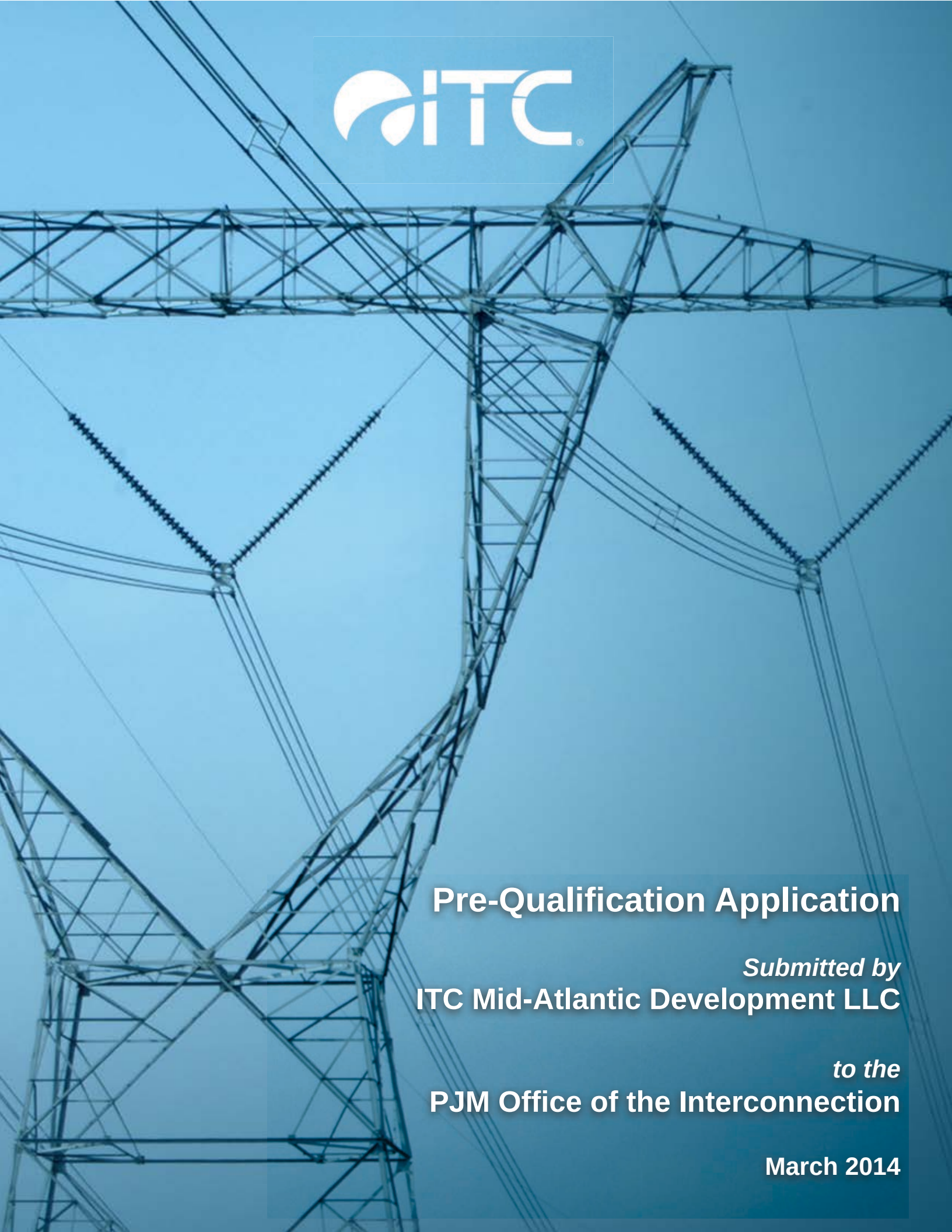

Pre-Qualification Application

Submitted by

ITC Mid-Atlantic Development LLC

to the

PJM Office of the Interconnection

March 2014

ITC at-a-glance:

The Nation's

1st fully independent transmission company

Serves a combined peak load of

26,000 megawatts

Owns approximately

15,000 circuit miles of transmission lines

ITC Mid-Atlantic Development LLC
Pre-Qualification Application

Contents

1. Name and address of the entity including a point of contact

ITC Mid-Atlantic Development LLC

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2. Technical and engineering qualifications of the entity or its affiliate, partner, or parent company.

ITC Mid-Atlantic Development LLC is a wholly-owned subsidiary of ITC Grid Development, LLC, which is itself a wholly-owned subsidiary of ITC Holdings Corp. ITC Mid-Atlantic Development LLC ("ITC Mid-Atlantic") was formed to pursue the development, construction, operation and ownership of transmission facilities in PJM. As a wholly-owned subsidiary of ITC Grid Development, LLC, ITC Mid-Atlantic has full access to the resources, capabilities and expertise of ITC Holdings Corp. ("ITC") and its affiliates.

ITC is the nation's first, largest and only publicly traded independent transmission company. In its first 10 years, ITC successfully acquired and integrated three transmission businesses, pioneered a transmission-only utility from the ground up, identified and facilitated critical regional transmission infrastructure, established a portfolio of actionable transmission development projects and partnered with local utilities and electric cooperatives on transmission projects. Since the company's inception in 2003, ITC has invested over $4.2 billion in the electric transmission grid to improve reliability, expand access to markets, lower the overall cost of delivered energy, and allow new generating resources to interconnect to its transmission systems.

ITC's operating companies own, operate and maintain more than 15,000 miles of transmission line in seven states (Michigan, Iowa, Minnesota, Illinois, Missouri, Kansas and Oklahoma) serving a combined peak load of more than 26,000 megawatts. ITC is a transmission owning member of two Regional Transmission Organizations (RTOs): MISO and SPP and has established itself as a premier operator of high voltage transmission systems. As the largest independent transmission owner in the country with substantial transmission experience, ITC is ideally suited to develop, own, operate, and maintain transmission projects in PJM.

A. Focus, Scope, and Financial Strength

Because transmission is ITC's sole focus, we deliver greater value for our stakeholders and strategic utility partners. We concentrate fully on planning, building, operating and investing in efficient, highly reliable electric transmission systems for the customers and communities we serve. Likewise, 100% of ITC's financial capital is devoted to transmission investment. ITC's financial strength and independent business model provide the ability to efficiently finance transmission development, both from internally generated cash and access to capital markets. ITC has planned and developed numerous transmission projects in both traditional utility service territories and in new areas of the country with greenfield development projects. Due to ITC's financial strength and solid investment grade credit ratings, we are highly confident in our ability to finance new transmission projects in a cost effective manner.

B. Operational Excellence

Because of ITC's transmission-only focus, operational excellence is of paramount importance. ITC is not in the business of "flipping" transmission investments; we develop and construct transmission assets with the intent of owning, operating, and maintaining them for the long term.

ITC strives to be best in class in all aspects of operations with a goal of top quartile performance. ITC's two operating companies in Michigan perform in the top quartile for both the number of sustained outages per circuit and average circuit outage duration. ITC Midwest is showing strong and steady improvement in these metrics since ITC's acquisition of the assets. ITC also has an enviable safety record, well inside the top quartile for both recordable incident rates and lost work day case incident rates.

C. Independent Business Model

ITC's independent transmission business model is unique and a vital part of our corporate identity. ITC does not own generation or distribution assets; ITC employees and directors on the board are prohibited from owning the stock of market participants (generation owners, load serving entities, marketers, etc.); and there are strict restrictions on market participants owning ITC stock. Unlike some utilities that have created stand-alone transmission subsidiaries, ITC is not owned by utility companies, holding companies of utilities, or entities that buy or sell energy.

Since ITC is fully independent, we do not have and are not distracted by conflicting interests with generators, markets, electricity retailers, and other market participants and we are able to keep our attention centered on lowering the overall cost of delivered energy.

The independent transmission model provides numerous, substantial benefits:

- **Transparency:** throughout transmission development and operations, ITC is transparent in our planning processes, design and routing, construction, operations and maintenance
- **Operational Excellence:** Since high-voltage transmission is ITC's sole focus and the core of our business we are highly attentive to transmission operations and bring tremendous experience, creative and flexible solutions, and a exceptional focus on how an excellent transmission system can benefit our customers.
- **Reliability:** Without other activities or lines of business that can become distractions, ITC is completely focused on the reliability of our transmission systems.
- **Infrastructure Investment:** Since ITC does not have other capital-intensive businesses such as generation or distribution, there are no internal conflicts for capital that can lead to deferring needed transmission investments.

- **High Quality Credit:** ITC's unique business model and long-term record of achievements in financial management, project development, construction, and operations have resulted in investment grade credit ratings which ITC is strongly committed to retaining. Higher credit quality enables consistent and predictable access to capital, even during challenging economic times, and results in lower borrowing costs.
- **Public Policy Alignment:** ITC's independence does not favor any specific type of generation, but ITC's focus on transmission efficiency and flexibility results in a more robust transmission system can be a strong facilitator of various public policies.
- **Facilitate Generator Interconnections:** Since ITC does not own generation that may be impacted by new generation or transmission facilities, generators can be assured that they will be treated fairly throughout the interconnection process.
- **Customer Focus:** ITC's independence from all electricity generators, buyers, and sellers allows us to plan improvements to the electric transmission grid for the broadest public benefit including seams and regional projects.

FERC has also recognized the benefits of an independent transmission company. ITC's superior record of investment in reliability and economic infrastructure to facilitate energy markets has been recognized in federal policies aimed at perpetuating and replicating ITC's independent model. Benefits cited by FERC:

1. Improved asset management, including increased investment;
2. Improved access to capital markets, given a more focused business model than that of vertically-integrated utilities;
3. Development of innovative services; and
4. Additional independence from market participants

Figure 1
ITC Companies in MISO and SPP

D. Operating Companies

ITC currently has four operating companies that own, operate and maintain transmission assets of multiple voltage levels in diverse geographies and conditions: ITC*Transmission*, METC, ITC Midwest, and ITC Great Plains (see Figure 1 and Table 1).

ITC*Transmission* (ITCT), the operating company in Southeast Michigan, includes 2,800 circuit miles of transmission assets formerly owned by Detroit Edison and its parent company DTE Energy. ITCT serves the densely populated Detroit metropolitan area and its concentration of automotive and other manufacturing and supplier facilities in the region. ITCT's transmission system is comprised predominantly of 120 kV and 345 kV

facilities. ITCT also owns and operates some 230 kV facilities, as well as underground transmission facilities operated at 120 kV and 345 kV.

The METC transmission system serves much of the remainder of Michigan's Lower Peninsula and includes the transmission assets formerly owned by Consumers Energy and its parent company CMS Energy. METC's transmission system has 5,600 circuit miles of 138 kV and 345 kV facilities.

Table 1 ITC Line Miles by Voltage

Voltage	ITC Line miles
<100 kV	4,271
100 kV – 230 kV	7,338
345 kV	3,754
Total	15,363

ITC Midwest (ITCMW) is ITC's operating company serving most of Iowa and parts of Minnesota, Illinois and Missouri with 6,600 circuit miles of transmission assets formerly owned by Interstate Power and Light Company and its parent company Alliant Energy. The ITCMW footprint is predominantly rural and includes 34.5, 69, 115, 161 kV, and 345 kV facilities.

ITC Great Plains (ITCGP) operates approximately 200 miles of 345 kV transmission facilities in Kansas and Oklahoma and is currently constructing more than 120 additional miles of 345 kV transmission in Kansas with route approval in progress for an additional 30 miles of 345 kV transmission. Unlike ITC's other operating companies, ITCGP was not created from the acquisition of a transmission system from another utility, it was built from the ground up by establishing a presence in a new region and acquiring discrete transmission assets and the rights to construct, own and operate specific facilities through co-development agreements with public utilities in Kansas and Oklahoma.

3. Demonstrated experience of the entity or its affiliate, partner, or parent company to develop, construct, maintain, and operate transmission facilities. Including a list or other evidence of transmission facilities previously developed regarding construction, maintenance, or operation of transmission facilities both inside and outside of the PJM Region.

ITC has significant experience developing, constructing, operating, and maintaining transmission facilities to help improve reliability, reduce congestion, improve system efficiency, and interconnect new generation and load. Several recent examples are provided below and additional information on numerous other projects is also available.

A. MISO - Thumb Loop Project

The Michigan Thumb Loop project (Figure 2) was the first of MISO's Multi-Value Projects (MVPs) to be approved and will serve as the backbone of a system designed to meet requirements set by the state's Wind Energy Resource Zone Board. The Thumb Loop will also provide additional power delivery capacity for future economic development, help existing businesses grow and attract new businesses, jobs and investment to the region. Representing a $510 million investment in Michigan's grid, the project consists of approximately 140 miles of double-circuit, 345kV lines and four new substations. Beginning with project construction in 2012, ITC has led the planning, construction and development phases, working with skilled labor, engineering, and project management organizations to prudently manage project resources and deliver exceptional results. ITC continues to be on-time and on-budget with this project – a testament to the company's project management and construction teams.

Phase 1 of the project entered service in September 2013. The remainder of the project is expected to be completed and in-service in 2015. In total, the Thumb Loop project will include 791 tubular steel poles and 42 lattice steel towers. Additional lines and facilities are being added as wind generators go into service and connect to the system to fulfill the requirements of the state's Renewable Portfolio Standard. The Thumb Loop project is an example of ITC's efforts to improve the national electric transmission system, create access to competitive energy markets, and foster growth for local and regional economies – all for the benefit of customers.

Figure 2
Thumb Loop Project

B. SPP – KETA Project

ITC placed its portion of the KETA (Spearville-Axtell) transmission project (see Figure 3) into service in 2012. This 345kV line totaling 227 miles from Spearville, Kansas to Axtell, Nebraska helps improve the reliability and efficiency of the regional grid. ITC completed its 174-mile portion significantly under budget and ahead of schedule, which again demonstrates ITC's focus and commitment to our customers for cost containment and operational excellence. The Nebraska portion was constructed and is operated by the Nebraska Public Power District.

Figure 3
KETA Project

C. Au Sable Circuit

This 110-mile line from Zilwaukee to Mio, Michigan, is important to electric reliability in northeastern Michigan. ITC is rebuilding and upgrading this line from single-circuit, 138 kV to future 230 kV double-circuit design and construction standards. This will increase its capacity and reliability, provide increased lightning protection, and facilitate potential future 230 kV expansion in northern Michigan. The final segment of the project will be completed in mid-2014. This project is the result of ITC's rigorous planning process that is designed to anticipate future customer needs and provide the grid flexibility to meet those needs in an efficient and cost-effective manner.

D. Multi-Value Projects

ITC is advancing its portions of four MVPs in Iowa, Minnesota and Wisconsin (see Figure 4). Following approval of these projects by MISO in late 2011, ITC has been focused on siting preparations and finalizing ownership levels of the projects in support of our targeted in-service dates for the various projects later this decade. These projects are part of the broader MVP

portfolio and are anticipated to provide broad regional benefits while also supporting approved state and federal energy policy mandates in the MISO region. Anticipated in-service dates of the projects range from 2015 to the 2018-20 timeframe.

Figure 4
MVP Projects

4. Previous record of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices.

ITC has an exceptionally strong record of adhering to standardized construction, maintenance and operating procedures. ITC's construction capabilities are clearly visible in numerous transmission projects that have been completed on time and within budget as noted in several examples above. ITC's operations and maintenance practices are equally strong with similar records of achievement.

A. Operations and Maintenance

ITC's operations and maintenance activities deliver exceptional reliability benefits to our customers and help accommodate evolving demands on the systems such as increased use of the transmission system, integration into energy markets and facilitation of public policy initiatives. ITC has a fundamental responsibility to comply with all applicable NERC Reliability Standards and Requirements and to operate and maintain its systems in accordance with good utility practice. In addition to these, and perhaps most visible to our customers, is ITC's goal of striving for top quartile reliability performance. Reliability depends on four key system factors:

1. design
2. capital improvements
3. operations
4. maintenance

Efficient system design and cost-effective capital improvements help ensure the system expands and is improved so that there are consistently fewer and shorter outages. The Capital Maintenance Program involves the systematic upgrading of aging, obsolete equipment such as circuit breakers, switches, relays, surge arrestors, transmission line structures, security, and other equipment on an ongoing basis. As an example, the average age of circuit breakers in the ITC Michigan systems has gone decreased down from more than 32 years to about 21 years as a result of this program. Additionally, unreliable or maintenance-intensive equipment is upgraded or replaced with state-of-the-art equipment that is more dependable, more environmentally friendly and more easily maintained.

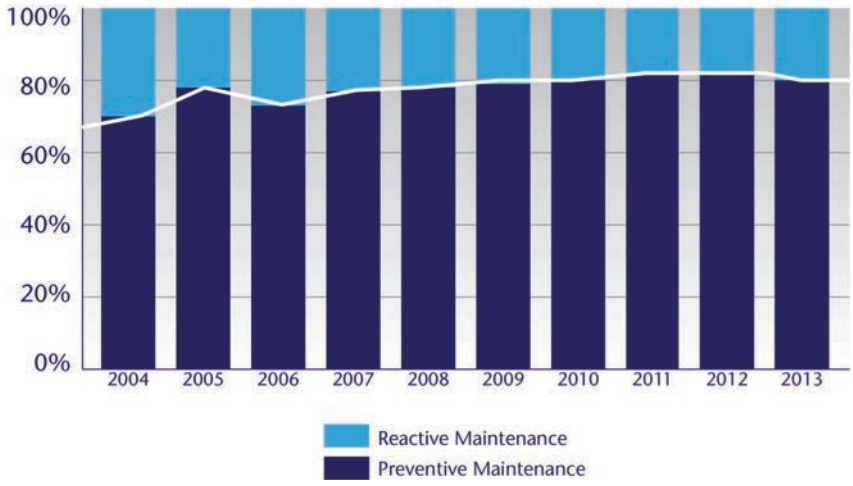
Operations, the third factor, deals with using existing assets in the most efficient and reliable manner possible. For example, advanced protection schemes and systems monitor the transmission grid and maintain reliability during outages. These systems have the ability to collect data, localize a fault and help determine the cause of an outage.

Maintenance, the fourth factor, ensures ITC's transmission facilities remain in proper condition to perform their intended function, whether during routine operations, switching, or emergency conditions. ITC's maintenance practices are comprised of four building blocks:

1. Maintenance practices must be robust, so that all individual components receive the appropriate level of preventive maintenance; and they must be comprehensive, so that all equipment is included.
2. Completion of 100% of the maintenance plan every year. If a component requires periodic maintenance, then it must receive the required maintenance within its scheduled interval.
3. The “find-it, fix-it” approach, where corrective actions are taken for any equipment deemed to be unfit for service.
4. Continuous improvement, by implementing outage cause analysis and feedback into both the maintenance and the capital improvement plans.

These maintenance practices, when taken together and applied to ITC’s multiple maintenance categories (preventative, reactive, facilities, vegetation and vehicular), comprise our comprehensive maintenance program, which has increased reliability by maximizing the availability of critical equipment during times of greatest need. ITC’s focus, commitment, and execution in these areas has not only markedly improved system reliability, it has reduced the annual cost for reactive maintenance and enabled ITC to shift approximately three quarters of the total operations and maintenance budget to preventive maintenance and operations/training. Trend data reveals a consistent reduction in reactive or unplanned maintenance (which indicates fewer outages) and an emphasis on proactive preventive maintenance (see Figure 5).

Figure 5
Reactive vs. Preventative Maintenance
(Percentage of overall maintenance budget)



B. Improving Reliability Through Technology

As a premier transmission provider, ITC deploys advanced technology to improve reliability and decrease costly outages and catastrophic failures. Recognizing that transmission transformers represent some of the most expensive pieces of equipment in the system and have the most significant impact attributable to a catastrophic failure, ITC deployed a transformer monitoring system to track key parameters and characteristics of more than 80 system transformers throughout our systems. Using data networks, the web-based monitoring system alerts the Operations Department when it detects abnormalities with a transformer’s function or components. Utilizing this data, ITC engineers are able to perform targeted diagnostics on the transformer to determine the nature of the abnormality. In one instance, ITC engineers were able to successfully avert a catastrophic transformer failure by warning about an imminent fault before it occurred. This example highlights one area where ITC deployed advanced technology and it provided an incremental improvement in reliability. These technology deployments allow ITC to direct and perform maintenance before catastrophic failure renders a transformer

inoperable. This improves system performance and can reduce costly outages and damaged equipment.

Another example of ITC's use of advanced technology is the deployment of Phase Measurement Units ("PMU"), or synchrophasors, across the system. ITC participated with MISO on its synchrophasors project that received financial support from the Department of Energy. Synchrophasors utilize highly accurate microprocessor-based data collection to gather detailed data at a high sample rate and utilize broadband communication to provide the magnitude and phase angle of system current and voltage, synchronize them via GPS, and stream the data for use by system operators. This data acquisition occurs at a much higher rate and with much greater accuracy than traditional data acquisition systems. ITC has installed PMUs at 15 stations across our MISO operating companies. Each PMU streams data to ITC's Phase Data Concentrator, which then passes the data on to MISO. Synchrophasor data has already been used to support after-the-fact investigations in instances where traditional data acquisition systems would have been ineffective. With synchrophasor data, system operators have improved real-time wide area visualization and can more precisely determine potential system conditions that would adversely impact system reliability. In the future, synchrophasor data will continue to improve the reliable operation of the grid by detecting system anomalies, preventing power outages and improving real-time operations.

Figure 6
Momentary Outages
(avg. per circuit, 100 kV+, 2012)

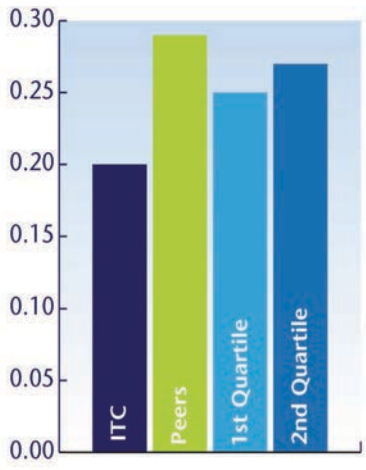
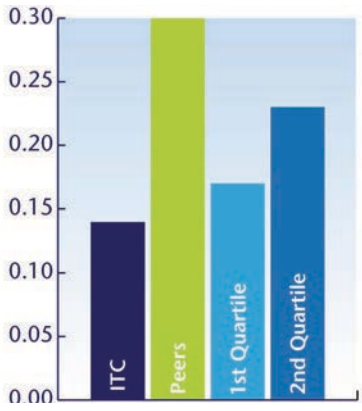


Figure 7
Sustained Outages
(avg. per circuit, 100 kV+, 2012)



C. Performance Benchmarking – The SGS Study

The SGS Statistical Services' Transmission Reliability Benchmarking Study ("SGS Study"), begun in 1995, is the largest independent benchmarking forum for electric transmission reliability and provides a comprehensive reliability assessment at an operating company level. The ITC operating companies voluntarily participate in the SGS Study, which helps provide an independent view of ITC's reliability and demonstrates the benefits to ITC's customers (see Figures 6, 7, and 8).

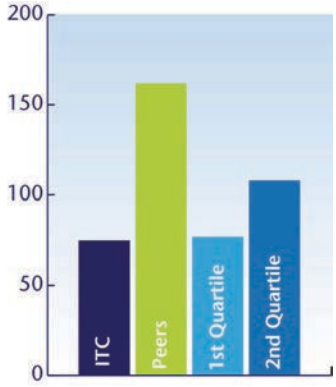
The SGS Reliability Study has been conducted for 19 consecutive years. In 2012 a total of 20 systems participated which comprised, by mileage, 43% of the U.S. grid, 41% of the U.S./Canada grid and 48% of all U.S./Canada circuits. The combined peak system load for the U.S. systems in the SGS Study was 425,754 MW or 53% of highest annual non-coincident total U.S. peak load. The ITC systems made up approximately 6% of the SGS Study total circuit miles and SGS Study peak load.

The SGS Study utilizes five plus years of raw transmission circuit outage data, which includes both sustained and momentary outages. The SGS Study

applies common rules to all systems to ensure the highest integrity of analysis and comparisons. Further, the SGS Study generates commonly used IEEE performance measures for outage frequency, outage duration, outage rate, and transmission system availability.

Utilities are analyzed in comparison to other participants in the SGS Study, including comparisons based on their region and peer group. Figures 6, 7, and 8 show how the ITC operating companies performed. The SGS Studies provide compelling evidence of ITC's operational excellence: overall, the ITC transmission systems are among the best-performing systems in the Study, are consistently in the top quartile and significantly outperform their peers.

Figure 8
Outage Duration Average
(minutes/circuit, 100 kV+, 2012)

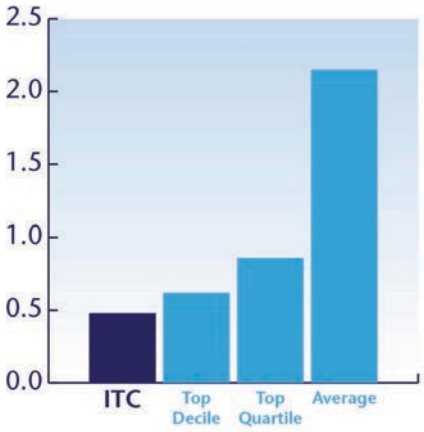


D. Safety Benchmarking – The EEI Safety Survey

ITC continues to demonstrate that it is a top performing transmission owner and operator. Safety is integral to ITC's culture of excellence. Amid active capital and maintenance initiatives, ITC sustains a safe work environment for its employees and contractors as substantiated by the EEI (Edison Electrical Institute) Safety Survey in which ITC continues to be ranked as a top safety performer among all EEI companies.

Few industries pose greater inherent hazards than high-voltage electric transmission. ITC takes a proactive approach to safety and is committed to providing a safe workplace for all employees and contractors. ITC management has committed to making safety training an ongoing priority and has implemented unique safety incentive programs for employees and contractors. Onsite safety inspections are conducted frequently by the ITC Safety Department and by an independent third-party safety contractor. Meetings are held regularly with ITC field supervisors, safety coordinators and management personnel from the construction contract firms to discuss safety performance and identify areas for improvement.

Figure 9
Recordable Incident Rate
(Per 100 full time employees, 2012)



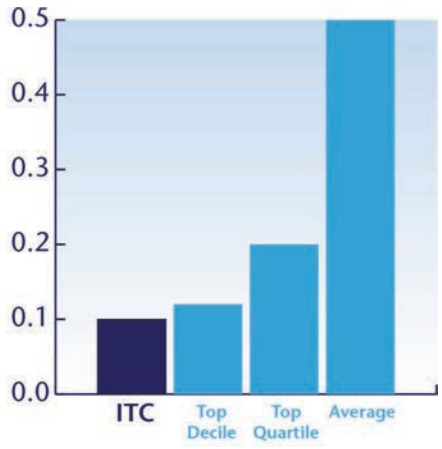
ITC's safety record is excellent and maintaining that record is a top priority. ITC's safety performance regularly ranks near the top in the industry compared with peers that participate in the EEI Safety Survey. The EEI Survey is an annual assessment that provides the largest source of data on safety in the electric industry. It provides data on safety incident rates, including an analysis of data from transmission and distribution systems. The goal of the survey is to assist safety programs through cross-company comparison of safety data. As shown in Figure 9, ITC maintained a company-wide recordable incident rate of 0.48 incidents per 100 full-time employees ("FTE") in 2012 which was below the threshold for the top ten percent of the survey which was 0.62 incidents and substantially better that the EEI industry group average of 2.15. ITC performed even better with its lost work day incident rate with a company-wide lost workday incident rate of

0.1 per 100 FTEs which was below the top decile rate of 0.12 and well below the industry group average of 0.5 (see Figure 10).

Notably, ITC includes the safety performance of its single-sourced field operations and maintenance contractor and its supply chain and warehousing contractor when reporting safety data to EEI. ITC includes this data, in addition to that for its employees, to ensure a valid and relevant comparison with other participants in the survey.

ITC will ensure that safety remains a top priority for the new ITC operating companies through the implementation of a safety program that is consistent with ITC's safety objectives.

Figure 10
Lost Work Day Case Incident Rate
(Per 100 full time employees, 2012)



5. Capability of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices.

As noted in question #4 above, ITC has a strong record of transmission development, construction, maintenance, and operating practices and these capabilities will continue as ITC extends its singular transmission focus to new regions.

6. Financial statements of the entity or its affiliate, partner, or parent company. Please provide the most recent fiscal quarter, as well as the most recent three fiscal years, or the period of existence of the entity, if shorter, or such other evidence demonstrating an entity's current and expected financial capability acceptable to the Office of the Interconnection.

ITC Holdings' SEC financial statements are available at the following links:

2013-12-31 10-K
http://investor.itc-holdings.com/secfiling.cfm?filingID=1445305-14-657&CIK=1317630

2013-09-30 10-Q
http://www.sec.gov/Archives/edgar/data/1317630/000144530513002607/0001445305-13-002607-index.htm

2013-06-30 10-Q
http://www.sec.gov/Archives/edgar/data/1317630/000144530513001695/0001445305-13-001695-index.htm

2013-03-30 10-Q
http://www.sec.gov/Archives/edgar/data/1317630/000144530513000886/0001445305-13-000886-index.htm

2012-12-31 10-K
http://www.sec.gov/Archives/edgar/data/1317630/000144530513000406/0001445305-13-000406-index.htm

2011-12-31 10-K/Amendment
http://www.sec.gov/Archives/edgar/data/1317630/000144530512002857/0001445305-12-002857-index.htm

7. Commitment by the entity to execute the Consolidated Transmission Owners Agreement, if the entity becomes a Designated Entity.

ITC Mid-Atlantic Development LLC agrees to execute the Consolidated Transmission Owners Agreement if it becomes a Designated Entity.

8. Evidence demonstrating the ability of the entity to address and timely remedy failure of facilities.

Quickly restoring power is critical and this is also a core competency and a key area of focus for ITC. ITC maintains an Emergency Operations Plan, which provides the framework for responding to and recovering from all types of transmission system emergencies, in accordance with FEMA's Incident Command System (ICS) principles.

ITC operating companies use dedicated field O&M contractor crews and supplements these with capital construction crews. Both our dedicated contractor and project specific construction crews are large, national companies that ITC can call on for resources and logistics above and beyond what is required by our existing operating areas. ITC will have the ability to leverage these existing national contractors to deploy crews to other regions in support of storm restoration efforts and post-storm work.

As necessary, ITC also relies on other utilities for mutual assistance. We are members of, and participate in, the Midwest Mutual Assistance Group and the Great Lakes Mutual Assistance Group. We anticipate joining mutual assistance groups in other areas we broaden our footprint and area of operations.

One of ITC's strengths is our ability to mobilize quickly and effectively. The types of weather events that impact our systems often strike with little or no warning, necessitating the ability to respond at any moment. ITC employees and contractors excel at prioritizing and focusing organized efforts on safely and quickly restoring the transmission system to ensure grid reliability and prompt restoration of service to customers.

One example of ITC's ability to address and timely remedy system failures is its impressive storm restoration record. In the early morning hours of July 11, 2011, a storm with winds of more than 100 miles per hour swept through central Iowa. At its peak, Interstate Power and Light, the electric utility providing retail service to many customers in this area, estimated that more than 45,000 of its retail customers across four counties lost power. Thousands more customers who were served by electric cooperatives and municipal utilities were also impacted. The storm knocked out nine 161 kV lines, two 69 kV lines, and twenty 34.5 kV lines across the ITCMW system, and affected approximately 60 substations. More than 300 poles needed to be replaced. The National Oceanic and Atmospheric Administration said the storm was the most widespread and damaging wind event to affect central and east central Iowa since 1998.

Within 72 hours, ITCMW restored transmission service to all customers and customer substations that could take service, pending the repairs of their distribution systems. Once all customer connections were re-established, crews began working to provide back-up feeds to those substations. The secondary feeds were critical to serve the returning load as distribution customers were returned to service.

Many other examples of ITC's timely remedying facility failures due to weather or other events are available upon request. (Example in Figure 11)

Figure 11

Letter from Mason, MI City Administrator
To Joe Welch, ITC Chairman, President and CEO

June 20, 2011

Dear Mr. Welch:

I wanted to express my appreciation for the support and assistance the City of Mason received from ITC after the large storm and tornado on May 29, 2011. Our City's west side was cut off due to significant damage, with at least 60 poles knocked down. ITC reacted very quickly with equipment and resources, and ensured that the power lines were put up in a safe and timely manner.

This storm was one of the largest to hit the Mason area in years, and without your company's help, we could not have recovered as quickly as we did.

Martin A. Colburn,
City Administrator
Mason, Michigan

9. Description of the experience of the entity in acquiring rights of way.

A. Siting, Acquiring Rights of Way, Permitting

Obtaining broad stakeholder support is critical to ITC's success in routing, siting, and permitting. ITC's siting process begins with a routing study that considers multiple stakeholders broadly and carefully. As a project advances, ITC begins acquiring rights of way ("ROW"), works extensively and collaboratively with landowners to secure land rights on a voluntary basis and makes every effort to avoid condemnation proceedings. ROW is generally secured voluntarily but the company will invoke its eminent domain rights when necessary. Even when ITC has filed condemnation actions, the company continues to work with the landowners and is often able to reach mutually acceptable resolutions outside of the judicial forum.

Transmission development requires a wide variety of permits ranging from road crossing permits to Department of Natural Resources and U. S. Army Corps of Engineer permits (since 2009, ITC has obtained more than 1,500 permits). ITC has a well-established permitting process involving a cross-functional team led by Design Engineering and including Project Engineering, Environmental, Legal, and Local Governmental and Community Affairs groups. This team works closely with consulting firms to identify required permits for the project and provide the information needed for filing permit applications (ITC has worked with many such firms, including Black & Veatch, Burns and McDonnnell, Lewis Berger Group, ECT, Ulteig, Terracon and Atwell-Hicks.). A few examples of our siting and permitting experience are cited below.

As part of our environmental management system and in line with our best-in-class approach to conducting business, ITC is committed to considering environmental impacts in its decision making process when planning infrastructure improvement projects. Transmission line projects can span many miles and occasionally cross environmentally sensitive areas. ITC's project

teams understand this and include environmental assessments for wetlands, threatened and endangered species and other sensitive habitats as part of the planning process.

B. Examples

KETA: A 174-mile, single-circuit, 345kV line on new ROW in Kansas. ITC performed a routing study and worked with the state siting authority to secure route approval. ITC secured ten Department of Transportation (DOT) permits and fifteen Department of Environmental Quality (DEQ) permits for the project. ITC also worked with the U.S. Fish and Wildlife Service and the Kansas Department Wildlife and Parks on Whooping Crane protection and Lesser Prairie Chicken habitat protection and remediation.

Salem-Hazleton: An 81-mile, single-circuit, 345kV line on mostly new ROW in Iowa. ITC worked through the Iowa Utilities Board siting process. ITC secured six Iowa DOT permits, one DEQ permit, 124 road crossing permits, two Department of Natural Resources permits or letters of no effect, three Federal Aviation Administration permits, three county floodplain permits and two Army Corp of Engineers permits or letters of no effect.

Constructing the Salem-Hazleton line

Thumb Loop: A 140-mile, double-circuit, 345kV line in Michigan. ITC worked with the Michigan Public Service Commission that approved the preferred route. Construction on Phase 1 of the project was completed and energized in September 2013. Easement acquisition continues on the remaining portion of the project, which has an in-service date of 2015. To date, ITC has obtained sixteen Michigan DOT permits, twenty DEQ permits, six soil erosion permits, 175 county road crossing permits and 60 drain commission permits.

V-Plan: A 122-mile, double-circuit, 345kV line currently under construction in Kansas with a projected in-service date of late 2014. ITC obtained siting approval from the Kansas Corporation Commission and to date has obtained nine Kansas DOT and five DEQ permits. ITC worked with environmental stakeholders to find alternative routes to minimize impact to landowners and to Lesser Prairie Chicken habitat and to also help facilitate further wind farm development.


ITC