

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](http://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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6  
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Utilities Industry is Facing a Huge Need for Capital  
Utilities Industry is Facing a Huge Need for Capital  
Estimated at \$2.2T Over the Next 20 Years  
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  
Electric Utilities Industry is Consistently the  
Second Highest in Capital Investments in the US  
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

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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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

12  
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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Fosters Regional Planning  
Vertically Integrated Utility  
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16  
16  
16  
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

17  
17  
17  
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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Strategy of the Case: Four Pillars of Benefits

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Topics for Discussion

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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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Topics for Discussion

Topics for Discussion

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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

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Facilitate

Generator

Connections

22

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

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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

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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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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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31  
31  
31  
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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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

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ITC Looks Across Utility and RTO Boundaries to Identify  
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Solutions to System Needs That Provide  
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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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Required Approvals

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

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?