



Capital Project Profile: Spearville to Knoll to Axtell Project (KETA Project)



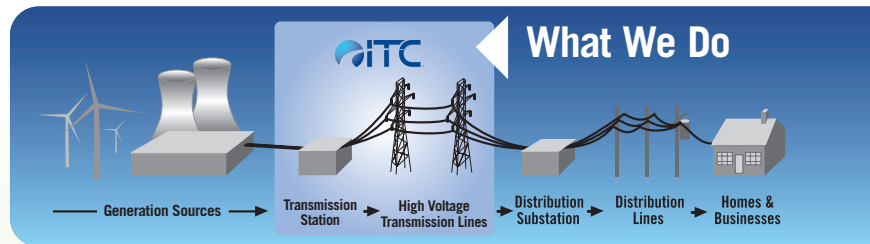
Project Area

SPEARVILLE TO KNOLL TO AXTELL PROJECT

The Spearville to Knoll to Axtell (SKA) line, also known as the KETA Project, is a 345,000 volt (345kV) transmission line that will improve the reliability and efficiency of the regional grid, make more affordable energy available and serve as a pipeline to export Kansas' abundant natural resource – wind energy. The line will run approximately 215 miles from Spearville north to the Post Rock (formerly Knoll) substation near Hays, then on across the Nebraska border to Axtell. It will be built in three segments: Spearville to Hays; Hays to the Kansas-Nebraska border; and from the Kansas-Nebraska border to Axtell. ITC will build the first two segments, Spearville to Hays and Hays to the Nebraska border. The Nebraska Public Power District is responsible for building the third segment, from the Kansas-Nebraska border to Axtell. The route for Phase I, from Spearville to Hays, was approved by the Kansas Corporation Commission (KCC) in July 2009. A proposed route for Phase II was submitted to the KCC on March 2, 2010. The KCC has scheduled public hearing on the proposed route for April 12, 2009, in Stockton, Kan.

WHO IS ITC GREAT PLAINS?

ITC Great Plains, based in Topeka, Kansas, is an independent, transmission-only utility seeking to enhance reliability of the state and regional transmission grid while lowering the overall cost of delivered energy for Kansas' electric customers. We are a wholly-owned subsidiary of Michigan-based ITC Holdings Corp., the nation's first and largest independent transmission provider. ITC Great Plains is focused on playing a major role in transmission in Kansas and the region. We work to ensure that transmission lines can be accessed by all market participants. This commitment is facilitating development of wind and other renewable power generation and will help establish a reliable, robust regional transmission grid.



ITC GREAT PLAINS IS COMMITTED TO:

- Working closely with communities and local governments to ensure the siting and construction process is open and transparent, and citizens feel they are true participants in the process.
- Improving Kansas' electricity transmission infrastructure to further improve reliability.
- Creating the most efficient and cost-effective transmission system for the Kansas consumer.
- Ensuring affordable energy is available to Kansas to support economic development and attract business to the State.
- Helping Kansas to again become a net exporter of energy.
- Constructing a more robust transmission system across the state as soon as prudently possible.



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FREQUENTLY ASKED QUESTIONS

Q: Why is this line needed?

A. The Kansas Electric Transmission Authority (KETA) identified the Spearville-Knoll-Axtell transmission line as a project that will bring significant economic and reliability benefits to Kansas and the regional grid. The line will provide access to more reliable, efficient and affordable electricity in Kansas and the Midwest. It will facilitate the development and export of wind generation from central and western Kansas and serve as a critical link for Kansas to regain its position as a net exporter of energy. It also will ease congestion across the transmission network, addressing the lack of high-voltage transmission lines in central and western Kansas which causes inefficiencies in the grid and does not allow power to flow in the most efficient manner.

Q: How long will this process take?

A. The official in-service date is June 2013, but ITC is coordinating with Nebraska Public Power District to energize the line by December 2012. The Kansas Corporation Commission approved ITC Great Plains' siting application for Phase I, Spearville to Knoll, in July 2009. The land acquisition process is now underway. Construction is expected to begin in 2011 and Phase I is projected to enter service in June 2012. ITC's planning for Phase II of the project, from Knoll to the Nebraska border, is now underway. ITC applied to the Kansas Corporation Commission (KCC) on March 2, 2010, for a siting permit to construct Phase II. A public hearing on the application is scheduled for April 12, 2010, in Stockton, Kan.. Construction is expected to start in late 2011.

Q. Who will pay for it?

A. Construction will be financed by ITC Great Plains. Because the line will benefit the entire region in terms of improved reliability, increased efficiency and lower costs, the revenue requirements will be recovered from all customers in the Southwest Power Pool region, which includes Kansas, Oklahoma, parts of Texas, New Mexico, Arkansas, Missouri and Nebraska.

Q. How many jobs will this project create?

A. The number of jobs related to this project is not certain at this stage. More important is the overall economic impact of the project to Kansas, including a more consistent and affordable energy supply that will help attract new businesses, jobs and investment to the region and help existing businesses grow. The SKA project also will allow for the development of renewable energy resources which brings more capital investment and jobs to the state.

Q. How will ITC Great Plains work with landowners?

A. ITC Great Plains is committed to open, honest and frequent communications with landowners. When the proposed line routes are determined, we will contact landowners who have property on the proposed line route corridor and begin discussions with them about obtaining the easements necessary to build the line. We will work respectfully with landowners throughout the siting, design, and construction process to minimize impacts to their properties. We fully expect to reach mutually beneficial negotiated agreements with them.