Moderator: Pat Wenzel
November 6, 2008
12:00 p.m. CT

Operator

Good day and welcome everyone to the ITC Holdings Corporation third quarter 2008 financial results conference call. Today's call is being recorded.

At this time for opening remarks and introductions, I'd like to turn the conference over to Pat Wenzel. Please go ahead.

Pat Wenzel

Good morning or afternoon and thank you for joining us for ITC's 2008 third quarter earnings conference call.

Joining me on today's call are Joseph Welch, Chairman, President, CEO of ITC; and Edward Rahill, our Senior Vice President and CFO.

Last night, we issued a press release summarizing our third quarter results. We expect to file our Form 10-Q with the Securities and Exchange Commission today. Before we begin, I would like to remind everyone of the cautionary language contained in the following Safe Harbor statement.

Certain statements made during today's call that are not historical facts such as those regarding our future plans, objectives and expected performance are forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent our outlook only as of today. While we believe that these statements and their underlying assumptions are reasonable, investors should know that actual results may differ from our projections and expectation because they are based on current facts and are subject to risk and uncertainties.

A discussion of the risk inherent in our business that could cause these differences may be found in certain documents filed with the SEC, such as our Form 10-Q expected to be filed today, our other periodic reports filed on Forms 10-Q and 10-K as well as our other SEC filings. You should consider these risk factors when evaluating our forward-looking statements. We disclaim any obligations to update or alter our forward-looking statements except as required by law.

At this time, I'd like to turn the call over to Ed Rahill to discuss our third quarter financial results.

Edward Rahill

Thanks, Pat. We are very pleased with our strong 2008 third quarter financial results, which we have achieved during the time of tremendous turmoil in the financial markets.

Our regulatory structure, which results in a stable and predictable business model, enables us to achieve our expected results. Our year-over-year improvement continues to be driven mainly by ITC Midwest's acquisition of Interstate Power and Light Companies or IP&Ls, electric transmission assets, and growth in rate base at ITC Transmission and at METC, thus demonstrating the success of our growth strategy.

In the third quarter of 2008, ITC reported a net income of $28.0 million or 56 cents per diluted share. This compares to net income of $20.8 million or 48 cents per diluted share in the third quarter of 2007.

Operating revenues increased $54.0 million to $163.3 million for the third quarter over the comparable period in 2007. Network revenues increased by $34.9 million due to our acquisition of the IP&L transmission assets. METC and ITC Transmission also recognized additional network revenues of $5.7 million and $6.8 million respectively, mainly due to the higher net revenue requirement as a result of higher rate base, operating expenses and taxes.

Point-to-point, scheduling, control and dispatch revenues has also increased in the third quarter of 2008 compared to the third quarter of 2007. In the third quarter, operations and maintenance or O&M expenses of $33.3 million were $10.8 million higher than the same period in 2007. This increase was mainly driven by expenses incurred by ITC Midwest that were not included in our results of operations for the three months ending September 30, 2007.

General and administrative or G&A expenses increased by $7.3 million compared to 2007, primarily due to personnel additions, higher business expenses, and professional advisory consulting services, all of which included incremental costs incurred by ITC Midwest. These increases are evidence of ITC's continued growth.

Depreciation and amortization expenses increased by $6.8 million in the three months end of September 30, 2008 compared with the same period in 2007. ITC Midwest incurred depreciation expenses of $4.9 million for the three months ending September 30, 2008. Depreciation and amortization also increased at ITC Transmission and METC, primarily due to the higher depreciable asset base resulting from property, plant and equipment additions.

Taxes other than income taxes in the third quarter of 2008 primarily increased due to property tax expense at ITC Midwest of $1.6 million.

For the three months ending September 30th compared to the three months ending September 30, 2007, interest expense increased primarily as a result of the higher borrowing levels to finance our capital expenditures and to finance the ITC Midwest acquisition earlier this year.

Now, I'd like to discuss the results of the first nine months of the year. ITC reported net income of $82.2 million or $1.66 per diluted share. This compares with net income of $57.7 million or $1.33 per diluted share for the same period in 2007.

Operating revenues of $465.8 million for the nine months ending September 30, 2008 increased by $149.0 million over the comparable period in 2007. Network revenues billed increased by $95.6 million as a result of the December 2007 asset acquisition of IP&L transmission assets, and METC and ITC Transmission recognized additional network revenues of $18.6 million and $14.6 million respectively due to the higher net revenue requirements as a result of higher rate base, operating expenses and taxes.

Point-to-point revenues, scheduling, control, and dispatch revenues increased primarily due to the addition of $5.0 million of ITC Midwest revenues.

O&M expenses increased $25.1 million in the first nine months of 2008 compared to the same period in 2007. These expenses increased $17.8 million due to the amounts incurred by ITC Midwest, including $1.5 million for emergency work-related to the floods in Iowa. O&M also increased by $7.2 million compared to 2007 due to additional vegetation management expenses.

G&A expenses of $60.0 million were $19.4 million higher than the same period in 2007. G&A increased by $16.6 million primarily due to the personnel additions and higher business expenses, mainly as a result of the acquisition of IP&L's transmission assets.

Additionally, G&A expenses increased by $1.8 million in ITC Grid Development, an ITC Great Plains subsidiary, for salaries, benefits and general business expenses incurred during the nine months ending September 30, 2008.

Depreciation and amortization expenses increased by $19.7 million in the first nine months of 2008 compared to the same period in 2007. ITC Midwest recognized depreciation expenses of $13.3 million for the nine months ending September 30, 2008. Depreciation and amortization also increased at ITC Transmission and METC primarily because of higher depreciable asset based resulting in property, plant, and equipment additions.

For more details on the variances of the three-month and nine months ending September 30, 2008, please refer to our third quarter 2008 Form 10-Q which we expect to file later today.

Now I'd like to focus on 2008 capital expenditures and earnings guidance. ITC Transmission invested $91.3 million, METC invested $85.4 million, and ITC Midwest invested $110.4 million in their respective transmission systems for the nine months ending September 30, 2008.

Our total capital expenditures for 2008 are expected to be in the range of $345 million to $380 million. This compares to our prior guidance of $285 million to $340 million. We now expect 2008 capital expenditures of approximately $115 million to $120 million for ITC Transmission, $110 million to $120 million for METC, and $120 million to $140 million for ITC Midwest.

At ITC Midwest, we are experiencing higher capital expenditures for interconnection requests for wind farms than we expected due to the approval of (Attachment FF) earlier this year. The year-to-date capital expenditures include approximately $10 million for interconnections. Additionally, we have been able to complete these interconnections faster than we originally anticipated.

Even though we had a major flood in Iowa that resulted in shuffling and delaying some projects to accommodate our restoration efforts, our employees and contractors' diligent efforts enabled us to get back on track in 2008 to meet our targets for capital expenditures.

For the full year 2008, earnings per fully diluted share are now expected to be in the range of $2.10 to $2.12. This increase compared to our prior EPS guidance of $2.0 to $2.05 is mainly due to higher projected rate base. Offsetting this is a ramp up in grid development expenses that will continue into next year.

It should be noted that the low-end of our updated 2008 guidance range is 20 cents higher than the original 2008 earnings guidance per share. This is further testament of our stable predictable business model that is not significantly impacted by current turbulent market events.

We plan to provide 2009 earnings and capital expenditure guidance later this year, but please keep in mind that we are expecting significant ramp-up in non-recoverable development costs to support our increased efforts in development in the year 2009.

Lastly, I would like to discuss our liquidity position and ability to finance our capital expenditures. ITC has a revolving credit facility at each of the operating companies and at ITC Holdings with a total consolidated capacity of $340 million.

As of September 30th, we have undrawn capacity of $170.5 million. Thirty-two million of this capacity is held by Lehman Brothers Bank. If we assume no further commitment from Lehman Brothers, our net undrawn capacity is $138 million. With our available capacity and internal cash flow, we do not anticipate any negative impact on the cap ex plans for the company. We are currently in discussions with a replacement bank for Lehman.

You may also be aware that ITC recently received a FERC approval to issue incremental debt at METC and ITC Midwest. As we look towards the end of 2008 and into 2009, based on current market conditions and discussions we've had with our bank group, we believe that we do have access to the debt markets at our operating companies to support our capital expenditures.

At this time, I'd like to turn the call over to Joe.

Joseph Welch

Thanks, Ed. ITC's robust financial performance in the third quarter during these difficult financial times demonstrates that ITC's business model is predictable and stable, as Ed has previously mentioned.

I have said this before, ITC has a near perfect business model that insulates us from most economic conditions and is evidenced by our year-to-date and expected 2008 financial results. Additionally, because ITC is conservatively managed, our sound financial policies and practices have helped us to perform as expected.

In the fourth quarter and beyond, we will continue to pursue and execute our current capital expenditure plans and future growth initiatives. Our base plan can be funded through 2009 without additional financings in 2009 and we will have the ability to raise the necessary capital to fund our growth. Although, ITC's consolidated debt to total equity is approximately 70 percent, ITC has investment grade ratings.

Let me remind you why this is the case. ITC's operating companies whose rates are only regulated by FERC have an annual formulaic tariff known as “Attachment O” that allows us to earn on our capital investments and recover our costs. This formula is calculated on a forecasted basis which aligns the expenditures and the cash receipts, reducing the need for financing. The formula leads to a stable and predictable revenues and earnings. Additionally, the formula has a true-up mechanism that ensures we recover our allowed revenue requirement.

Management has delivered on the commitments that we have made to our shareholders and we plan to continue to do this. We have always met or exceeded our earnings and capital expenditure guidance. We have delivered two acquisitions that were accretive in the first year and we have increased our dividend annually as promised.

Speaking of our dividend, in the third quarter we increased our quarterly dividend from 29 cents per share to 30.5 cents per share, an annual increase of over five percent. Also in the third quarter, at our Analyst Day in New York, we unveiled ITC's new 10-year base capital expenditure plan for investing $2.9 billion to rebuild and upgrade our existing transmission systems.

In addition, we identified another $3.8 billion to $14.3 billion of potential capital expenditures outside of our existing operating companies to invest in transmission projects that we have identified in Kansas that had been approved by the Southwest Power Pool, or SPP, to build interconnections for wind generation and other renewable resources and to invest in other high voltage super regional transmission.

As I mentioned on our last earnings call, we are pursuing necessary steps to make our regional transmission vision a reality and that's where ITC is focusing its attention. In the third quarter, we made some important progress in these efforts. In August, Mid-Kansas Electric Company and Sunflower Electric Power Corporation reached an agreement with ITC Great Plains, designating ITC Great Plains, to build two of the three sections that compromise the 180-mile Kansas V-Plan transmission project.

In September, the Oklahoma Corporation Commission approved ITC Great Plains application to operate as a transmission utility in order to construct, own, operate, and maintain electric transmission lines in Oklahoma. This represents a key first step and positions ITC Great Plains for future investment opportunities in Oklahoma transmission projects that have been identified by SPP to support the emergence of wind energy and other renewable resources.

When we began pursuing opportunities in Kansas, we said we would give our development efforts three years and we are a little over two years into that initiative. While we are through some first steps of the regulatory process, it's time to increase our financial resource commitment in order to bring these projects home. So as Ed has already mentioned, you should expect to see a ramp up in our development costs in 2009.

While we have been diligently pursuing our efforts to further our vision for regional transmission, there has been some progress beyond ITC that recognizes the need for regional transmission. The conversation within the industry and among leaders and policy makers has shifted towards increased focus on environmental challenges, national security concerns related to our dependence on foreign oil, and the desire for increased energy optionality, which has ultimately resulted in the identification of new energy sources and technologies such as wind power, biofuel, clean coal technologies, and others and the recognition that investment in the transmission grid is key to all of these.

We are at the epicenter of the enormous change in the energy landscape in our country. Recent announced events and recent legislation demonstrate the momentum behind renewable energy and the need for regional transmission necessary to support it.

For example, in Michigan, legislation was recently passed which would establish a renewable portfolio standard including the establishment of a Wind Zone Board to identify those areas in the state where wind potentials would be greatest and furthermore, identify, plan and facilitate the transmission necessary to facilitate the interconnection of wind resources from those identified zones.

Additionally, in September, the Upper Midwest Transmission Development Initiative, a five-state consortium to encourage regional electric transmission development was announced by the governors of Iowa, Minnesota, North Dakota, South Dakota, and Wisconsin. This initiative is primarily focused on identifying the transmission necessary to bring the abundant wind resources in the upper Midwest to market.

ITC is actively engaged in both Michigan and the upper Midwest initiative to bring its planning expertise and knowledge. These efforts highlight the increasing recognition that investment in transmission is critical in order to facilitate the integration of renewable resources and to highlight the growing opportunities before us.

According to industry estimates, $1 trillion to $1.5 trillion of investment in the energy infrastructure, that is encompassing generation, transmission, and distribution, is required over the next 20 years to address the existing reliability issues, bring about increased system efficiency, and integrate new generation sources such as renewable energy into the grid.

As the nation's first and only fully independent transmission company and the only pure play transmission company, ITC is uniquely positioned to bring needed investment to the grid, thanks to its track record of investing almost $1 billion in its existing electric transmission systems, its FERC only regulation and its stability and predictability of revenue and earnings that provide it solid access to the necessary capital on a real-time basis.

At this time, I'd like to open the call to answer any questions any of you may have.

Operator

The question and answer session will be conducted electronically. At this time if you do have a question, you may signal by pressing star one on your touch-tone phone. If you are using a speakerphone today, please make sure your mute function is turned off. And once again, that is star one if you do have a question. We'll go first to Dan Eggers with Credit Suisse.

Dan Eggers

Hey, good afternoon. Talking about the cap ex being ahead in '08, should we be thinking about being that you're just, you're effectively kind of spending from the future to some degree or have you guys kind of found some other places to put capital to work?

Joseph Welch

No, actually, if you – I'm not going to say listening closely, but I think I answered that, that we got a lot more wind interconnections in this first year because of our Attachment FF in Iowa than we anticipated and we're also actually have more capital in Iowa that we're spending.

Dan Eggers

So does that mean that we need to do revise the cap ex expectations you guys gave in September at the Analyst Day?

Joseph Welch

No, no, we're right on. We're just – we just got some more things here this year. But remember that when we talked in the Analyst Day, we spoke pretty specifically about our cap ex forecast and especially giving you information about next year. What we really started to put a range around was the renewable interconnections and how those would play out, because we just don't have a good track record with them and the MISO queue is so dysfunctional, it's hard to tell whose where.

Dan Eggers

Joe, you look at the kind of the problems that wind developers are having getting financing right now both on the project side and on the tax equity side, how much wind-related spend was embedded in, say, the nine, 10 estimates for cap ex relative to you know what is hard and true at this point in time? I guess I'm a little worried, if there's some cap ex that might have to fade out if these wind guys don't get their stuff done?

Joseph Welch

The guidance that we gave you on '09, OK, has been through the – what I'll call the Veg-O-Matic and that stuffs all goes. So, there is nothing in '09 that I'm aware of that would be up in the air based on the wind developers because we never made it part of our base forecast.

Dan Eggers

Right. And then when I look at the Holdco borrowing capacity, how much room do you guys have actually at the Holdco for this second layer of leverage? I know you said you could finance through '09. Does that mean the Holdco has capacity through '09?

Edward Rahill

We have – when you take a look at our free cash flow, you look at our remaining revolver capacity and the amount of cash we have on our operating company balance sheets, we are adequately capitalized to meet our capital plans through '09 and probably going on well beyond that into the next year. I mean, so that's why we're not skipping a beat here. So does that answer your question or …?

Dan Eggers

I guess so you have enough flexibility right now to maintain your capital structure at 60 percent for the Opco's?

Edward Rahill

At the end of the day, Dan, you and I have talked before. I have a philosophy we've got – when we get revolver balances above $100 million we like to flip them out.

Dan Eggers

Yes.

Edward Rahill

If the money is not available, not priced right, we'll just leave the revolver balances and ride this storm out for the next few years. We're not – we actually – for the base level of spending that Joe announced in New York, there is not a lot of capital that we would, if any that would we have to raise. I mean I will try you know to flip out revolver capacity, maybe $50 million or $75 million here as the year goes by if there is an opportunity. But that's just because I like to have long-term debt with my long-term projects. Yes, and it's not increasing capacity. It's kind of just flipping it around.

Dan Eggers

OK. And then I guess kind of Joe, if you look at the step back kind of look at the world with a new administration coming in January, you know President-elect Obama has policies related to the smart grid investment, more incentives for smart grid investment and obviously his hand involved in the shaping of the FERC. Any thoughts you want to give us and think we should be thinking about with the new administration?

Joseph Welch

Well, I think that, you know the other things that President-elect Obama has said is that – and he's repeated this is that he sees that we need to build the electric transmission grid. He realizes that in a carbon constrained environment – and I believe that they will drive that carbon constrained environment, that we need the integration of more renewables.

If we're going to be successful with the integration of renewables, we have to change the way we're doing it and I believe that President-elect Obama realizes this. And what I'm saying here is just that we not only have to get the renewables integrated to the load which, of course, is transmission, but we also have to get the renewables in themselves attached to one another so that we can start to get and glean capacity value from these big generation resources, because the plans that we are doing today absolutely are trying to doom them for failure.

And so the President realizes that he needs a robust transmission grid. He said it repeatedly in his talks. So – that's why we feel right now we're at the epicenter because we finally see that someone is going to focus on this transmission grid. The smart grid technology that everyone focuses to is not really applicable to the transmission system. It's really more of a distribution system issue. And even for that technology to work successfully, and to get the full benefits for both price and in the environment, we need a robust transmission grid so that we can move those demand savings around, if you will, on the grid and do it seamlessly.

Dan Eggers

OK. Thank you.

Joseph Welch

You're welcome.

Operator

We'll go next to Steven Gambuzza with Longbow Capital.

Steven Gambuzza

Good afternoon.

Joseph Welch

Good Afternoon.

Steven Gambuzza

Has there been any incremental progress made on your development initiatives in Kansas since your last Analyst Day or has the process going forward been clarified in terms of the timing of moving forward with the V-Plan project?

Joseph Welch

Well, I think that the only progress has been made is we just continue to, if you will, go through the whole regulatory process. But I mean you know there's clarity – should be clarity with everyone around the – what we call the KETA plan, which has been assigned to us, and we just need now SPP to finish up their final process, which we expect to be shortly after the first of the year and then we're good to go on the KETA plan.

And then on the V-Plan, of course there's a lot of rhetoric and confusion in the regulatory arena, but you know as I said that day at the Analyst Conference, that we're comfortable with our position. We think we're in a very strong position and we'll hopefully get this process round up on or about the end of the year.

Steven Gambuzza

Great. And then on Alliant call last week, I guess they expressed some degree of surprise about the magnitude of the transmission rate increase that IP&L is going to face next week. And I guess given the formulaic nature of the tariff and the fact that your capital plan has been pretty clear for some time, I was wondering if you could comment on you know why that might be. And then they also mentioned the potential of a section 206 filing and if you have any thoughts on how you might work with them to avoid something like that?

Joseph Welch

First of all, I'm not quite sure why they're surprised. But having said that, I can go down the three major drivers of the rate themselves and we can just speak to it directly. First, we have the capital program. I can't imagine that they have much of a surprise on that, and that they're doing a lot of that capital work for us and sending us the bills routinely for it. So if they have a surprise, then they're not – the right hand is not talking to the left hand since we get the bills.

On the O&M side, again, they're doing the O&M for us and the projections that we have for 2009 are almost identical to that which they have spent on the system in 2008 but for the addition of us having to do some really significant catch-up work on the vegetation side. You know there have been some strict rules on vegetation management and there’s fines and penalties associated with any kind of vegetation contact. And so for us not to do that work would really nail us. So – again, on the O&M side, they're doing most of the work right now and billing us for it and we're just duplicating pretty much what they have.

And on the A&G side, most of the driver for A&G is the result of employees that we hired and we hired those employees for the most part from IP&L. In fact, if my number sounds right, it's driven by about 121 employees that we hired from there. And so, as far as the surprise part is, I'm not sure.

Now, when we get down to someone filing a Section 206 complaint, let me be forthright and say that I think that first of all, the reason we like the FERC process is it allows people to complain if they find that we've done something which would be deemed imprudent. I think that I personally have gone over every one of these numbers now that are in the IP&L or ITC Midwest tariff that will be put into place in 2009.

I've looked at the work that we're doing. I've looked at the resources that we're supplying it with. I'm totally comfortable with where we're at. I certainly don't want to have to get in a fight with anyone over what we're doing, but if we're going to have a review of it, I'd sooner have it now than wait till later.

Steven Gambuzza

Great. Thanks very much.

Operator

And just a reminder if you do have a question at this time, you may signal by pressing star one on your touch-tone phone. Star one for questions.

We'll go next to Leon Dubov with Catapult Capital.

Leon Dubov

Hi, good afternoon. .

Joseph Welch

Good afternoon.

Edward Rahill

Good afternoon.

Leon Dubov

OK. I just wanted to clarify something Ed said. You mentioned a significant increase in non-recoverable costs. Why is that and could you put some magnitude around that? .

Edward Rahill

I'm not going to put magnitude around that. We're in discussions with our board. But I think we said on many calls over the last year-and-a half that we plan on increasing our efforts to find new transmission opportunities for this company, to expand outside our footprints, and to begin duplicating what we did in Kansas.

What Joe and I are trying to communicate to you is that we expect with board approval to significantly step up our efforts to find new opportunities for the company in '09. During the period of which you are in development, you can't charge a customer for those expenses at that time. And so I just was advising you that we are number one, executing the plan. And number two, when you look at – think about 2009, understand we're executing that plan.

Leon Dubov

So these increased expenses are outside of Kansas, but for similar types of work as you did in Kansas.

Edward Rahill

I'm not at liberty to talk about where they're going, but they're similar type of efforts.

Leon Dubov

OK. Thank you.

Edward Rahill

You bet.

Operator

We'll take our next question from Scott Thomas with Neuberger.

Scott Thomas

Thanks, guys. My questions have been answered.

Joseph Welch

Ok Thanks.

Operator

All right. We do have a follow-up from Dan Eggers with Credit Suisse.

Joseph Welch

Ok.

Dan Eggers

I'm going to follow-up and ask this question a little differently. How much your non-past – how much development expense did you guys have in your numbers or have you had in your numbers so far this year?

Edward Rahill

We're over – we're going to be over $5 million for that specific effort this year and that's – with the fourth quarter beginning a ramp up.

Dan Eggers

So that $5 million is the full '08 number or $5 million to-date in '08?

Edward Rahill

No, they're going to be forecasted for the full year. I don't have the exact number in front of me, but it's in that range.

Dan Eggers

Are you guys getting any push back in Michigan with the slowdown or you know with the Michigan legislation it seems like there's a better runway for you guys to keep spending?

Joseph Welch

Well, as a matter of fact, you know one of the things that Michigan has done and kind of going into it, I had different kind of views of it. But now that we're where we're at, I'm pretty comfortable what they've done. They actually initiated forums in Michigan where we start to review internal to the state the transmission plans and our expansion plans. And so the things that we have now have actually been reviewed inside of Michigan. And I would like to say the most part, but the key to that most part is the Michigan Public Service Commission is supporting the plan that we then took to MISO, so that piece has really worked well for us.

The second piece is that when they passed the legislation, we worked hard with all of the other people who were writing the legislation to create these wind zones, and the reason we did that was two-fold. One, so that we could design and plan on a really truly planning basis the right transmission network and that – I can tell you just by knowing what's going to happen at least from a macro sense that we will build a lot less transmission, but we are going to get that done.

So actually with the slowdown in Michigan but the fact that we're adding the renewable energy zones, I actually see our capital probably in Michigan going up, not down.

Dan Eggers

Did you guys have the renewable zone spending in Michigan as part of your September plan or would this be incremental?

Joseph Welch

This is incremental, because the fact of the matter is, is that we haven't – we don't know about it and this Wind Board that's going to start doing this work has just started to meet. And so there is work to be done and that will be ongoing through 2009.

Dan Eggers

And Joe, I think that CMS said yesterday they were going to file their renewable plan I believe in the first quarter or something along those lines. So should we be thinking that some time first quarter, first half of next year we're going to have a look at what the – what this opportunity could be?

Joseph Welch

I think that once we get some clarity, I know that both the two major utilities here in the state are working on developing some renewable power. And once we get a little more clarity on it then we'll clearly come forth and tell you where we're at on that. But I just don't have enough clarity. I know my guys are working on it, but we're still in the front-end of that.

It's a lot easier for them to say that they're going to build 100 megawatts and then when we got to tell you about the transmission system, then we've actually got to know exactly where it's at and how we're connecting it, where we're routing it. So ours is a little tougher job than theirs. I'm not trying to minimize it, but we – I know that the two utilities have huge number of acres of options to start their development work and you know we clearly know where that's at, but we don't know how it's going to lay out yet.

Dan Eggers

OK. Thank you, guys.

Operator

And at this time, there appear to be no further questions. I'd like to turn things back to Pat Wenzel for any additional or closing comments.

Pat Wenzel

This concludes the question and answer portion of our call. Before I end the call, I'd like to thank everyone who participated today. Anyone wishing to hear the conference call replay available through November 13, 2008, should dial toll free, 888-203-1112 domestic or 719-457-0820 international. The pass code is 2772455.

The webcast of this event will also be archived on the ITC Holdings Web site at http://investor.itc-holdings.com.

Goodbye, and have a great day.

END