business, the proceeds from which will be distributed to Entergy

Entergy will create and distribute new Transco ("Mid South TransCo LLC") to Entergy shareholders

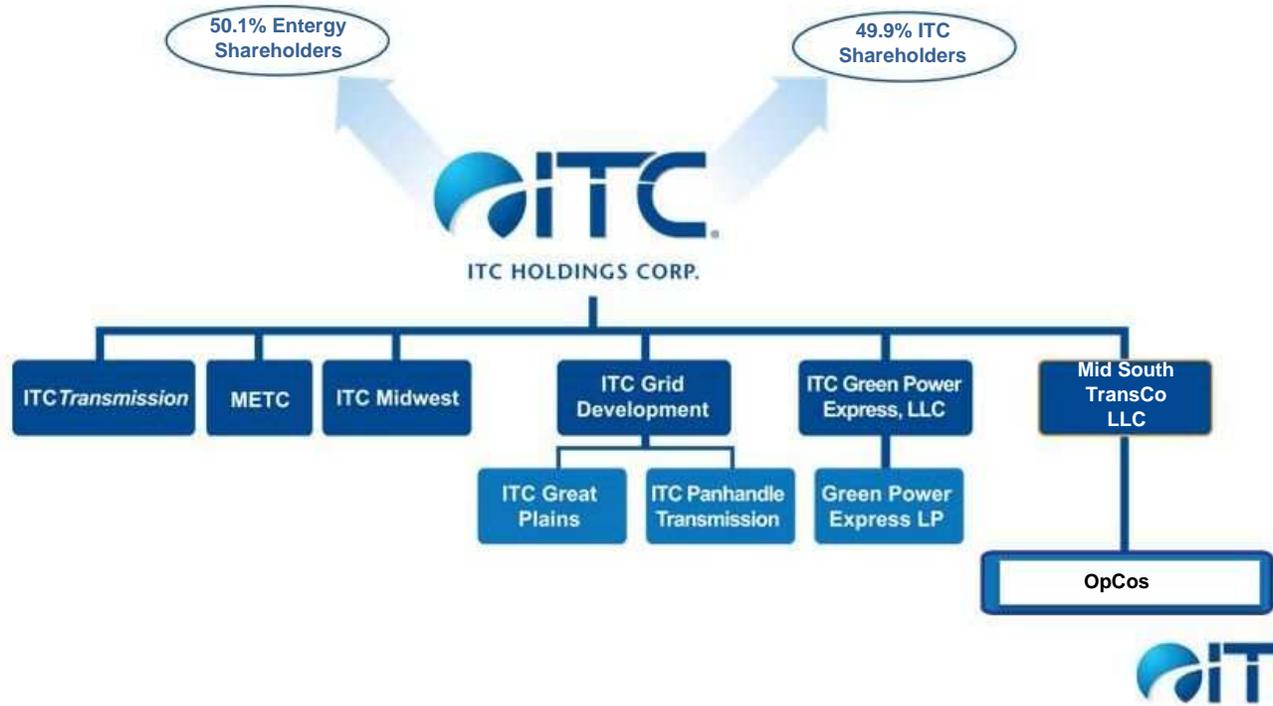
Prior to the merger, ITC will recapitalize, currently anticipated to be a one-time \$700mm special dividend to existing shareholders, funded by newly-issued senior unsecured notes at ITC Holdings

Mid South TransCo LLC will subsequently merge with ITC Merger Sub; Entergy shareholders will receive 50.1% ownership in the combined company

ITC Pro Forma Structure



Pro Forma Ownership Structure



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)	<ul style="list-style-type: none">• Change of control of transmission assets• Authorization to incur debt in some jurisdictions
FERC	<ul style="list-style-type: none">• 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)	<ul style="list-style-type: none">• Pre-merger notification to review potential antitrust and competition issues
IRS Private Letter Ruling	<ul style="list-style-type: none">• Ruling regarding tax-free treatment of the distribution of Transco Holdco
ITC Shareholders	<ul style="list-style-type: none">• 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 Oklahoma for ITC.



Scope of Transaction

Projected Year-End Rate Base For 2013 (Estimated) *(\$ amounts in billions)*

ITC Companies	\$4.1
Entergy Transmission Business	\$3.0
<hr/> Total Combined	<hr/> \$7.1

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



Customer & Stakeholder Benefits



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

