



***Presentation Before
Senate Utilities Committee
January 30th, 2007***

ITC Great Plains



- ◆ In July 2006 ITC Great Plains opened its doors in Topeka, Kansas
 - ITC expanded to Kansas after FERC & DOE identified the need for transmission coupled with the progressive policies passed by the Legislature
 - FERC moving toward transmission separation for improved reliability and increased transparency
- ◆ ITC Great Plains is a Kansas company dedicated to customers of Kansas
 - **Transmission-only** entity committed to constructing, owning, operating and maintaining transmission assets
 - Subject to multi-layers of regulation: KCC for siting, SPP for project selection & cost-allocation & FERC jurisdictional
- ◆ **ITC Great Plains is committed to working with all Kansas stakeholders including the Governor, state and local elected & appointed officials, the KCC, KETA, municipals and the coops to identify and solve transmission issues**
 - ITC's relationship to KETA

ITC Overview



ITC
LISTED
NYSE®

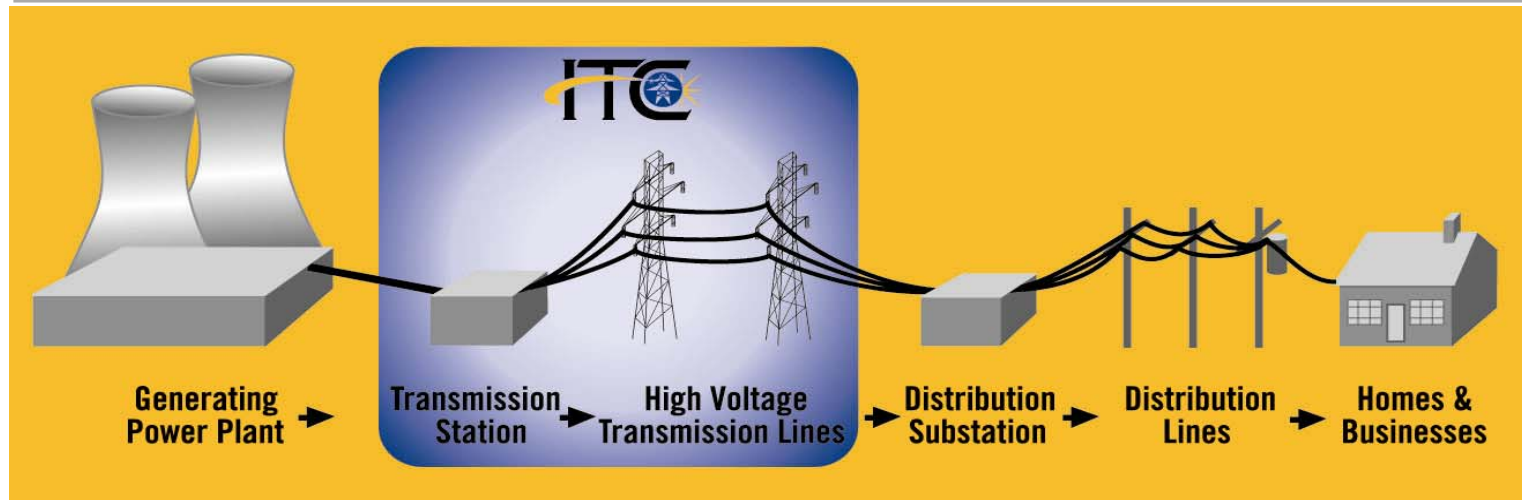
- ◆ ITC Holdings is the first fully independent transmission company in the U.S. and only publicly traded company engaged exclusively in the transmission of electricity
- ◆ ITC Holdings Corp (ITC), is the first and ONLY transmission company on the NYSE
 - ITC, the parent company of ITC *Transmission*, successfully completed its IPO on July 29, 2005
- ◆ Estimated enterprise value of \$1.6 billion
- ◆ ITC Holdings owns 95% of the transmission in Michigan
- ◆ Recently, announced purchase of all Alliant Energy transmission assets located in Iowa, Illinois and Minnesota
- ◆ As a public company ITC and its subsidiaries have an added level of transparency available to customers, stakeholders and shareholders

What Is Our Business?



- ◆ ITC *Great Plains* will operate a fully-regulated, high-voltage transmission system that transmits electricity to local electricity distribution facilities from generating stations throughout Kansas and surrounding areas
- ◆ ITC *Great Plains* wants to ensure that every Kansas electric customer will have access to **reliable, non-discriminatory**, and **low-cost energy** procured through competitive wholesale markets

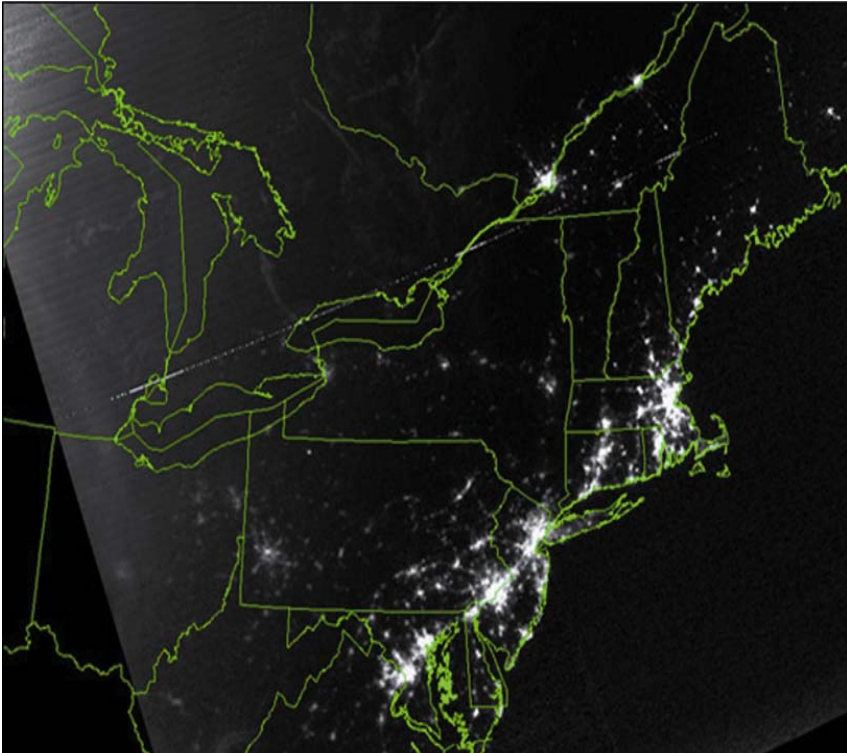
We Serve as the Conduit Between Generation and End-Use Customers



Paradigm Shift



The transmission system is infrastructure not a commodity – similar to the interstate highway system feeding byways & roads

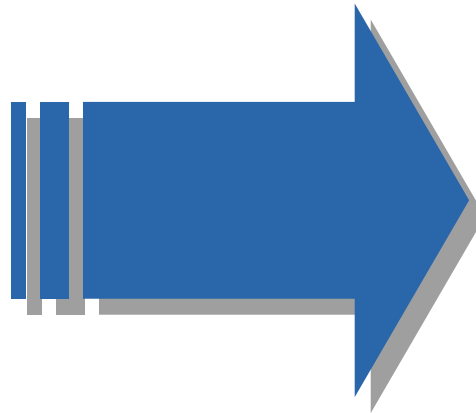


- ◆ Historic underinvestment in transmission systems creates considerable need for significant investment in nation's transmission infrastructure
 - Investor owned utility investment in transmission assets declined \$12.8B between the 10-year periods from 1975-1984 and 1992- 2001
 - The grid will require \$50-\$125B in investment
 - Lack of investment has created antiquated infrastructure, system congestion, reduced service quality and even spawned blackouts

Benefits to Transmission Customers



- ◆ Singular focus on transmission
- ◆ Independence
- ◆ Access to Capital
- ◆ Increased Reliability
- ◆ Pricing and Uniformity
- ◆ Non-discriminatory equal access for generation resources



Singular Focus on Transmission



Vegetation Management & Physical Tower Inspections

Before



After



Blueprints of Success



Project Development and Engineering

- ◆ **Highly-skilled team of engineers through relationships with firms who specialize in design and engineering**
- ◆ **Approach gives us access to best-in-class abilities and solutions while minimizing overhead**

Implementation and Construction

- ◆ **Once project is thoroughly engineered and able to proceed following regulatory or local approvals, construction team will expeditiously move forward**

Operational Excellence, Efficient Maintenance

- ◆ **Plan to integrate new equipment into our operations and ongoing maintenance programs**
- ◆ **Able to effectively do so with the assistance from our local business alliance partners**

How?: Alliance Partners



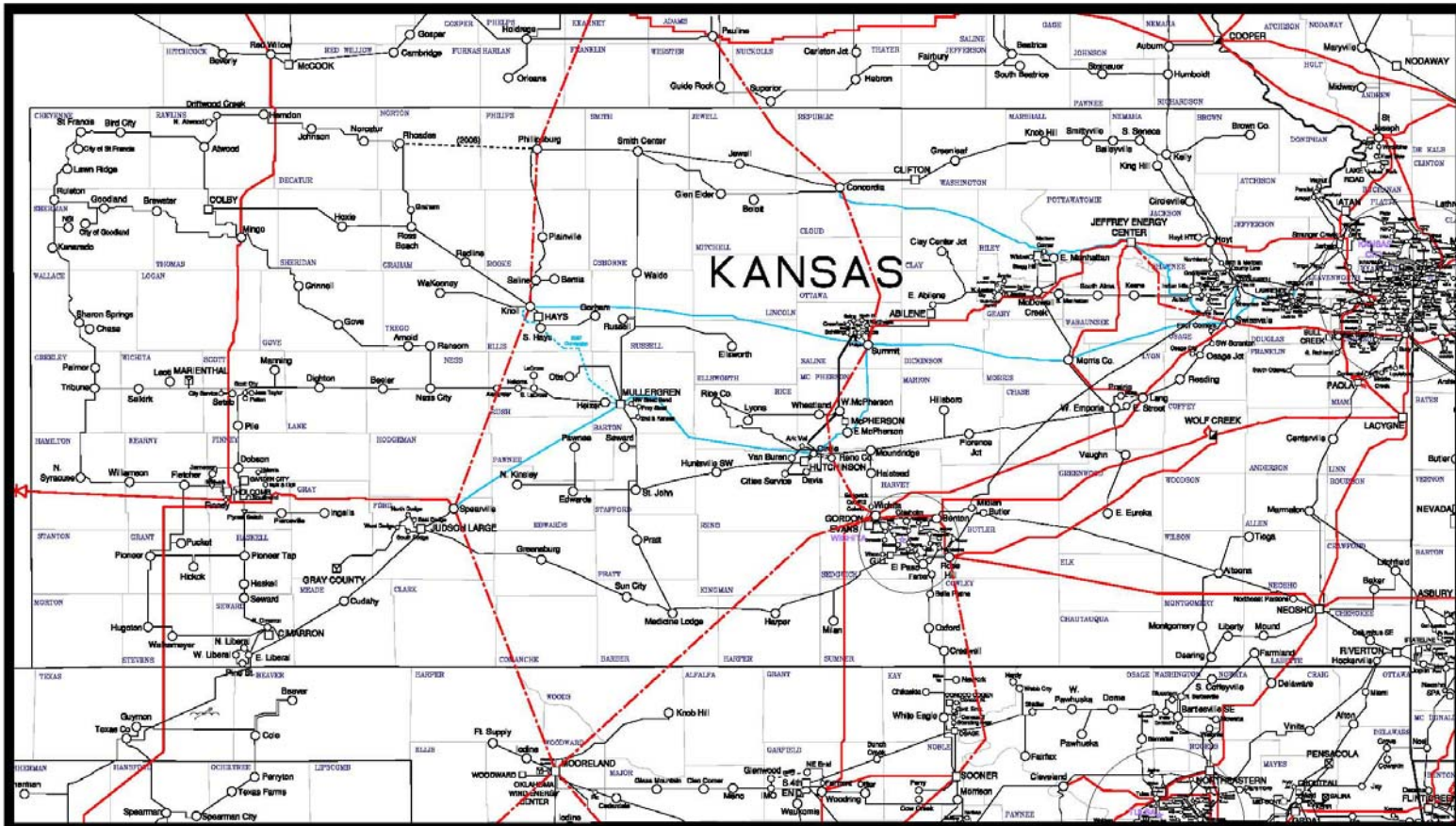
LEHMAN BROTHERS



PennSummit Tubular, LLC



Kansas Expansion Plans



Uncommitted Projects

Committed Projects

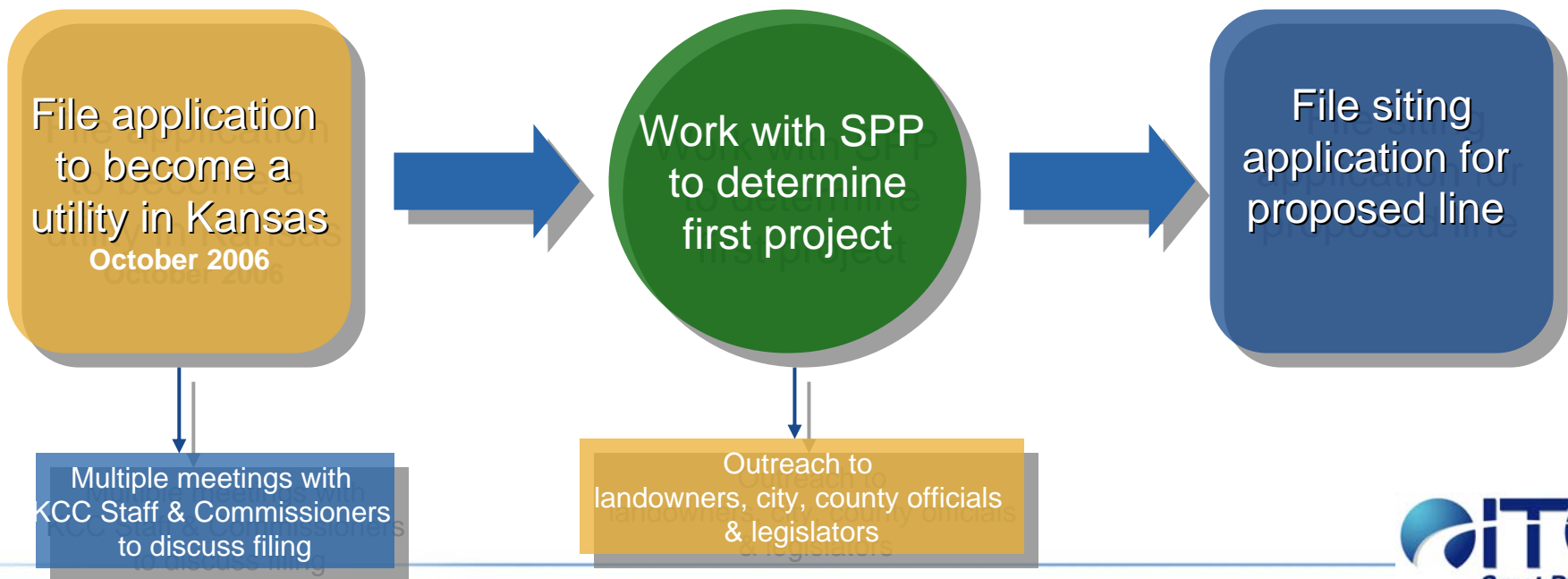
Projects of Interest



Next Steps



- ◆ **Our message has been well-received**
 - Outreach to the Governor, her staff and members of the Kansas Legislature
 - Met with Aquila, Kansas City Power & Light, Sunflower, Westar, KMU, KEC, KMEA
 - Presented to KETA and environmental organizations
- ◆ **Committed to working with ALL affected stakeholders**
- ◆ **Our success is dependent upon receiving utility status in Kansas**



Moving Forward



◆ ITC Great Plains is committed to:

- Improving Kansas' electricity transmission infrastructure to further improve reliability
- Creating the most efficient and cost-effective transmission system for the Kansas consumer
- Ensuring low cost energy is available to the Kansas economy to support economic development and attract business to the State
- Helping Kansas once again be a net exporter of energy
- Removing the market participant bias from both the planning and operation of the transmission system
- Constructing a more robust transmission system across the state as soon as prudently possible