

Notice of Open Solicitation For Transmission Capacity: ITC Lake Erie Connector

ITC Holdings Corp. (ITC) (NYSE: ITC), the United States' first, largest, and only publicly traded independent transmission company (www.itc-holdings.com), announces the commencement of an open solicitation for transmission capacity on the ITC Lake Erie Connector. The ITC Lake Erie Connector is a proposed 1000 MW, bi-directional, High-Voltage Direct Current (HVDC) merchant transmission line that will provide the first direct link between the markets of the Ontario Independent Electricity System Operator (IESO) and PJM Interconnection, LLC (PJM). The ITC Lake Erie Connector will enable transmission customers to more efficiently access energy, capacity, and renewable credit opportunities in both markets. Through the open solicitation process, ITC intends to negotiate contracts with qualified parties for firm transmission rights at negotiated rates.



PROJECT SPECIFICATIONS. The ITC Lake Erie Connector is +/- 320 kV HVDC bi-directional transmission line, approximately 73 miles in length, that will interconnect with converter stations located in Erie, Pennsylvania and Nanticoke, Ontario. A 345 kV Alternating Current (AC) underground transmission line will connect the Erie converter station to the existing Penelec Erie West Substation, while a 500 kV AC line will interconnect a new converter station in Nanticoke to Hydro One Networks Inc.'s Nanticoke Transformer Station. The majority of the transmission line either will be buried beneath Lake Erie or underground using existing roadway rights-of-way. ITC anticipates receiving all state, federal, and provincial permits for the ITC Lake Erie Connector by Q2 2017, the commencement of construction in 2017, and commercial operation in 2019. If, through the open solicitation process, it becomes evident that the transmission line could be oversubscribed, ITC will explore opportunities to increase the capacity of the ITC Lake Erie Connector. If increasing the capacity is not feasible, ITC will allocate capacity to those customers who value it most highly as reflected by a customer's offered rates, terms, and conditions.

OPEN SOLICITATION PROCESS. The Open Solicitation Process will commence on June 22, 2015. On that date, interested parties will be able to access an overview of the ITC Lake Erie Connector and a non-disclosure agreement (NDA) on ITC's Open Solicitation website (www.lakeerieconnector-os.com). Execution of the NDA will allow interested parties to access additional information regarding the ITC Lake Erie Connector and the open solicitation process. ITC has retained The Brattle Group to serve as an Independent Solicitation Manager to oversee the open solicitation process.

Parties interested in reserving capacity on the ITC Lake Erie Connector must complete and submit an "Expression of Interest" form no later than August 21, 2015. ITC, with assistance from the Independent Solicitation Manager, will rank prospective customers based on the following five criteria: (1) desired capacity amount; (2) desired term length; (3) creditworthiness; (4) financial strength; and (5) desired start of transmission service. ITC will consider negotiating only with those parties that are interested in purchasing at least 50 MW of transmission capacity on the ITC Lake Erie Connector. Once a subset of prospective customers has been identified, ITC will engage in negotiations with these parties, with the objective of executing one or more transmission service agreements based on mutually agreed-upon rates, terms, and conditions. ITC reserves the right to offer more favorable rates, terms, and conditions to certain customers, such as first-movers or those willing to assume greater risk.

Questions regarding the open solicitation process should be directed to Jim Reitzes at James.Reitzes@brattle.com or (202) 955-5050. Questions regarding the project should be directed to Doug Motley at doug.motley@itctransco.com or (248) 946-3588. Any revisions to the open solicitation schedule or changes to project specifications will be posted on the website.



For more information, visit www.itclakeerieconnector.com