ENTERGY CORP /DE/
Form 425
October 25, 2012

Entergy Transmission Spin-Off
and Merger with ITC
Presentation to ULM Business Symposium
October 25, 2012
Filed by Entergy Corporation Pursuant to Rule 425

Under the Securities Act of 1933
Subject Company: Entergy Corporation
Commission File No. 001-11299
Entergy
Transmission Business

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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, its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012, and other filings made by Entergy with the Securities and Exchange Commission (the SEC); (ii) the following transactional factors (in addition to others described elsewhere in this communication, 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 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, Mid South TransCo LLC (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.

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Additional Information and Where to Find It

Additional Information and Where to Find It

On September 25, 2012, ITC filed a registration statement on Form S-4 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, 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 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-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.

Vertically Integrated Utility
Topics for Discussion
Topics for Discussion
Overview of the Transaction

Industry context, history

Transaction parties and structure
Strategy of the Case: Four Pillars of Benefits
Required Approvals
Details on Four Pillars of Benefits

Independence

Operational Excellence

Financial Flexibility and Growth

Fosters Regional Planning

Illustration of Vertically Integrated Utility
Illustration of Vertically Integrated Utility

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Utilities Industry is Facing a Huge Need for Capital
Estimated at $2.2T Over the Next 20 Years
Utilities Industry is Facing a Huge Need for Capital
Estimated at $2.2T Over the Next 20 Years

Growth / Investment
Issues Facing Utility Industry
Over Next 20 Years
Generation
Transmission
Distribution
Projected Industry Capital Investments
Over Next 20 Years
$T
???
Current Market Cap
Other = 0.15
Source: Internal analysis; Bloomberg

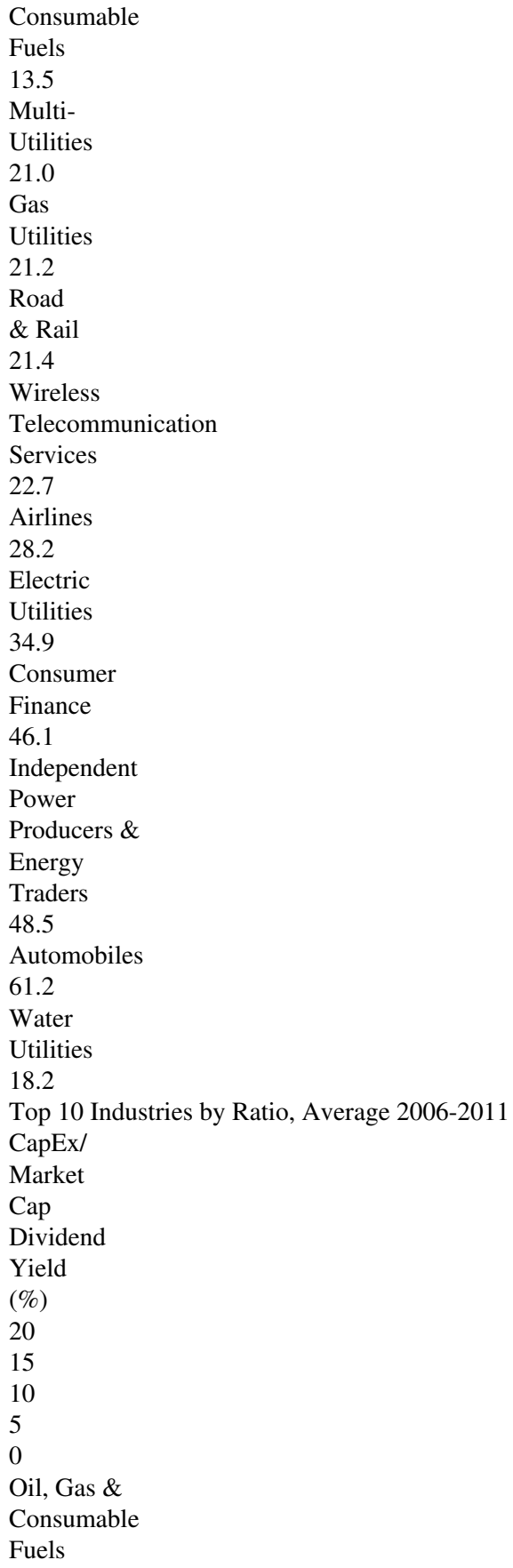
7
7
Electric Utilities Industry is Consistently the Second Highest in Capital Investments in the US
Electric Utilities Industry is Consistently the Second Highest in Capital Investments in the US
CapX

2010
794
287
2
16
14
15
23
25
28
35
42
30
89
227
CapX
2009
737
280
1
19
13
16
25
188
353
1
18
23
20
29
29
36
34
39
62
80
159
CapX
2006
798
319
1
11
22
39
27
28
29
30

20
27
36
39
21
88
151
CapX
2008
948
359
2
21
21
21
27
29
35
38
42
47
95
210
CapX
2007
883
($B)
1,000
750
500
250
0
Average
06-11
843
322
2
17
19
22
26
27
31
35
40
40
85
179
CapX
2011

900
337
2
18
18
19
25
31
28
38
45
19
93
29
59
67
137
Others
Water Utilities
Independent Power Producers & Energy Traders
Industrial Conglomerates
Automobiles
Food & Staples Retailing
Road & Rail
Media
Multi-Utilities
Diversified Telecommunication Services
Consumer Finance
Electric Utilities
Oil, Gas & Consumable Fuels
Note: Only US-incorporated active publicly traded companies in North America
Source: Compustat/GlobalVantage
Total Capital Expenditures Per Year

(%)
80
60
40
20
0
Oil, Gas &


Consumable
Fuels
13.5
Multi-
Utilities
21.0
Gas
Utilities
21.2
Road
& Rail
21.4
Wireless
Telecommunication
Services
22.7
Airlines
28.2
Electric
Utilities
34.9
Consumer
Finance
46.1
Independent
Power
Producers &
Energy
Traders
48.5
Automobiles
61.2
Water
Utilities
18.2
Top 10 Industries by Ratio, Average 2006-2011
CapEx/
Market
Cap
Dividend
Yield
(%)
20
15
10
5
0
Oil, Gas &
Consumable
Fuels

2.4
Gas
Utilities
3.7
Multi-
Utilities
4.0
Electric
Utilities
4.0
Diversified
Financial
Services
4.1
Tobacco
5.1
Diversified
Telecomm
unication
Services
5.1
Real
Estate
Investment
Trusts
(REITs)
5.7
Transportation
Infrastructure
7.1
Thrifts &
Mortgage
Finance
17.4
Paper &
Forest
Products
3.6
Oil & Gas well
below electric
utilities in CapEx as
% of market cap
and dividend yield
Electric Utilities Industry has 4th-Largest Ratio of CapEx to
Electric Utilities Industry has 4th-Largest Ratio of CapEx to
Market Capitalization and 7th-Highest Dividend Yield
Market Capitalization and 7th-Highest Dividend Yield
Note: Only US-incorporated companies
Source: Compustat/GlobalVantage
8

9
9
9
Across the Electric Utility Industry, In All Functional Areas
Across the Electric Utility Industry, In All Functional Areas
but Distribution, Capx/Depreciation Ratios Show
but Distribution, Capx/Depreciation Ratios Show

a Strong Upward
a Strong Upward
Trend Over the Last Decade,
Trend Over the Last Decade,
Creating the Need for Significant External Financing
Creating the Need for Significant External Financing
4
3
2
1
0
2010
2009
2008
2007
2006
2005
2004
2003
2002
2001
2000
Overall
Generation
Distribution
Transmission
2.6
3.0
1.9
3.7
1.1
0.7
1.8
1.5
Note: FERC data from Energy Velocity
The rapid increase in capital expenditures for transmission in recent years, combined with the long depreciation lives for transmission assets, means that transmission capital expenditures

in particular far exceed their related depreciation cash flows.

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10
Industry Is Responding to Capital Investment
Industry Is Responding to Capital Investment
Challenges with Different Approaches
Challenges with Different Approaches
Create larger footprint; upsize balance sheet

Duke / Progress

Northeast Utilities / NSTAR

PPL / LG&E

First Energy / Allegheny

Exelon / Constellation
Achieve greater certainty in regulations

e.g., Formula rate plans, future test years,
specific rider recovery, CWIP in rates, etc.

e.g., FPL Rate Hike Request
Align business model with capital needs

e.g., AEP TransCo
Consolidate
Build
Regulatory
Flexibility /
Certainty
Change
Business Model

Companies Forming Transcos to Take on New Multistate
Companies Forming Transcos to Take on New Multistate
Investment, Relieving Capital Demand on Local Utilities
Investment, Relieving Capital Demand on Local Utilities
Company
Year
Transco Activities
AEP
2010
2000s
Formed the Transco for on-system, wholly-owned investment, including

greenfield projects, station additions and system upgrades. Seeking state utility status for the Transco in each of the 11 states
Pursue opportunities using numerous JVs with MidAmerican, Duke etc.
Exelon
2009
Set up Exelon Transmission. Developing the Reliability Interregional Transmission Extension line to link up with new lines developed by Pioneer power (Duke/AEP) and ETA (AEP/Midamerican)
Ameren
2010
Established Ameren Transmission Co. to build greenfield projects to expand the existing 7,400 mile system. Identified $3 billion projects in IL and MO, with the potential for expanding to other areas in the future
Duke
2011
2008
Established 50/50 Duke-American Transmission Co. (DATC) with ATC, to pursue out-of-territory investment
Set up 50/50 Pioneer Transmission LLC with AEP to build Indiana project
Mid American
2007
Set up 50/50 Electric Transmission Texas with AEP to invest in ERCOT, and Electric Transmission America for outside of ERCOT

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12
12
US Electric Transmission Grid
US Electric Transmission Grid
Historically Fragmented and Inefficient
Historically Fragmented and Inefficient

Historically, transmission
infrastructure development
in the U.S.
primarily focused on connecting
load and resources within
balancing authority 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 ~130 balancing authority
areas (ownership is even more
fragmented)
Source: FEMA
12
kV
kV
115
115
138
138
161
161
230
230
345
345
500
500

13
13
13
Federal Policy Created Incentives to Address Grid
Federal Policy Created Incentives to Address Grid
Optimization Through Independent Transmission
Optimization Through Independent Transmission

Energy Policy Act
of 2005
FERC Presumption
on Independence
--As presented 11/8/2011
Not later than 1 year after the date of
enactment of this section, the Commission
shall establish, by rule, incentive-based
(including performance-based) rate
treatments for the transmission of electric
energy in interstate commerce by public
utilities for the purpose of benefiting
consumers by ensuring reliability and
reducing the cost of delivered power
by reducing congestion.
"[B]y creating an independent stand-alone
transmission company from a vertically
integrated utility, the proposed transaction
furthers
the
Commission's
open
access
and
RTO initiatives, accelerates the transition to
competitive regional bulk power markets, and
will
result
in
significant benefits to
.
.
.
transmission customers.
--Trans-Elect,
Inc,
98
FERC
¶
61,368
at
62,591-92
(2002)
"This order benefits customers because the
transfer of transmission facilities to an
independent
entity
is
one
of

the
most
effective
means of separating transmission interests from
generation
interests
and
achieving
independence
through a for-profit transmission company.
--ITC
Holdings
Corp,
102
FERC
¶
61,182
at
P
1-2
(2003)

14
14
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Entergy Leadership Long Held Belief that Independent
Entergy Leadership Long Held Belief that Independent
Transmission is an Optimal Path for the Industry
Transmission is an Optimal Path for the Industry

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Topics for Discussion
Topics for Discussion
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Independence

Operational Excellence

Financial Flexibility and Growth

Fosters Regional Planning
Vertically Integrated Utility
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Transaction parties and structure

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The Transaction Parties
The Transaction Parties
ITC and Entergy
ITC and Entergy

Entergy
Transmission Operations

~15,500 transmission line miles

Serves Arkansas, Louisiana,
Mississippi, and Texas

Pursuing proposal to join MISO
ITC

~15,100 transmission line miles

Serves Michigan, Iowa, Minnesota,
Illinois, and Missouri

Member of MISO and SPP

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The Merger Transaction
The Merger Transaction
End State
End State

Utility
OpCos
Entergy
Wholesale
Commodities
Mid South
TransCo LLC
(New Holdco)
ITC
Shareholders
ITC Merger
Sub
Transco Subs
Proposed Spin-Merge of Transmission Business
ITC After

Generation

Distribution

Retail
customer
service
Entergy Shareholders own stock in *two companies*
ETR After

Transmission
$700M
recapitalization
(pre-close)
Trust
Up to ~5%
ITC Shares
ITC
Shares
ETR
Shares
ETR
Shares
5.0%
Entergy
Shareholders
ETR and
OpCos
reduce
debt by
$1.775B
$1.775B debt
transferred
with assets

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Benefits to Customers and Other Stakeholders
Benefits to Customers and Other Stakeholders
Improves access to capital for transmission business and focuses financial resources solely on transmission system performance

Strengthens ability of Entergy Operating Companies to make needed investment in other areas of utility business
Ensures safe and reliable operations and continued strengthening of overall grid performance through ITC s singular focus on transmission system performance, planning and operations
Leverages Entergy employees knowledge and experience and fully utilizes Entergy s world-class storm restoration process
Provides proven business model for owning and operating transmission systems
Aligns with national policy objectives to facilitate investment in local, regional and inter-regional transmission, advance open access initiatives and promote access to competitive energy markets
Financial Flexibility and Growth
Operational Excellence
Independence
Instills confidence in wholesale markets by encouraging greater participation and disclosure by third parties
Leads to a more comprehensive planning process and a broader regional view than would otherwise be possible
Fosters Regional Planning

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Operational Excellence

Financial Flexibility and Growth

Fosters Regional Planning

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Transparency &
stakeholder
engagement
Attributes of Transaction
Attributes of Transaction
Associated With Independence

Associated With Independence
Independence
enables
transparent
disclosure
and
communication
with
stakeholders

Impacts transmission planning, transparent management of formula
rate making, operations,
and customer driven transmission maintenance

Independence model allows more robust stakeholder discussion and
evaluation of
transmission projects, and alternatives to those projects
ITC does not own generation or distribution assets; business model singularly focused on
owning, operating, and maintaining transmission

All capital generated from transmission and invested in transmission

No internal competition for capital with other functions (i.e., Generation or Distribution)

Independent Board of Directors

Management and employees divested of utility or market participant holdings
Independent model greatly enhances transmission planning for local systems

Eliminates perception of bias in the planning process or to one set of customers

Improved collaboration with 3rd parties including active & engaged input from stakeholders

Independent planning promotes transmission builds that takes into account all grid users
1
2
3
Independent
governance and
sole focus on
transmission
Independent
bottom-up
planning
ITC's sole focus on transmission facilitates investment in transmission infrastructure

Goal to achieve best-in-class performance and improved reliability

Timely and effective interconnection of new generating resources

Expanded grid and market access through investments in transmission, lower cost of energy
4
Infrastructure
investment
Independent
model
achieves
financial
success
by
actively
meeting
the
needs
of
end
customers

Design and plan transmission that meets needs of all customers

Work to connect generators in a timely manner

Investments in infrastructure needed to deliver power reliably
5
Customer
responsiveness
ITC policies encourage new entrants and increases competition to
bring liquidity to the market

No perception that ITC favors any generators or forms of generation

Independent model promotes regional planning processes that facilitate development

ITC works to interconnect customers efficiently and in a timely manner, and to design and plan
transmission that meets their needs
6
Facilitate
Generator
Connections

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22
ITC's Bottom-Up Planning Process Differs From
ITC's Bottom-Up Planning Process Differs From
Integrated Utilities Under MISO in 3 Crucial Ways
Integrated Utilities Under MISO in 3 Crucial Ways
Difference

Description	Implication
Broader customer focus	An independent transmission company is incentivized to look at all utility customers when evaluating benefits
	A vertically integrated utility s tariffed planning processes may define the benefit analysis for economic projects by reference to the utility s customers
Beyond MISO's borders, ITC also incentivized to identify multi-region projects	Potential to identify more economic projects as costs are tallied up against larger customer benefits
	Larger infrastructure projects become part of the scope of the transmission business
Increased stakeholder information sharing	An integrated utility is more likely to be perceived by independent parties as being biased towards its own generation regardless of actual openness and transparency
	Limits amount of market information shared
	Increases accuracy of system modeling as participants share economics information they wouldn't with a perceived competitor
More collaboration with stakeholders	Stakeholders engaged more often in the project planning process
	Involves stakeholders in project pre-screening for suggestions as well as in the vetting process for proposed solutions

Higher willingness to discuss possible plans and integrated generation-transmission projects

Creates a virtuous cycle with increased information sharing

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Details on Four Pillars of Benefits

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Sole Transmission Focus Has Four Primary Sources of Benefits for Independent Transmission Company

Sole Transmission Focus Has Four Primary Sources of Benefits for Independent Transmission Company

Attribute

Rationale	Example impact
Upper management attention and focus	Upper management can focus full-time on transmission business Increased ability to reach higher level of detail Improved performance management due to higher leadership engagement in transmission business
Faster decision making	Leadership can make faster decisions since freed from internal competition between businesses for attention and capital Simplifies capital planning process Reduces steps from project identification to approval to execution
Incentive for best-in-class transmission performance	An independent transmission company only has one business to be judged by, with a clear set of standards Incentivizes the company to look for ways of improving transmission performance
Operational excellence	Improved reliability and maintenance processes High specifications for equipment
Ability to achieve scale faster	Single focus on transmission increases the rate of business growth Accelerates benefits from scale Reduced procurement costs from larger orders

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25
25
Benefits of ITC's Operational Excellence
Benefits of ITC's Operational Excellence

ITC has achieved top decile reliability and system performance with two

of its three subsidiaries, exceeding performance of region and peers

ITC has demonstrated track-record of improving system performance post-acquisition

ITC has achieved positive system performance trends while keeping Operations & Maintenance (O&M) spend in line with peer average

ITC OpCos show O&M spend per mile in line with peer average

Preventative maintenance emphasized to reduce costly reactive maintenance

Infrastructure replaced before it begins to cause problems

Proactive maintenance measures to meet and exceed NERC standards

Focus on finding and fixing all outage causes

ITC O&M philosophy is key driver

O&M spend per mile in line with peer average

Reliability and system performance

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Utilities industry is facing significant need to increase capital investment in coming years

Compliance requirements, environmental regulations, and infrastructure

needs projected to drive $2.2T in capital needs over next 20 years
In line with industry, Entergy CapEx requirements expected to total nearly ~$13B over 2012-2018 without accounting for any emergency storm reserves, an increase of 33% over the 2005-2011 period (excluding storm capital)

ETR utilities transmission investment requirements expected to total ~$3.5B over 2012-2018, an increase of nearly 100% over the 2005-2011 period (three times as fast as total capital)

Transmission capital accounts for over half (~51%) of Entergy Utilities' CapEx over depreciation
Financial Flexibility
Financial Flexibility
Forecasted Future Capital Needs
Forecasted Future Capital Needs

28
28
28
Credit ratings have material effect on interest costs borne by utilities
Rating agencies (S&P, Moody's) give significant weight to regulatory construct and financial credit metrics of utilities

when deciding on credit ratings
Over the last 10 years rating agencies have frequently
downgraded utilities
Financial Flexibility
Financial Flexibility
Industry Response Focused on Protecting Credit Quality
Industry Response Focused on Protecting Credit Quality

~54% of comparable utilities ended 2011 at a lower credit rating
than where they started in 2001

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29
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Financial Flexibility
Financial Flexibility
Cash Release, Debt Reduction and Improved Credit Metrics
Cash Release, Debt Reduction and Improved Credit Metrics

Spin-merge releases cash flow of ~$860M for ETR OpCos from 2014-2018

Additional cash flow can be used to fund increased investments, pay dividends or reduce debt

Spin-merge releases cash flow

Spin-merge enables reduction in debt for stronger balance sheet

By 2018, Spin-merge enables ~$2.7B reduction in Total OpCo debt from 2014-18

Strengthens the balance sheet as OpCos face significant capital spending needs in coming years

Spin-merge improves credit metrics

Due to cash generation and debt reduction key credit metric of FFO / Debt improves on average

differs by OpCos and by year due to different T-Capital needs

Improvement in credit metrics can improve credit ratings assigned by S&P or Moody's but credit metrics are one of many factors used to assign credit ratings

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Regional Planning Enabled
Regional Planning Enabled
by Independent Business Model
by Independent Business Model

Focus on
regional
needs
Illustrative regional projects
Illustrative regional projects
Portfolio
Group
Project
Year
Installed
Major Benefits
State
Voltage
(kV)
Cost
(2012
$millions)
Cypress -
Lewis Creek -
Grimes 500
kV
2018
TX
500
Upgrade Amelia -
Helbig 230 kV
2018
TX
230
Bayou LaButte -
Nine Mile 500 kV
2018
LA
500
Waterford -
Tezcuco -
Gypsy 230 kV
2018
LA
230
Second 500/230 kV Autotransformer
at Coly
2023
LA
500/230
SPP Intertie
Mt. Olive -
Longwood 500 kV
2018
Improve transfer capability with SPP

LA
500
$326
Freeport -
Shelby 500 kV
2018
MS/TN
500
Upgrade Horn Lake -
Allen 161 kV
2023
MS/TN
161
ESSO
Delmont
Hazel upgrade
2018
LA
230
Second line between Addis
Tiger
2018
LA
230
Total
$1,443
$525
Western
Amite S. /
DSG
Congestion
Relief Projects
Improve transfer capability into Western region load pocket; reduce Lewis Creek RMR; storm hardening; improved load serving capability
Reduce congestion within Entergy footprint
Improve transfer capability with TVA/Southern
Improve flows in Amite South and DSG load pocket; reduce Nine Mile Point RMR; storm hardening; improved load serving capability
$365
$209
$18
Northeastern
An independent transmission company coupled with RTO participation will

enhance economic benefits for regional customers through:

Potentially connecting Entergy's region with other regions (i.e., ERCOT, SPP)

Broader view on Transmission investments

MISO, as an RTO, has no ability or mandate to build transmission facilities to meet the demands of the wholesale market

Beyond MISO's borders, ITC is incentivized to identify multi-region projects

ITC proved it has expertise, resources, and capital to plan and execute needed investment

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32
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Green Power Express (GPE) project exemplifies how ITC's regional focus enables beneficial projects that would other remain unrealized

Identified by ITC as the most efficient means to develop and interconnect the wind-rich Upper Midwest with load centers further east

Project to cross two RTO regions, non-RTO regions, seven states, and 20 utility service territories, in addition to ITC s current footprint

When initially proposed, no process in place to consider a project like GPE because of its inter-regional scope and because the criteria then employed by RTOs to define beneficial projects were too narrow

GPE became the impetus for a number of projects that are now part of MISO s regional transmission plan across the Midwest
Green Power Express (GPE) project exemplifies how ITC's regional focus enables beneficial projects that would other remain unrealized

Identified by ITC as the most efficient means to develop and interconnect the wind-rich Upper Midwest with load centers further east

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GPE became the impetus for a number of projects that are now part of MISO s regional transmission plan across the Midwest
ITC Looks Across Utility and RTO Boundaries to Identify
ITC Looks Across Utility and RTO Boundaries to Identify

Solutions to System Needs That Provide
Solutions to System Needs That Provide
Local and Regional Benefits
Local and Regional Benefits
Goal of ITC's regional focus is always to reduce the delivered cost of energy to customers
To do so, ITC looks both inside and outside its footprint to understand where transmission investment could result in the greatest benefits not only within its footprint, but also regionally and inter-regionally
Consistent with and supported by public policy initiatives going forward

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Order No. 1000 supports the construction of needed regional and interregional transmission projects and includes the basic tenets for which ITC had been advocating prior to the Order s issuance, such as larger coordinated planning areas between regional and inter-regional entities.
As a result, policy environment is more conducive to efficiently meeting customers needs through a regional and interregional view.

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Strategy of the Case: Four Pillars of Benefits
Vertically Integrated Utility
Details on Four Pillars of Benefits

Independence

Operational Excellence

Financial Flexibility and Growth

Fosters Regional Planning

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Pathway to Completion
Pathway to Completion
Required Approvals
Required Approvals
Authority

Requirements
Entergy retail
regulators

Change of control of transmission assets

Affiliate transaction approvals related to steps in the spin / merge

Authorization to incur debt in some jurisdictions
FERC

Change of control of transmission assets (203 filing)

Acceptance of jurisdictional agreements (205 filing)

Authorization to assume debt / issue securities (204 filings)

Changes to System Agreement to remove provisions related to
transmission planning and equalization

ITC filing to establish new rate tariffs for the ITC operating companies
Nuclear Regulatory
Commission

Required for internal corporate reorganization in connection with spin-
merge, and to satisfy license conditions
Hart-Scott-Rodino
Act

Pre-merger notification to review potential antitrust and competition issues
IRS

Private letter ruling substantially to the effect that certain requirements for
the tax-free treatment of the distribution of Transco are met
Securities and
Exchange
Commission

ITC Form S-4 and Proxy Statement (including audited Transco financial
statements and disclosures), and

Transco Registration Statement
ITC shareholders
Approvals required for:

Merger,

Issuance of shares to ETR shareholders, and

Amendment to ITC charter to increase authorized number of shares

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Questions?