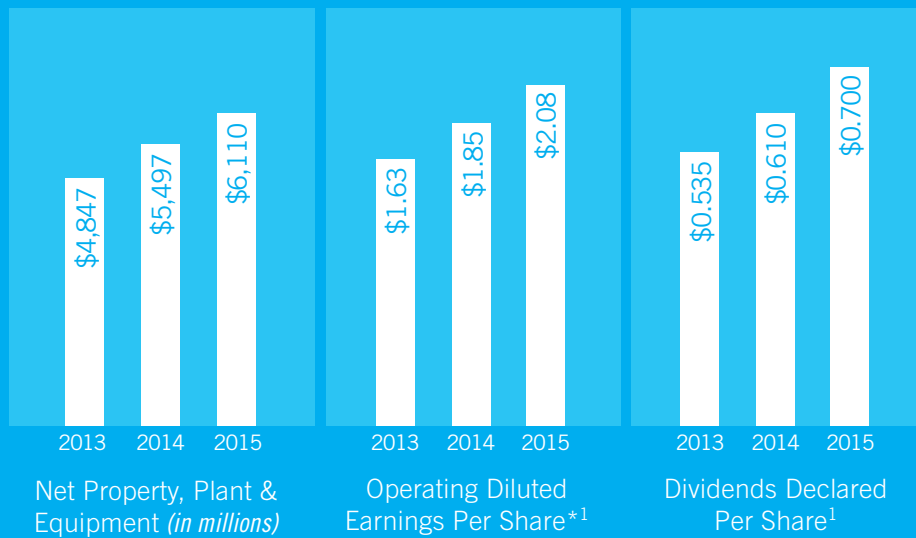




2015 **ANNUAL REPORT**
ITC HOLDINGS CORP.

THREE-YEAR RESULTS

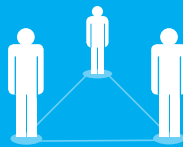


Footnotes: See page 1

INVESTMENT HIGHLIGHTS



Capital investments to support best-in-class system performance



Alignment of model with customers and shareholders



Demonstrated success in driving shareholder value

2015 FINANCIAL RESULTS

| Operating Results <i>(in millions, except per share data)</i> | 2015 | 2014 | 2013 |
|--|----------|----------|----------|
| Operating Revenues | \$ 1,045 | \$ 1,023 | \$ 941 |
| Net Income | 242 | 244 | 234 |
| Operating Earnings* | 324 | 292 | 259 |
| Cash Flows from Operations | 556 | 502 | 449 |
| Investments in Property, Plant & Equipment | 771 | 794 | 845 |
| Dividends Declared Per Share | 0.700 | 0.610 | 0.535 |
| Earnings Per Share ¹ | | | |
| Basic Earnings Per Share | \$ 1.57 | \$ 1.56 | \$ 1.49 |
| Diluted Earnings Per Share | 1.56 | 1.54 | 1.47 |
| Operating Diluted Earnings Per Share* | 2.08 | 1.85 | 1.63 |
| Balance Sheet <i>(in millions)</i> | | | |
| Property, Plant & Equipment (Net of Depreciation) | \$ 6,110 | \$ 5,497 | \$ 4,847 |
| Total Assets ² | 7,582 | 6,960 | 6,265 |
| Total Debt | 4,456 | 4,104 | 3,612 |
| Total Equity | 1,709 | 1,670 | 1,614 |

* Based on Non-GAAP financial measures. See page 8 for GAAP Reconciliations

¹ The share and per share data in this annual report reflect the 3-for-1 stock split effective February 28, 2014. See Footnote 13 to the Consolidated Financial Statements in Form 10-K for further detail on the stock split. See Footnote 9 to the Consolidated Financial Statements in Form 10-K for detail on the recast earnings per share data for the year ended December 31, 2013.

² Amounts presented reflect the change in the authoritative guidance on the presentation of deferred income taxes on the balance sheet. See Footnotes 3 and 10 to the Consolidated Financial Statements on Form 10-K for further detail.

LETTER TO OUR **SHAREHOLDERS**

Joseph L. Welch – Chairman, President and Chief Executive Officer

As the latest chapter of ITC's success story, 2015 was written on strong operational and financial performance, now a long-running theme since our inception in 2003. Last year we built on our outstanding track record of consistently delivering on our commitments to customers and investors as we continued to modernize the nation's transmission infrastructure to the benefit of everyone we serve.

We began the year with an internal reorganization and executive changes designed to strengthen our pipeline of management talent and position the company for continued growth and performance. And that's just what we saw in the months that followed.

On the operational side, our systems performed at top-tier levels yet again. Our METC system had the lowest outage count in its history, while both ITC *Transmission* and ITC Midwest had the second lowest outage counts in their respective histories. This stellar operational performance shows that the longer ITC owns a system and implements its best-in-class operations and maintenance plan, the better the systems perform. It is also worth noting that we executed our operational maintenance program under budget without compromising quality of service or safety, as evidenced by another solid safety record in 2015.

Since ITC's inception, we have invested nearly \$5.8 billion in our operating systems to modernize the grid, with tangible results. Last year alone, these capital investments totaled approximately \$771 million. Most notably, we placed the Thumb Loop project at ITC *Transmission* into service during the first half of the year. The Thumb Loop is the largest project to date for ITC and serves as a prime example of the effectiveness of ITC's planning process, which identified the transmission needed to facilitate Michigan's renewable energy goals while also strengthening the regional transmission grid.

At our METC operating company, we completed construction of the new Morocco substation in the fourth quarter, which will provide a more stable and reliable source of energy in southeast Michigan upon the 2016 suspension of the Whiting coal-fired generation plant. As the country faces the retirement of scores of aging coal plants in the coming years, ITC remains committed to upgrading our vital transmission infrastructure in order to ensure continued reliability and security of the grid.

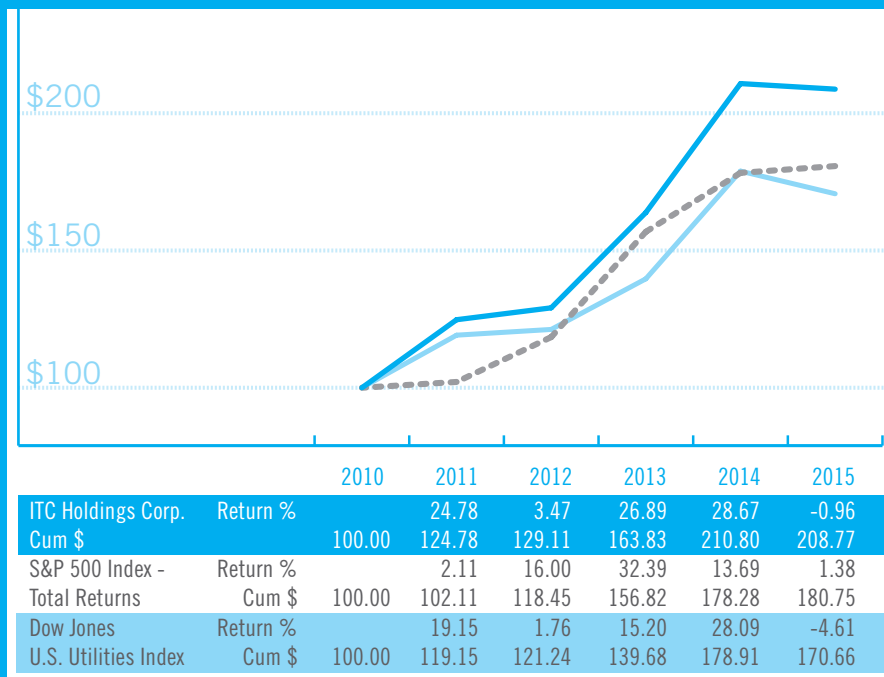
Similar to the Thumb Loop project in Michigan, our Multi-Value Projects within the Midcontinent Independent System Operator (MISO) portfolio at ITC Midwest are on track. Covering more than 200 miles through Iowa, Minnesota, Missouri and Wisconsin, these projects highlight the value of forward-thinking and collaborative planning among the state, the region and key partners while concurrently positioning ITC for future success in that region.

At ITC Great Plains, we began constructing our Elm Creek-Summit project in central Kansas in September in partnership with a local utility. The project will improve the reliability and efficiency of the grid and reduce congestion across the transmission network as our previous projects KETA and V-Plan have done in the state. We anticipate completing this project by the end of 2016.

In addition to our large regional projects, we continue on our perpetual mission of rebuilding, upgrading and maintaining the transmission systems that we acquired from 2003 to 2007. That's been ITC's calling card since our inception: efficiently transforming low performing systems into top-tier reliability success stories while building new transmission infrastructure to improve reliability, expand access to power markets and allow generating resources to interconnect to the grid, thereby lowering the overall cost of delivered energy to customers.

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN

(Assumes initial investment of \$100 and reinvestment of dividends)



On the development front, we are pursuing regulated projects in the new competitive solicitation landscape under FERC Order 1000, along with non-traditional development opportunities. As regions look to bid out new projects through the Order 1000 process, ITC remains well positioned to successfully bid on projects both inside and outside of our existing regions. Regarding non-traditional projects, we continue to assess new opportunities in the robust transmission development landscape, both within the U.S. and beyond.

A good example of these efforts is the New Covert facility in southwest Michigan. ITC is finalizing construction and will own, operate and maintain transmission facilities connecting Tenaska's New Covert power plant with the PJM Interconnection market. From a strategic perspective, this project offers a framework for similar opportunities under which generators can outsource the responsibility for transmission to ITC in order to focus on their core competencies.

From a financial perspective, we had another strong year with 2015 diluted operating EPS of \$2.08, which was well within our guidance range, and marks the 9th consecutive year of double-digit annual operating diluted EPS growth. To that end, we continue to see double-digit earnings growth in the years to come as evidenced by our revised capital investment forecast at our regulated operating companies for 2016 through 2018. On the value return front, we continued to honor our commitments to shareholders by increasing the dividend by approximately 15% in August of 2015 and concluding our \$115 million accelerated share repurchase program in November, effectively utilizing all of the Board-authorized share repurchases of \$250 million initiated in 2014.

Together, these efforts highlight the operational and financial strength of the business, which we believe will continue to yield long-term benefits.

I took particular pride last August in ITC marking its 10th anniversary as a public company. As I reflect on our role as pioneers in modernizing electrical infrastructure in the U.S., and serving as the sole steward of FERC's historical transmission policies for a considerable period, I am extremely proud of our results. Given the inherent risk in transmission investing, our ability to execute large, capital programs in a timely and cost-effective manner while minimizing our cost of capital is remarkable. This capability is noteworthy because we are providing value to customers while concurrently meeting the expectations of the investment community. These past achievements serve as a foundation for our future success. To that end, in light of significant volatility in 2015, driven by perceived regulatory and long-term growth uncertainty, our board of directors on November 30, 2015 commenced a review of ITC's strategic alternatives. Concluding its review, the board announced on February 9, 2016 that ITC has agreed to be acquired by Fortis Inc.

We view Fortis as the ideal partner, which provides a large diversified infrastructure platform for ongoing, long-term investments in the grid. Fortis is a strong company with a great financial track record and a decentralized management style that is an ideal cultural fit with ITC. Fortis operates its subsidiaries as separate, stand-alone operating companies in each of its jurisdictions and is committed to retaining ITC's management team to lead and operate the ITC business post-transaction. This will allow ITC to continue to build relationships with, and be responsive to, customers, regulators and local communities while availing the resources of a large utility company.

I am forever grateful for the hard work of the ITC employees in building this great company and look forward to a bright future of continued operational excellence supported by the Fortis platform. We also very much appreciate the longstanding support of our investors who will receive an attractive premium for their investment and will also benefit from the opportunity to participate in the upside of the combination, including future value creation and a growing dividend program. ITC employees and management are now writing the next chapter of our company's success story to the benefit of everyone across the communities we serve.



Joseph L. Welch

Joseph L. Welch – Chairman, President
and Chief Executive Officer

BOARD OF DIRECTORS

Joseph L. Welch
Chairman, President and Chief Executive Officer
ITC Holdings Corp.

Albert Ernst ▲■
Retired Partner
Dykema Gossett PLLC

Christopher H. Franklin ▲■
President and Chief Executive Officer,
Aqua America, Inc.

Edward G. Jepsen ▲●
Chairman and Chief Executive Officer
Coburn Technologies, Inc.

Dave R. Lopez ◆●
Independent Consultant

Hazel R. O'Leary ◆●
Former President
Fisk University

Thomas G. Stephens ◆■
Retired Vice Chairman and Chief Technology Officer
General Motors Company

G. Bennett Stewart III ▲●
Chief Executive Officer
EVA Dimensions

Lee C. Stewart ▲■
Independent Financial Consultant

COMMITTEES:

▲ Audit & Finance

◆ Compensation

● Nominating/Corporate Governance

■ Operations

MANAGEMENT TEAM

Joseph L. Welch
Chairman, President and Chief Executive Officer

Linda H. Blair
*Executive Vice President, Chief Business Unit Officer
and President, ITC Michigan*

Rejji P. Hayes
Senior Vice President, Chief Financial Officer

Jon E. Jipping
Executive Vice President and Chief Operating Officer

Christine Mason Soneral
Senior Vice President and General Counsel

Daniel J. Oginsky
Executive Vice President, U.S. Regulated Grid Development

Joseph F. Bennett III
Vice President, Engineering

Matthew Carstens
Vice President and General Counsel, Utility Operations

Matthew Dills
*Vice President, Human Resources
and Chief Human Resources Officer*

Terry S. Harvill, Ph.D.
Vice President, International and Merchant Development

Ronald J. Hinsley
*Vice President, Information Technology
and Chief Information Officer*

Gretchen L. Holloway
Vice President, Finance and Treasurer

Gregory Ioanidis
Vice President, Business Unit Finance and Rates

Brett Leopold
*Vice President, ITC Holdings Corp.,
and President, ITC Great Plains*

Wendy A. McIntyre
*Vice President and General Counsel, Enterprise Operations
and Secretary, ITC Holdings Corp.*

Nina Plaushin
*Vice President, Regulatory and Federal Affairs
and Communications*

Brian A. Slocum
Vice President, Operations

Fred G. Stibor
Vice President and Controller

Krista Tanner
*Vice President, ITC Holdings Corp.
and President, ITC Midwest*

Thomas W. Vitez
Vice President, Planning

Simon S. Whitelocke
Vice President and Chief Compliance Officer

(in millions, except per share data)

**Reconciliation of Reported Net Income
(GAAP) to Operating Earnings
(Non-GAAP Measure) – Unaudited**

| | 2015 | 2014 | 2013 |
|--|----------|----------|----------|
| Reported Net Income (GAAP) | \$ 242.4 | \$ 244.1 | \$ 233.5 |
| After-Tax Regulatory Charges | 7.3 | 0.1 | 0.3 |
| After-Tax Debt Extinguishment & Consent Solicitation Fees | – | 18.2 | – |
| After-Tax MISO Regional Base ROE Rate Refund Liability | 73.2 | 28.9 | – |
| After-Tax Review of Strategic Alternatives Expenses | 1.0 | – | – |
| After-Tax Entergy Transaction Related Expenses | – | 0.7 | 24.8 |
| Operating Earnings (non-GAAP)** | \$ 323.8 | \$ 292.0 | \$ 258.6 |

**Reconciliation of Reported Diluted EPS
(GAAP) to Operating Diluted EPS
(Non-GAAP Measure) – Unaudited***

| | | | |
|--|---------|---------|---------|
| Reported Diluted EPS (GAAP) | \$ 1.56 | \$ 1.54 | \$ 1.47 |
| After-Tax Regulatory Charges | 0.04 | – | – |
| After-Tax Debt Extinguishment & Consent Solicitation Fees | – | 0.12 | – |
| After-Tax MISO Regional Base ROE Rate Refund Liability | 0.47 | 0.18 | – |
| After-Tax Review of Strategic Alternatives Expenses | 0.01 | – | – |
| After-Tax Entergy Transaction Related Expenses | – | 0.01 | 0.16 |
| Operating Diluted EPS (non-GAAP)** | \$2.08 | \$1.85 | \$1.63 |

* The share and per share data in this annual report reflect the 3-for-1 stock split effective February 28, 2014. See Footnote 13 to the Consolidated Financial Statements in Form 10-K for further detail on the stock split. See Footnote 9 to the Consolidated Financial Statements in Form 10-K for detail on the recast earnings per share data for the year ended December 31, 2013.

** Based on Non-GAAP financial measures.

COMPANY INFORMATION

| | |
|------------------------|---|
| CORPORATE HEADQUARTERS | 27175 Energy Way Novi, Michigan 48377 Phone: (248) 946-3000 |
| INTERNET | www.itc-holdings.com www.itctransco.com |
| COMMON STOCK LISTING | New York Stock Exchange Symbol: ITC |
| COMPANY CONTACTS | For additional information about the company, please contact: INVESTOR RELATIONS Stephanie Amaimo Director, Investor Relations Phone: (248) 946-3572 LEGAL COUNSEL Christine Mason Soneral Senior Vice President and General Counsel Phone: (248) 946-3553 TRANSFER AGENT Computershare Trust Company, N.A. P.O. Box 30170 College Station, Texas 77842-3170 Phone: (877) 373-6374 The transfer agent is responsible for handling shareholder questions regarding lost certificates, address changes, changes of ownership or name in which shares are held. INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM Deloitte & Touche LLP 200 Renaissance Center, Suite 3900 Detroit, Michigan 48243-1313 Phone: (313) 396-3000 |
| ANNUAL MEETING | The annual meeting of shareholders will be held at 9:00 a.m. EDT on Thursday, May 19, 2016, at the ITC corporate headquarters, 27175 Energy Way, Novi, Michigan 48377. |

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DESIGN: cielcieldesignpartners.com Royal Oak, Michigan

CAUTIONARY LANGUAGE CONCERNING FORWARD LOOKING STATEMENTS

This communication contains certain statements that describe the beliefs of management of ITC Holdings Corp. (the “Company”) concerning the proposed merger involving Fortis Inc. (“Fortis”) and the Company and the Company’s future business conditions, plans and prospects, growth opportunities and the outlook for the Company’s business and the electric transmission industry based upon information currently available. Such statements are “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Wherever possible, the Company has identified these forward-looking statements by words such as “will”, “may”, “anticipates”, “believes”, “intends”, “estimates”, “expects”, “projects” and similar phrases. These forward-looking statements are based upon assumptions the Company’s management believes are reasonable. Such forward-looking statements are subject to risks and uncertainties which could cause the Company’s actual results, performance and achievements to differ materially from those expressed in, or implied by, these statements, including, among other things, (a) the risks and uncertainties disclosed in the Company’s annual report on Form 10-K and the Company’s quarterly reports on Form 10-Q filed with the Securities and Exchange Commission (the “SEC”) from time to time and (b) the following transactional factors (in addition to others described elsewhere in this document and in subsequent filings with the SEC): (i) risks inherent in the contemplated merger, including: (A) failure to obtain approval by the Company’s shareholders; (B) failure to obtain regulatory approvals necessary to consummate the merger or to obtain regulatory approvals on favorable terms; (C) delays in consummating the merger or the failure to consummate the merger; and (D) exceeding the expected costs of the merger; (ii) legislative and regulatory actions, and (iii) conditions of the capital markets during the periods covered by the forward-looking statements.

Because the Company’s forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond the Company’s control or are subject to change, actual results could be materially different and any or all of the Company’s forward-looking statements may turn out to be wrong. They speak only as of the date made and can be affected by assumptions the Company might make or by known or unknown risks and uncertainties. Many factors mentioned in this document and the exhibits hereto and in the Company’s annual and quarterly reports will be important in determining future results. Consequently, the Company cannot assure you that the Company’s expectations or forecasts expressed in such forward-looking statements will be achieved. Except as required by law, the Company undertakes no obligation to publicly update any of the Company’s forward-looking or other statements, whether as a result of new information, future events, or otherwise.

The merger is subject to certain conditions precedent, including regulatory approvals and approval of the Company’s shareholders. The Company cannot provide any assurance that the proposed merger will be completed, nor can it give assurances as to the terms on which such merger will be consummated.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

This communication does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities or a solicitation of any vote or approval. This communication relates to a proposed acquisition of ITC by Fortis. In connection with this proposed merger, Fortis will file or has filed, as applicable, with the SEC a registration statement on Form F-4 that will include or includes, as applicable, the proxy statement of ITC that also constitutes a prospectus of Fortis. This communication is not a substitute for the proxy statement/prospectus or any other document ITC filed or to be filed with the SEC in connection with the proposed merger. **INVESTORS AND SECURITY HOLDERS OF ITC ARE URGED TO READ THE PROXY STATEMENT/ PROSPECTUS AND OTHER DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT ITC, FORTIS, THE PROPOSED MERGER AND RELATED MATTERS.** The definitive proxy statement/prospectus will be mailed to shareholders of ITC. The proxy statement/prospectus and other documents relating to the proposed merger (when they are available) can be obtained free of charge from the SEC’s website at www.sec.gov. The documents, when available, can also be obtained free of charge from ITC upon written request to ITC, Investor Relations, 27175 Energy Way, Novi, MI 48377 or by calling 248-946-3000.

PARTICIPANTS IN SOLICITATION

ITC and certain of its directors and executive officers and certain other members of management and employees may be deemed to be participants in the solicitation of proxies from shareholders of ITC in connection with the proposed merger under the rules of the SEC. Information regarding the persons who may, under the rules of the SEC, be deemed participants in such solicitation in connection with the proposed merger will be set forth in the proxy statement if and when it is filed with the SEC. Information about the directors and executive officers of ITC may be found (when available) in its 2015 Annual Report on Form 10-K, its Proxy Statement on Schedule 14A relating to its 2016 Annual Meeting of Shareholders and its Proxy Statement on Schedule 14A relating to its 2016 Special Meeting of Shareholders, in each case as filed with the SEC. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement and other relevant materials to be filed with the SEC when they become available.



2015 **FORM 10-K**
ITC HOLDINGS CORP.



UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(M O)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-32576

ITC HOLDINGS CORP.

(E N R I C)

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32-0058047 (I.R. .E N .)

2715 Energy Way Novi, Michigan 48377

(A O P E O , I C)

(248) 946-3000

(R N , I A C)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Name of Each Exchange on Which Registered

C

Securities registered pursuant to Section 12(g) of the Act: None

Table with columns for Title of Each Class and Name of Each Exchange on Which Registered. Includes entries for R 405 A 1933, R 13 15(), R 12 (1) 13 15(), R 405 R - (232.405), R 405 R -K, R 12 -2 E A), R 12 -2, R 14A, R 2016 A M, R 14A P III F 10-K.

DOCUMENTS INCORPORATED BY REFERENCE

P) R R P R 2016 A M (P R 14A P III F 10-K.

ITC Holdings Corp.
Form 10-K for the Fiscal Year Ended December 31, 2015

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DEFINITIONS

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ITC Great Plains

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Revenue Requirement Calculations and Cost Sharing for Projects with Regional Benefits

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Competition

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Employees

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Environmental Matters

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Filings Under the Securities Exchange Act of 1934

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ITEM 1A. RISK FACTORS.

Risks Related to Our Business

Certain elements of our Regulated Operating Subsidiaries' formula rates can be and have been challenged, which could result in lowered rates and/or refunds of amounts previously collected and thus have an adverse effect on our business, financial condition, results of operations and cash flows.

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Each of our MISO Regulated Operating Subsidiaries depends on its primary customer for a substantial portion of its revenues, and any material failure by those primary customers to make payments for transmission services could have a material adverse effect on our business, financial condition, results of operations and cash flows.

| Entity | Revenue | Customer | Percentage | Year | Rating |
|---------------------|---------|---------------------|------------|------|--------|
| Midcontinent Energy | 74.6% | Midcontinent Energy | 74.6% | 2013 | A3/ |
| Midcontinent Energy | 78.5% | Midcontinent Energy | 78.5% | 2015 | A3/ |
| Midcontinent Energy | 60.3% | Midcontinent Energy | 60.3% | 2017 | A2/ |

A significant amount of the land on which our assets are located is subject to easements, mineral rights and other similar encumbrances. As a result, we must comply with the provisions of various easements, mineral rights and other similar encumbrances, which may adversely impact their ability to complete construction projects in a timely manner.

| Entity | Value | Year |
|---------------------|--------|------|
| Midcontinent Energy | \$10.0 | 2015 |

We contract with third parties to provide services for certain aspects of our business. If any of these agreements are terminated, we may face a shortage of labor or replacement contractors to provide the services formerly provided by these third parties.

Hazards associated with high-voltage electricity transmission may result in suspension of our operations or the imposition of civil or criminal penalties.

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We are subject to environmental regulations and to laws that can give rise to substantial liabilities from environmental contamination.

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We are subject to various regulatory requirements, including reliability standards; contract filing requirements; reporting, recordkeeping and accounting requirements; and transaction approval requirements. Violations of these requirements, whether intentional or unintentional, may result in penalties that, under some circumstances, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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Certain provisions in our debt instruments limit our financial and operating flexibility.

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Adverse changes in our credit ratings may negatively affect us.

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Provisions in our Articles of Incorporation and bylaws, Michigan corporate law and our debt agreements may impede efforts by our shareholders to change the direction or management of our company.

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Provisions in our Articles of Incorporation restrict market participants from voting or owning 5% or more of the outstanding shares of our capital stock.

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Risks Related to the Merger

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11, 2016 F 8-K.

Completion of the Merger is subject to various conditions which, if not satisfied, may cause the Merger not to be completed in a timely manner or at all.

Completion of the Merger is subject to various conditions which, if not satisfied, may cause the Merger not to be completed in a timely manner or at all. These conditions include, but are not limited to, the receipt of necessary regulatory approvals, including from the Federal Energy Regulatory Commission (FERC), the Department of Justice, and other applicable government agencies. The Merger Agreement contains detailed provisions regarding the satisfaction of these conditions, including the requirement that the Merger be approved by the Board of Directors of the Company and the affirmative vote of the stockholders. Additionally, the Merger Agreement includes provisions regarding the completion of due diligence and the satisfaction of certain financial and operational requirements. The Merger Agreement also includes provisions regarding the termination of the Merger in the event that the conditions are not satisfied within the specified time period.

We will continue to incur substantial transaction-related costs in connection with the Merger.

The announcement and pendency of the Merger could adversely affect our business, results of operations and financial condition.

The announcement and pendency of the Merger could adversely affect our business, results of operations and financial condition. The Merger Agreement includes provisions regarding the completion of due diligence and the satisfaction of certain financial and operational requirements. The Merger Agreement also includes provisions regarding the termination of the Merger in the event that the conditions are not satisfied within the specified time period. The Merger Agreement contains detailed provisions regarding the satisfaction of these conditions, including the requirement that the Merger be approved by the Board of Directors of the Company and the affirmative vote of the stockholders. Additionally, the Merger Agreement includes provisions regarding the completion of due diligence and the satisfaction of certain financial and operational requirements. The Merger Agreement also includes provisions regarding the termination of the Merger in the event that the conditions are not satisfied within the specified time period.

While the Merger Agreement is in effect, we are subject to restrictions on our business activities.

While the Merger Agreement is in effect, we are subject to restrictions on our business activities. The Merger Agreement includes provisions regarding the completion of due diligence and the satisfaction of certain financial and operational requirements. The Merger Agreement also includes provisions regarding the termination of the Merger in the event that the conditions are not satisfied within the specified time period. The Merger Agreement contains detailed provisions regarding the satisfaction of these conditions, including the requirement that the Merger be approved by the Board of Directors of the Company and the affirmative vote of the stockholders. Additionally, the Merger Agreement includes provisions regarding the completion of due diligence and the satisfaction of certain financial and operational requirements. The Merger Agreement also includes provisions regarding the termination of the Merger in the event that the conditions are not satisfied within the specified time period.

\$245 M A
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Because the market value of Fortis common stock that our shareholders will receive in the Merger may fluctuate, our shareholders cannot be sure of the market value of the stock portion of the consideration that they will receive in the Merger.

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, F I C H ,
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If the Merger is completed, the combined company may not be able to successfully integrate our business with Fortis and therefore may not be able to realize the anticipated benefits of the Merger.

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After the completion of the Merger, sales of Fortis common stock may negatively affect its market price.

F F M
F F M

We may be the target of securities class action and derivative lawsuits which could result in substantial costs and may delay or prevent the Merger from being completed.

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ITEM 1B. UNRESOLVED STAFF COMMENTS.

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ITEM 2. PROPERTIES.

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ITEM 3. LEGAL PROCEEDINGS.

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ITEM 4. MINE SAFETY DISCLOSURES.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Stock Price and Dividends

On December 31, 2015, the closing price of our common stock was \$826.00. As of December 31, 2015, there were 1,000,000 shares of our common stock outstanding.

The following table sets forth the high and low closing prices of our common stock and dividends for the periods indicated.

| <u>Year Ended December 31, 2015</u> | | | <u>High</u> | <u>Low</u> | <u>Dividends</u> |
|-------------------------------------|---|----------|-------------|------------|------------------|
| Q | D | 31, 2015 | \$ 39.60 | \$ 30.33 | \$ 0.1875 |
| Q | | 30, 2015 | 35.68 | 31.16 | 0.1875 |
| Q | J | 30, 2015 | 37.12 | 30.64 | 0.1625 |
| Q | M | 31, 2015 | 44.00 | 35.54 | 0.1625 |
| <u>Year Ended December 31, 2014</u> | | | <u>High</u> | <u>Low</u> | <u>Dividends</u> |
| Q | D | 31, 2014 | \$ 42.01 | \$ 34.05 | \$ 0.1625 |
| Q | | 30, 2014 | 38.14 | 34.60 | 0.1625 |
| Q | J | 30, 2014 | 38.43 | 34.26 | 0.1425 |
| Q | M | 31, 2014 | 37.41 | 31.18 | 0.1425 |

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Stock Repurchases

D 31, 2015:

| Period | Total Number of Shares Purchased (1) | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plan or Program (2) | Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (in millions) (2) |
|--------|--------------------------------------|------------------------------|--|--|
| O 2015 | 2,053 | \$ 32.55 | | \$ 28.0 |
| N 2015 | 771,806 | 32.57 | 771,299 | 5.0 |
| D 2015 | 1,053 | 37.83 | | |
| | <u>774,912</u> | <u>\$ 32.58</u> | <u>771,299</u> | |

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(2) I A 2014, \$250.0 D I C H 31, 2015. P A 2014
 P) B \$115.0 I C H \$115.0 (2015 A R
 30, 2015, I C H 2.8 O 1, 2015, B
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ITEM 6. SELECTED FINANCIAL DATA.

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C R O , F 10-K.

| ITC Holdings and Subsidiaries | | | | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Year Ended December 31. | | | | | |
| (In thousands, except per share data) | 2015 | 2014 | 2013 | 2012 | 2011 |
| OPERATING REVENUES () () () | \$ 1,044,768 | \$ 1,023,048 | \$ 941,272 | \$ 830,535 | \$ 757,397 |
| OPERATING EXPENSES | | | | | |
| O | 113,123 | 111,623 | 112,821 | 121,941 | 129,288 |
| G () () | 144,919 | 115,031 | 149,109 | 112,091 | 82,790 |
| D | 144,672 | 128,036 | 118,596 | 106,512 | 94,981 |
| | 82,354 | 76,534 | 65,824 | 59,701 | 53,430 |
| O | (1,017) | (1,005) | (1,139) | (769) | (844) |
| | <u>484,051</u> | <u>430,219</u> | <u>445,211</u> | <u>399,476</u> | <u>359,645</u> |
| OPERATING INCOME | <u>560,717</u> | <u>592,829</u> | <u>496,061</u> | <u>431,059</u> | <u>397,752</u> |
| OTHER EXPENSES (INCOME) | | | | | |
| I | 203,779 | 186,636 | 168,319 | 155,734 | 146,936 |
| A | (28,075) | (20,825) | (30,159) | (23,000) | (16,699) |
| L | | 29,205 | | | |
| O | (2,071) | (1,103) | (1,038) | (2,401) | (2,881) |
| O | 3,207 | 4,511 | 6,571 | 4,218 | 3,962 |
| | <u>176,840</u> | <u>198,424</u> | <u>143,693</u> | <u>134,551</u> | <u>131,318</u> |
| INCOME BEFORE INCOME TAXES | <u>383,877</u> | <u>394,405</u> | <u>352,368</u> | <u>296,508</u> | <u>266,434</u> |
| INCOME TAX PROVISION | 141,471 | 150,322 | 118,862 | 108,632 | 94,749 |
| NET INCOME | <u>\$ 242,406</u> | <u>\$ 244,083</u> | <u>\$ 233,506</u> | <u>\$ 187,876</u> | <u>\$ 171,685</u> |
| B () | \$ 1.57 | \$ 1.56 | \$ 1.49 | \$ 1.22 | \$ 1.12 |
| D () | \$ 1.56 | \$ 1.54 | \$ 1.47 | \$ 1.20 | \$ 1.10 |
| D () | \$ 0.700 | \$ 0.610 | \$ 0.535 | \$ 0.487 | \$ 0.458 |

| ITC Holdings and Subsidiaries | | | | | |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| As of December 31. | | | | | |
| (In thousands) | 2015 | 2014 | 2013 | 2012 | 2011 |
| BALANCE SHEET DATA: | | | | | |
| C | \$ 13,859 | \$ 27,741 | \$ 34,275 | \$ 26,187 | \$ 58,344 |
| () () | (549,911) | (290,709) | (325,066) | (828,099) | (134,575) |
| P , | 6,109,639 | 5,496,875 | 4,846,526 | 4,134,579 | 3,415,823 |
| G | 950,163 | 950,163 | 950,163 | 950,163 | 950,163 |
| () | 7,582,122 | 6,959,578 | 6,265,018 | 5,541,795 | 4,802,730 |
| D : | | | | | |
| I C H | 2,314,967 | 2,135,244 | 1,881,918 | 1,689,619 | 1,459,599 |
| R O | <u>2,141,290</u> | <u>1,968,342</u> | <u>1,730,194</u> | <u>1,457,608</u> | <u>1,185,423</u> |
| | <u>4,456,257</u> | <u>4,103,586</u> | <u>3,612,112</u> | <u>3,147,227</u> | <u>2,645,022</u> |
| | <u>\$1,709,071</u> | <u>\$1,669,557</u> | <u>\$1,613,732</u> | <u>\$1,414,855</u> | <u>\$1,258,892</u> |

| ITC Holdings and Subsidiaries | | | | | |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Year Ended December 31. | | | | | |
| (In thousands) | 2015 | 2014 | 2013 | 2012 | 2011 |
| CASH FLOW DATA: | | | | | |
| E | \$ 684,140 | \$ 733,145 | \$ 821,588 | \$ 802,763 | \$ 556,931 |

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Cost-Based Formula Rates with True-Up Mechanism

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| Line | Item | Instructions | Amount |
|------|-----------|-------------------|--------------|
| 1 | R () | | \$ 1,000,000 |
| 2 | M 13- () | | 9.43% |
| 3 | A | (L 1 L 2) | \$ 94,300 |
| 4 | R) (| | \$ 150,000 |
| 5 | I | | 50,000 |
| 6 | G | (L 3 + L 4 + L 5) | \$ 294,300 |

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| | Percentage of Total Capitalization | Cost of Capital | Weighted Average Cost of Capital |
|---|---------------------------------------|-----------------|---|
| D | 40.00% | 5.00% = | 2.00% |
| E | 60.00% | 12.38% = | 7.43% |
| | <u>100.00%</u> | | <u>9.43%</u> |

Revenue Accruals and Deferrals — Effects of Monthly Peak Loads

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Capital Investment and Operating Results Trends

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| Source of Investment | Actual Capital Investment Year Ended December 31, | | Forecasted Capital Investment | Total Capital Investment |
|----------------------|--|-----------------|-------------------------------------|-----------------------------|
| | 2014 (a) | 2015 (a) | 2016 — 2018 | 2014 — 2018 |
| (In millions) | | | | |
| C | \$ 468.1 | \$ 569.1 | \$ 1,523 | \$ 2,560 |
| R I | 325.4 | 198.1 | 530 | 1,054 |
| R O | <u>\$ 793.5</u> | <u>\$ 767.2</u> | <u>\$ 2,053</u> | <u>\$ 3,614</u> |

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R P . C J 30, 2016,

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D 31, 2015. A D \$168.0 \$212.4 D 31, 2015,

N 12, 2013 D 31, 2015. A D 31, 2015 2014, MI O R \$47.8 ,

\$115.1 \$46.9 \$5.1 \$0.9

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I C ME C. O M 31, 2015, FERC 50

FERC. R O I C M 6, 2016, ME C I C M

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C ROE ROE

Accelerated Share Repurchase Program

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\$250.0 , D 31, 2015. P , J 19, 2014, I C

H \$150.0 , \$130.0 , JPM C (2014 A R P)

2.9 \$104.0 \$130.0 I C H 2014 A R P . O

D 22, 2014, 2014 A R P \$130.0 I C H 2014 A R

0.7 - 2014 A R

P

O 30, 2015, I C H (

2015 A R P) B B PLC (B) \$115.0

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MISO Formula Rate Template Modifications Filing

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Significant Components of Results of Operations

Revenues

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 . MI O PP , -
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 , IP&L

Network Revenues

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 C -B F R - M C A P
 N I C G P PP
 PP , - PP

Point-to-Point Revenues

MI O PP . P - - . P - -
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Regional Cost Sharing Revenues

MI O R O R O
 MI O , M P L P . R
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Scheduling, Control and Dispatch Revenues

MI O MI O R O

Other Revenues

Operating Expenses

Operation and Maintenance Expenses

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General and Administrative Expenses

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Depreciation and Amortization Expenses

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Taxes Other than Income Taxes

Other Items of Income or Expense

Interest Expense

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Allowance for Equity Funds Used During Construction ("AFUDC equity")

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Income Tax Provision

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Results of Operations

| (In thousands) | Year Ended December 31, | | Increase (Decrease) | Percentage Increase (Decrease) | Year Ended December 31, | | Percentage Increase (Decrease) |
|--------------------------|----------------------------|-------------------|------------------------|--------------------------------------|----------------------------|------------------------|--------------------------------------|
| | 2015 | 2014 | | | 2013 | Increase (Decrease) | |
| OPERATING REVENUE | \$ 1,044,768 | \$ 1,023,048 | \$ 21,720 | 2.1% | \$ 941,272 | \$ 81,776 | 8.7% |
| OPERATING EXPENSE | | | | | | | |
| O | 113,123 | 111,623 | 1,500 | 1.3% | 112,821 | (1,198) | (1.1)% |
| G | 144,919 | 115,031 | 29,888 | 26.0% | 149,109 | (34,078) | (22.9)% |
| D | 144,672 | 128,036 | 16,636 | 13.0% | 118,596 | 9,440 | 8.0% |
| O | 82,354 | 76,534 | 5,820 | 7.6% | 65,824 | 10,710 | 16.3% |
| O | (1,017) | (1,005) | (12) | 1.2% | (1,139) | 134 | (11.8)% |
| | <u>484,051</u> | <u>430,219</u> | <u>53,832</u> | 12.5% | <u>445,211</u> | <u>(14,992)</u> | (3.4)% |
| OPERATING INCOME | 560,717 | 592,829 | (32,112) | (5.4)% | 496,061 | 96,768 | 19.5% |
| OTHER EXPENSE (INCOME) | | | | | | | |
| I | 203,779 | 186,636 | 17,143 | 9.2% | 168,319 | 18,317 | 10.9% |
| A | (28,075) | (20,825) | (7,250) | 34.8% | (30,159) | 9,334 | (30.9)% |
| L | | 29,205 | (29,205) | (100.0)% | | 29,205 | / |
| O | (2,071) | (1,103) | (968) | 87.8% | (1,038) | (65) | 6.3% |
| O | 3,207 | 4,511 | (1,304) | (28.9)% | 6,571 | (2,060) | (31.3)% |
| | <u>176,840</u> | <u>198,424</u> | <u>(21,584)</u> | (10.9)% | <u>143,693</u> | <u>54,731</u> | 38.1% |
| INCOME BEFORE INCOME TAX | 383,877 | 394,405 | (10,528) | (2.7)% | 352,368 | 42,037 | 11.9% |
| INCOME TAX PROVISION | 141,471 | 150,322 | (8,851) | (5.9)% | 118,862 | 31,460 | 26.5% |
| NET INCOME | <u>\$ 242,406</u> | <u>\$ 244,083</u> | <u>\$ (1,677)</u> | (0.7)% | <u>\$ 233,506</u> | <u>\$ 10,577</u> | 4.5% |

Operating Revenues

| (In thousands) | 2015 | | 2014 | | Increase (Decrease) | Percentage Increase (Decrease) |
|----------------|--------------------|----------------|--------------------|----------------|------------------------|--------------------------------------|
| | Amount | Percentage | Amount | Percentage | | |
| N | \$ 802,337 | 76.8 % | \$ 763,954 | 74.7 % | \$ 38,383 | 5.0 % |
| R | 327,349 | 31.3 % | 265,294 | 25.9 % | 62,055 | 23.4 % |
| P - - | 15,381 | 1.5 % | 17,788 | 1.7 % | (2,407) | (13.5)% |
| , | 13,163 | 1.3 % | 12,466 | 1.2 % | 697 | 5.6 % |
| O | 11,298 | 1.1 % | 10,456 | 1.0 % | 842 | 8.1 % |
| R | (124,760) | (12.0)% | (46,910) | (4.5)% | (77,850) | 166.0 % |
| | <u>\$1,044,768</u> | <u>100.0 %</u> | <u>\$1,023,048</u> | <u>100.0 %</u> | <u>\$ 21,720</u> | 2.1 % |

N R O
, , D O
2014. H 31, 2015

R MI O
PP -
L P K -P P D 31, 2015
2014.

ROE N 4 16
 \$124.8 \$46.9
 D 31, 2015 2014,

O D 31, 2015 2014
 N 4

| (In thousands) | 2014 | | 2013 | | Increase (Decrease) | Percentage Increase (Decrease) |
|----------------|--------------------|----------------|-------------------|---------------|------------------------|--------------------------------------|
| | Amount | Percentage | Amount | Percentage | | |
| N | \$ 763,954 | 74.7 % | \$ 726,161 | 77.1% | \$ 37,793 | 5.2% |
| R | 265,294 | 25.9 % | 177,364 | 18.8% | 87,930 | 49.6% |
| P - - | 17,788 | 1.7 % | 17,312 | 1.8% | 476 | 2.7% |
| | 12,466 | 1.2 % | 12,226 | 1.3% | 240 | 2.0% |
| O | 10,456 | 1.0 % | 8,209 | 1.0% | 2,247 | 27.4% |
| R | (46,910) | (4.5)% | | % | (46,910) | / |
| | <u>\$1,023,048</u> | <u>100.0 %</u> | <u>\$ 941,272</u> | <u>100.0%</u> | <u>\$ 81,776</u> | 8.7% |

N D 31, 2014 2013. H R O

2014.

R MI O PP

\$46.9

2014

ROE

N 16

O D 31, 2014 2013
 N 4

Operating Expenses

O MI O R O \$1.5

O \$1.4

G \$17.4
 O R D D B \$7.8 C P \$9.5

G \$42.7
E ,
\$8.2 E ,

D , - .

D , - .

O 2014 , 2015 R .
O 2013 , 2014 R .

Other expenses (income)

I \$300.0 -
N 4 16
30, 2014
(AF DC),
AF DC
AF DC AF DC

I R O N 8 I CH
AF DC AF DC

5.875% I CH N 2014 \$54.7 6.375% I CH N \$115.6
N 8

Income Tax Provision

O D 31, 2015 2014 36.9% 38.1%,
O 35%
AF DC .
AF DC

O O D 31, 2014 2013 38.1% 33.7%,
 O AF DC 35% AF DC 2013,
 E , .A ,
 - , \$5.6
 2012 2011.

Liquidity and Capital Resources

R O , ,
 8) . I , (N
 .A , , ,

F R O O 7 M O D ,
 A F C R O C I O R
 F

F F ,
 C R O C I O 7 M D A F ,

F \$12.0 N 11 2016.

I N 4 16 ,

H R O I C

.E R O , I CH ,

- .A D 31, 2015,
 \$680.9 , I CH \$95.0
 \$680.1 .A , I CH \$305.0
 D N 8 31, 2015

D 31, 2015 2014.

A D 31, 2015, \$395.3 , .C

Credit Ratings

C .C .R
 .O .A

| Issuer | Issuance | Standard and Poor's Ratings Services (a) | Moody's Investor Service, Inc. (b) |
|--------|----------|--|------------------------------------|
| ICH | N | BBB+ | B 2 |
| ICH | C P | A-2 | P -2 |
| IC | F M B | A | A1 |
| ME C | N | A | A1 |
| ICM | F M B | A | A1 |
| ICG P | F M B | A | A1 |

() O J 8, 2015, P R (P) - 8
 ICH , .A , D 3, 2015, P R O I C
 .O F 9, 2016, P
 H R O ,
 M .
 () O A 15, 2015, M I , I . (M) ICH -
 R O . A , J 9, 2015, M N
 8 ICH , .A

Covenants

O .A D 31, 2015, N 8 .I

Cash Flows

(In thousands)

| | | <u>Year Ended December 31.</u> | | |
|--|---------------------------|--------------------------------|------------------|------------------|
| | | <u>2015</u> | <u>2014</u> | <u>2013</u> |
| OPERATING | FROM OPERATING ACTIVITIES | \$ 242,406 | \$ 244,083 | \$ 233,506 |
| INVESTING | | 144,672 | 128,036 | 118,596 |
| FINANCING | | (53,539) | (4,093) | (11,972) |
| | | 77,371 | 90,373 | 76,703 |
| | | (11,707) | (7,767) | (4,302) |
| | | 156,542 | 50,869 | 36,665 |
| | | <u>555,745</u> | <u>501,501</u> | <u>449,196</u> |
| OPERATING | FROM INVESTING ACTIVITIES | (684,140) | (733,145) | (821,588) |
| | | (15,205) | (1,556) | (4,700) |
| | | <u>(699,345)</u> | <u>(734,701)</u> | <u>(826,288)</u> |
| OPERATING | FROM FINANCING ACTIVITIES | 351,730 | 462,639 | 464,425 |
| | | 13,635 | 20,713 | 10,042 |
| | | (108,275) | (95,595) | (84,129) |
| | | 931 | (22,850) | (5,955) |
| | | (137,081) | (134,284) | (4,885) |
| | | 11,707 | 7,767 | 4,302 |
| | | <u>(2,929)</u> | <u>(11,724)</u> | <u>1,380</u> |
| | | <u>129,718</u> | <u>226,666</u> | <u>385,180</u> |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | | (13,882) | (6,534) | 8,088 |
| CASH AND CASH EQUIVALENTS | BEGINNING | 27,741 | 34,275 | 26,187 |
| CASH AND CASH EQUIVALENTS | ENDING | <u>\$ 13,859</u> | <u>\$ 27,741</u> | <u>\$ 34,275</u> |

Cash Flows From Operating Activities

| | | | |
|--|------------|------|-------|
| NET INCOME | \$54.2 | 2015 | 2014. |
| DEPRECIATION AND AMORTIZATION | \$70.3 | 2015 | 2014. |
| PROVISION FOR BAD DEBTS | \$25.4 | | |
| PROVISION FOR DEFERRED INCOME TAXES | | | |
| CHANGE IN ACCOUNTS RECEIVABLE | | | |
| CHANGE IN INVENTORY | | | |
| CHANGE IN ACCOUNTS PAYABLE | | | |
| CHANGE IN DEFERRED REVENUE | | | |
| CHANGE IN OTHER ASSETS AND LIABILITIES | | | |
| NET INCOME | \$52.3 | 2014 | 2013. |
| DEPRECIATION AND AMORTIZATION | \$132.7 | 2014 | 2013. |
| PROVISION FOR BAD DEBTS | () \$30.2 | | |
| PROVISION FOR DEFERRED INCOME TAXES | \$12.1 | | |
| CHANGE IN ACCOUNTS RECEIVABLE | | | |
| CHANGE IN INVENTORY | | | |
| CHANGE IN ACCOUNTS PAYABLE | | | |
| CHANGE IN DEFERRED REVENUE | | | |
| CHANGE IN OTHER ASSETS AND LIABILITIES | \$24.4 | | |

Cash Flows From Investing Activities

| | | | | | | | | |
|---|---|---|--------|----------|---|-------|---|------|
| | | | | | | | | |
| N | | | \$35.4 | 2015 | | 2014. | | |
| | | D | | 31, 2015 | | 2014. | | |
| N | | | \$91.6 | 2014 | | 2013. | | 2014 |
| O | R | | | | O | C | I | |

Cash Flows From Financing Activities

| | | | | | | | | |
|--------|------|--------|---------|----------|---|------------|--|---------|
| N | | | \$96.9 | 2015 | | 2014. | | |
| | 2015 | 2014. | | - | | \$573.7 | | |
| | - | \$94.6 | | | | \$244.5 | | \$123.6 |
| | | D | | 31, 2015 | | \$23.8 | | |
| | | | | | N | 8 | | |
| N | | | \$158.5 | 2014 | | 2013. | | \$134.4 |
| | 2014 | 2013 | | \$130.0 | | 2014 A R P | | \$20.8 |
| | N 13 | | | | | | | |
| \$16.9 | | | \$153.4 | | | N 8 | | |

Contractual Obligations

| | | D 31, 2015: | | | | |
|----------------|------------|---------------------|---------------------|--------------------|-------------------|----------------------|
| (In thousands) | | Total | Less Than 1 Year | 1-3 Years | 4-5 Years | More Than 5 Years |
| D | : | | | | | |
| I | CH N | \$ 1,924,684 | \$ 139,344 | \$ 435,000 | \$ 200,000 | \$1,150,340 |
| I | CH | 137,700 | | 137,700 | | |
| I | CH | 95,000 | 95,000 | | | |
| I | CH | 161,000 | 161,000 | | | |
| I | C F M B | 585,000 | | 100,000 | | 485,000 |
| I | C | 48,300 | | 48,300 | | |
| ME | C N | 275,000 | | | | 275,000 |
| ME | C | 2,500 | | 2,500 | | |
| ME | C | 200,000 | | 200,000 | | |
| I | CM F M B | 750,000 | | 40,000 | 35,000 | 675,000 |
| I | CM | 72,300 | | 72,300 | | |
| I | CG P F M B | 150,000 | | | | 150,000 |
| I | CG P | 59,100 | | 59,100 | | |
| I | : | | | | | |
| I | CH N | 1,006,043 | 96,922 | 220,665 | 107,221 | 581,235 |
| I | C F M B | 601,161 | 29,326 | 65,107 | 38,613 | 468,115 |
| ME | C N | 345,264 | 12,090 | 36,270 | 24,180 | 272,724 |
| I | CM F M B | 771,184 | 31,286 | 101,672 | 63,321 | 574,905 |
| I | CG P F M B | 180,353 | 6,240 | 18,720 | 12,480 | 142,913 |
| O | | 4,972 | 932 | 2,069 | 955 | 1,016 |
| P | | 61,368 | 60,088 | 1,280 | | |
| R | | 42,970 | 36,639 | 6,331 | | |
| R | | 10,424 | 8,154 | 2,270 | | |
| ME | CE A | 349,680 | 10,041 | 30,123 | 20,082 | 289,434 |
| | | <u>\$ 7,834,003</u> | <u>\$ 687,062</u> | <u>\$1,579,407</u> | <u>\$ 501,852</u> | <u>\$5,065,682</u> |

I 2015. D 31,

I 2015, \$6.4

O P

D 31, 2015,

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 ,
 D 31, 2050 \$10.0 50- E A ME C
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Critical Accounting Policies and Estimates

O GAAP.

Regulation

N R O FERC. A
 B (FA B) GAAP F A
 - .A N 5
 \$248.1 \$299.8 , D 31, 2015. F
 R O .I
 \$45.6 D 31, 2015 N 6

Revenue Recognition under Cost-Based Formula Rates with True-Up Mechanism

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Valuation of Goodwill

IP&L

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Contingent Obligations

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

:

| | | | | | | | | | | <u>Page</u> | |
|---|------|---|--|---|--|---|--|---|---|-------------------------|-----|
| M | | R | | I | | C | | F | | R | 52 |
| R | | I | | R | | P | | A | | F | 53 |
| R | | I | | R | | P | | A | | F | 54 |
| C | | | | F | | P | | | D | 31, 2015 2014 | 55 |
| C | | | | O | | | | | E | D 31, 2015, 2014 2013 | 56 |
| C | | | | C | | | | I | | E D 31, 2015, 2014 2013 | 57 |
| C | | | | C | | | | | E | E D 31, 2015, 2014 | 58 |
| | 2013 | | | | | | | | | | 58 |
| C | | | | C | | F | | | E | D 31, 2015, 2014 2013 | 59 |
| N | | C | | F | | | | | | | 60 |
| | | I | | C | | F | | I | | R | 106 |

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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// DELOITTE & TOUCHE LLP

D , M
F 25, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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F 25, 2016

// DELOITTE & TOUCHE LLP

D, M
F 25, 2016

ITC HOLDINGS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| (In thousands, except share data) | | | December 31, | |
|--|---|---------------|---------------------|--------------|
| | | | 2015 | 2014 |
| | ASSETS | | | |
| Current assets | | | | |
| C | | | \$ 13,859 | \$ 27,741 |
| A | | | 104,262 | 100,998 |
| I | | | 25,777 | 30,892 |
| R | | | 14,736 | 5,393 |
| P | | | 10,608 | 7,281 |
| | | | 169,242 | 172,305 |
| Property, plant and equipment (| | \$1,487,713 | | |
| \$1,388,217,) | | | 6,109,639 | 5,496,875 |
| Other assets | | | | |
| G | | | 950,163 | 950,163 |
| I (| \$28,242 | \$24,917,) | 45,602 | 48,794 |
| R | | | 233,376 | 223,712 |
| D (| \$17,515 | \$15,972,) | 29,298 | 30,311 |
| O | | | 44,802 | 37,418 |
| | | | 1,303,241 | 1,290,398 |
| TOTAL ASSETS | | | \$ 7,582,122 | \$ 6,959,578 |
| | LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Current liabilities | | | | |
| A | | | \$ 124,331 | \$ 107,969 |
| A | | | 24,123 | 23,502 |
| A | | | 52,577 | 50,538 |
| A | | | 44,256 | 41,614 |
| R | | | 44,964 | 39,972 |
| R | | | 2,534 | 10,376 |
| D | | | 395,334 | 175,000 |
| O | | | 31,034 | 14,043 |
| | | | 719,153 | 463,014 |
| Accrued pension and postretirement liabilities | | | 61,609 | 69,562 |
| Deferred income taxes | | | 735,426 | 642,051 |
| Regulatory liabilities | | | 254,788 | 160,070 |
| Refundable deposits from generators for transmission network upgrades | | | 18,077 | 9,384 |
| Other | | | 23,075 | 17,354 |
| Long-term debt | | | 4,060,923 | 3,928,586 |
| Commitments and contingent liabilities (N 4 16) | | | | |
| STOCKHOLDERS' EQUITY | | | | |
| C | , 300,000,000 | , 152,699,077 | 155,140,967 | |
| D | 31, 2015 | 2014, | 829,211 | 923,191 |
| R | | | 875,595 | 741,550 |
| A | | | 4,265 | 4,816 |
| | | | 1,709,071 | 1,669,557 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | | | \$ 7,582,122 | \$ 6,959,578 |

ITC HOLDINGS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

| | <u>Year Ended December 31.</u> | | |
|---------------------------------------|--------------------------------|-------------------|-------------------|
| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
| (In thousands, except per share data) | | | |
| OPERATING REVENUES | \$ 1,044,768 | \$ 1,023,048 | \$ 941,272 |
| OPERATING EXPENSES | | | |
| O | 113,123 | 111,623 | 112,821 |
| G | 144,919 | 115,031 | 149,109 |
| D | 144,672 | 128,036 | 118,596 |
| | 82,354 | 76,534 | 65,824 |
| O | <u>(1,017)</u> | <u>(1,005)</u> | <u>(1,139)</u> |
| | 484,051 | 430,219 | 445,211 |
| OPERATING INCOME | <u>560,717</u> | <u>592,829</u> | <u>496,061</u> |
| OTHER EXPENSES (INCOME) | | | |
| I | 203,779 | 186,636 | 168,319 |
| A | (28,075) | (20,825) | (30,159) |
| L | | 29,205 | |
| O | (2,071) | (1,103) | (1,038) |
| O | 3,207 | 4,511 | 6,571 |
| | <u>176,840</u> | <u>198,424</u> | <u>143,693</u> |
| INCOME BEFORE INCOME TAXES | 383,877 | 394,405 | 352,368 |
| INCOME TAX PROVISION | 141,471 | 150,322 | 118,862 |
| NET INCOME | <u>\$ 242,406</u> | <u>\$ 244,083</u> | <u>\$ 233,506</u> |
| B | \$ 1.57 | \$ 1.56 | \$ 1.49 |
| D | \$ 1.56 | \$ 1.54 | \$ 1.47 |
| D | \$ 0.700 | \$ 0.610 | \$ 0.535 |

ITC HOLDINGS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN
STOCKHOLDERS' EQUITY

| | <u>Common Stock</u> | | <u>Retained Earnings</u> | <u>Accumulated Other Comprehensive Income (Loss)</u> | <u>Total Stockholders' Equity</u> |
|--|---------------------|--------------------|--------------------------|--|-----------------------------------|
| | <u>Shares</u> | <u>Amount</u> | | | |
| (In thousands, except share and per share data) | | | | | |
| BALANCE, DECEMBER 31, 2012 | 156,745,542 | \$ 989,334 | \$ 443,569 | \$ (18,048) | \$ 1,414,855 |
| N | | | 233,506 | | 233,506 |
| R | (163,320) | (4,885) | | | (4,885) |
| D | (\$0.535) | | (84,129) | | (84,129) |
| | | 499,014 | 8,165 | | 8,165 |
| | E | P | P | | 1,877 |
| | | 77,097 | 1,877 | | 1,877 |
| I | | 384,576 | | | 384,576 |
| F | | (42,114) | 24 | | 24 |
| | | | 15,642 | | 15,642 |
| | | | 4,302 | | 4,302 |
| O | | (N 13) | | 24,375 | 24,375 |
| BALANCE, DECEMBER 31, 2013 | <u>157,500,795</u> | <u>\$1,014,435</u> | <u>\$ 592,970</u> | <u>\$ 6,327</u> | <u>\$ 1,613,732</u> |
| N | | | 244,083 | | 244,083 |
| R | (3,673,226) | (134,284) | | | (134,284) |
| D | (\$0.610) | | (95,595) | | (95,595) |
| | | 1,011,750 | 18,650 | | 18,650 |
| | E | P | P | | 2,063 |
| | | 69,230 | 2,063 | | 2,063 |
| I | | 321,139 | | | 321,139 |
| F | | (88,721) | 92 | | 92 |
| | | | 14,560 | | 14,560 |
| | | | 7,767 | | 7,767 |
| O | | (N 13) | | (1,511) | (1,511) |
| BALANCE, DECEMBER 31, 2014 | <u>155,140,967</u> | <u>\$ 923,191</u> | <u>\$ 741,550</u> | <u>\$ 4,816</u> | <u>\$ 1,669,557</u> |
| N | | | 242,406 | | 242,406 |
| R | (4,201,847) | (137,081) | | | (137,081) |
| D | (\$0.700) | | (108,425) | | (108,425) |
| | | 1,203,376 | 11,352 | | 11,352 |
| | E | P | P | | 2,283 |
| | | 76,041 | 2,283 | | 2,283 |
| I | | 259,039 | | | 259,039 |
| F | | (58,209) | 64 | | 64 |
| I | | 287,464 | | | 287,464 |
| F | | (7,754) | | | (7,754) |
| | | | 17,609 | | 17,609 |
| | | | 11,707 | | 11,707 |
| O | | (N 13) | | (551) | (551) |
| O | | | 150 | | 150 |
| BALANCE, DECEMBER 31, 2015 | <u>152,699,077</u> | <u>\$ 829,211</u> | <u>\$ 875,595</u> | <u>\$ 4,265</u> | <u>\$ 1,709,071</u> |

ITC HOLDINGS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

| (In thousands) | Year Ended December 31, | | |
|---|-------------------------|-------------|-------------|
| | 2015 | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| N | \$ 242,406 | \$ 244,083 | \$ 233,506 |
| A | | | |
| D | 144,672 | 128,036 | 118,596 |
| R | (53,539) | (4,093) | (11,972) |
| D | 77,371 | 90,373 | 76,703 |
| A | (28,075) | (20,825) | (30,159) |
| L | | 29,205 | |
| O | 22,031 | 17,697 | 17,864 |
| C | | | |
| A | (501) | (11,869) | (16,312) |
| I | 5,140 | 1,094 | 5,371 |
| P | (3,214) | 5,089 | 16,891 |
| A | (7,263) | (19,061) | 17,638 |
| A | 463 | 525 | 1,619 |
| A | 2,039 | (2,511) | 8,341 |
| A | 14,783 | 19,756 | 6,113 |
| O | (11,707) | (7,767) | (4,302) |
| E | 5,587 | (2,314) | 1,630 |
| O | 120,197 | 47,780 | |
| N | 25,355 | (13,697) | 7,669 |
| | 555,745 | 501,501 | 449,196 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| E | (684,140) | (733,145) | (821,588) |
| P | 673 | 495 | 20,844 |
| P | (10,422) | (6,091) | (22,250) |
| O | (5,456) | 4,040 | (3,294) |
| N | (699,345) | (734,701) | (826,288) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| I | 225,000 | 798,664 | 933,025 |
| B | 2,832,100 | 1,660,000 | 1,090,100 |
| B | 200,000 | 110,000 | 675,000 |
| N | 94,630 | | |
| R | (175,000) | (298,625) | (452,000) |
| R | (2,825,000) | (1,618,400) | (1,146,700) |
| R | | (189,000) | (635,000) |
| I | 13,635 | 20,713 | 10,042 |
| D | (108,275) | (95,595) | (84,129) |
| R | 12,956 | 5,833 | 32,281 |
| R | (12,025) | (28,683) | (38,236) |
| R | (137,081) | (134,284) | (4,885) |
| A | 11,707 | 7,767 | 4,302 |
| R | | (20,000) | |
| O | | 20,000 | |
| N | (2,929) | (11,724) | 1,380 |
| | 129,718 | 226,666 | 385,180 |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (13,882) | (6,534) | 8,088 |
| CASH AND CASH EQUIVALENTS — Beginning of period | 27,741 | 34,275 | 26,187 |
| CASH AND CASH EQUIVALENTS — End of period | \$ 13,859 | \$ 27,741 | \$ 34,275 |

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

| | D | 31, 2015, 2014 | 2013: |
|------------------|--------------------------------|------------------|--|
| (In thousands) | <u>Year Ended December 31,</u> | | |
| | 2015 | 2014 | 2013 |
| I I A A | () () | | \$ 191,041 55,722 \$ 110,354 28,075 |
| | | | \$ 185,288 44,524 \$ 90,949 20,825 |
| | | | \$ 155,112 20,092 \$ 68,276 30,159 |

() A
 E
 . C

. A D 31, 2015 2014,
 M . A ,
 \$135.5 , \$118.9 D \$109.4 2015, 2014 2013,
 P , R O
 D R O FERC-
 2.1%, 2.1% 2.2% 2015, 2014 2013,
 48 60

. O R O
 (AF DC) FERC . AF DC
 AF DC \$6.8 , \$5.1 \$8.0
 2015, 2014 2013, . C I C G P
 AF DC
 F ()

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 6

2014 2013

\$4.2, \$4.1

\$4.1

D 31, 2015,

FA B

(PCB)

NOTE 7

2015

\$5.9

FA B.

D 31, 2015 2014 \$5.4

FA B

()

.A

NOTE 8

GAAP. O

NOTE 9

FERC-

R O

R N 4 C -B F R - M

A R 2006 L - I P

P (2015 L IP),

. C

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

. H ,

() ,

. C

. F -

-

E P P (E P P) , . C

C () - , ,

-

D . D

,

.

. A D 31, 2015, ,

I R

2011
2011 2014. I

3. RECENT ACCOUNTING PRONOUNCEMENTS

Revenue Recognition

I M 2014, FA B

D 15, 2017

Going Concern

I A 2014, FA B
(2)

(1)
GAAP.

D 15, 2016,

. E

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Amendments to the Consolidation Analysis

In February 2015, FASB issued ASU 2015-02, "Consolidation Analysis of Certain Limited Partnerships," which requires limited partnerships to be consolidated if the general partner is a controlling financial interest. The amendments are effective for reporting periods beginning after December 15, 2015. The amendments are applied retrospectively to all periods presented.

Amendment to the Balance Sheet Presentation of Debt Issuance Costs

In August 2015, FASB issued ASU 2015-11, "Balance Sheet Classification of Debt Issuance Costs," which requires debt issuance costs to be presented as a direct deduction from the carrying amount of the related debt liability. The amendments are effective for reporting periods beginning after December 15, 2015. The amendments are applied retrospectively to all periods presented.

Balance Sheet Classification of Deferred Taxes

In November 2015, FASB issued ASU 2015-17, "Balance Sheet Classification of Deferred Taxes," which requires deferred tax assets and liabilities to be classified as non-current on the balance sheet. The amendments are effective for reporting periods beginning after December 15, 2015. The amendments are applied retrospectively to all periods presented.

4. REGULATORY MATTERS

Order on Formula Rate Protocols

In 2012, FERC issued Order No. 706, "Formula Rate Protocols," which requires utilities to file formula rate protocols with FERC. In 2013, FERC issued Order No. 707, "Formula Rate Protocols," which requires utilities to file formula rate protocols with FERC. In 2014, FERC issued Order No. 708, "Formula Rate Protocols," which requires utilities to file formula rate protocols with FERC. In 2015, FERC issued Order No. 709, "Formula Rate Protocols," which requires utilities to file formula rate protocols with FERC.

Rate of Return on Equity and Capital Structure Complaints

Rate of Return on Equity and Capital Structure Complaints

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

\$2.4
 ME C - 2015, 2014 2013,

METC Regulatory Deferrals

ME C
 ME C (ME C R D M J 1, 2001 D 31, 2005 ME C C
 E (ME C R D M J 1, 2001 D 31, 2005 ME C C
 20 J 1, 2007. ME C
 . ME C
 \$0.8 2015, 2014 2013,
 ME C -

Income Taxes Recoverable Related to AFUDC Equity

A
 AF DC
 AF DC
 AF DC

Pensions and Postretirement

A
 A / AOCI
 . O R O

Income Taxes Recoverable Related to Implementation of the Michigan Corporate Income Tax

I M 2011, M B (MB) M C
 I (CI), J 1, 2012. CI , 6.0%
 , MB M
 CI . MB M 2011
 ME C. CI , I C
 I C ME C, 2016. I C 23- ME C 32-

Accrued Asset Removal Costs

. I ,
 FA B. O R O
 FA B, -

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. GOODWILL AND INTANGIBLE ASSETS

Goodwill

| | | | | | |
|------|----------|---------|---------|---|---|
| A D | 31, 2015 | 2014, | | | |
| M | \$173.4 | \$453.8 | \$323.0 | , | , |
| ME C | | I C M | | | |

Intangible Assets

| | | | | | |
|-----------|-----------|------|----------------|----------|---------------|
| P | ME C | O | 2006, | | |
| | | | ME C | FERC | |
| | ME C | GAAP | | ME C R | D |
| ME CADI D | | | | ME C R | D |
| ME CADI D | \$21.8 | | \$9.4 | | 31, 2015, |
| \$10.5 | | D | 31, 2014. | | \$23.7 |
| D | ME CADI D | 20 | 18 | | ME C R |
| | | | | | 1, 2007. ME C |
| | ME C | - | | | |
| I C G | P | | | I C G | P |
| O | | | | P | |
| | | PP | | PP | |
| | | | \$14.4 | KE AP | |
| | | | | \$14.6 | (|
| \$0.7 | |) | D | 31, 2015 | 2014, |
| | | 50 | | | |
| D | | D | 31, 2015, 2014 | 2013, | \$3.3 |
| \$3.2 | | | | | \$3.3 |
| | | | D | 31, 2015 | : |

(In thousands)

| | |
|------|------------------|
| 2016 | \$ 3,334 |
| 2017 | 3,334 |
| 2018 | 3,334 |
| 2019 | 3,334 |
| 2020 | 3,334 |
| 2021 | <u>28,932</u> |
| | <u>\$ 45,602</u> |

7. PROPERTY, PLANT AND EQUIPMENT

| | | | | | |
|----------------|---|---|--------------|--------------|--|
| P | , | D | 31, 2015 | 2014: | |
| (In thousands) | | | | | |
| P | | | 2015 | 2014 | |
| R | O | : | | | |
| P | | | \$ 7,085,818 | \$ 6,396,449 | |
| C | | | 425,594 | 391,788 | |
| C | | | 54,781 | 68,170 | |
| O | | | 12,550 | 13,151 | |
| I C H | | | 18,609 | 15,534 | |
| | | | 7,597,352 | 6,885,092 | |
| L :A | | | (1,487,713) | (1,388,217) | |
| P | | | \$ 6,109,639 | \$ 5,496,875 | |

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

2015 2014

M - P

8. DEBT

D 31, 2015 2014:

(Amounts in thousands)

| | 2015 | 2014 |
|---|-------------|-------------|
| IC H 5.875% N , 30, 2016 (\$3 \$6,) | \$ 139,341 | \$ 139,338 |
| IC H 6.23% N , B, 20, 2017 | 50,000 | 50,000 |
| IC H 6.375% N , 30, 2036 (\$159 \$166,) | 200,181 | 200,174 |
| IC H 6.05% N , J 31, 2018 (\$329 \$487,) | 384,671 | 384,513 |
| IC H 5.50% N , J 15, 2020 (\$521 \$654,) | 199,479 | 199,346 |
| IC H 4.05% N , J 1, 2023 (\$534 \$606,) | 249,466 | 249,394 |
| IC H 3.65% N , J 15, 2024 (\$1,124 \$1,258,) | 398,876 | 398,742 |
| IC H 5.30% N , J 1, 2043 (\$737 \$763,) | 299,263 | 299,237 |
| IC H L C A , 30, 2016 () | 161,000 | 161,000 |
| IC H R C A , M 28, 2019 | 137,700 | 53,500 |
| IC H C P P (\$10) () | 94,990 | |
| IC \$79, 6.125% F M B , C, M 31, 2036 (\$74) | 99,926 | 99,921 |
| IC \$37, 5.75% F M B , D, A 1, 2018 (\$26) | 99,974 | 99,963 |
| IC \$437, 4.625% F M B , E, A 15, 2043 (\$422) | 284,578 | 284,563 |
| IC 4.27% F M B , F, J 10, 2044 | 100,000 | 100,000 |
| IC R C A , M 28, 2019 | 48,300 | 14,300 |
| ME C 5.75% N , D 10, 2015 () | | 175,000 |
| ME C 5.64% N , M 6, 2040 | 50,000 | 50,000 |
| ME C 3.98% N , O 26, 2042 | 75,000 | 75,000 |
| ME C 4.19% N , D 15, 2044 | 150,000 | 150,000 |
| ME C L C A , D 7, 2018 | 200,000 | |
| ME C R C A , M 28, 2019 | 2,500 | |
| IC M \$405, 6.15% F M B , A, J 31, 2038 (\$388) | 174,612 | 174,595 |
| IC M 7.12% F M B , B, D 22, 2017 | 40,000 | 40,000 |
| IC M 7.27% F M B , C, D 22, 2020 | 35,000 | 35,000 |
| IC M 4.60% F M B , D, D 17, 2024 | 75,000 | 75,000 |
| IC M 3.50% F M B , E, J 19, 2027 | 100,000 | 100,000 |
| IC M 4.09% F M B , F, A 30, 2043 | 100,000 | 100,000 |
| IC M 3.83% F M B , G, A 7, 2055 | 225,000 | |
| IC M R C A , M 28, 2019 | 72,300 | 191,200 |
| IC G P 4.16% F M B , A, N 26, 2044 | 150,000 | 150,000 |
| IC G P R C A , M 28, 2019 | 59,100 | 53,800 |
| | \$4,456,257 | \$4,103,586 |

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

()

() A D 31, 2015 2014, \$395.3 \$175.0 , , ,
D 31, 2015 :

(In thousands)

| | |
|------|---------------------|
| 2016 | \$ 395,344 |
| 2017 | 90,000 |
| 2018 | 685,000 |
| 2019 | 319,900 |
| 2020 | 235,000 |
| 2021 | <u>2,735,340</u> |
| | <u>\$ 4,460,584</u> |

ITC Holdings

O J 8, 2015, I C H
A D 31, 2015, I C H \$400.0
\$95.0
6 0.8%
I C H
D 31, 2015

I M 2014, I C H \$255.0
I C H 5.875% N 30, 2016 \$255.0 I C H 6.375% N
30, 2036, \$115.6 5.875% N \$54.7 6.375%
N M 30, 2014. A N
\$400.0 3.65% N I C H
\$29.2 , -

O J 4, 2014, I C H \$400.0 3.65% N ,
J 15, 2024.
I C H N 2013 I C H
N .A I C H

ITC Transmission

O J 10, 2014, I C \$75.0 \$100.0 4.27%
F M B , F, J 10, 2044 (F M B , F A 22, 2014. F). I C
\$25.0 F M B ,
I C . I C F M B

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

METC

| | | |
|--|--|--|
| <p>O D 8, 2015, ME C D 7, 2018, ME C</p> | <p>\$175.0 5.75%</p> | <p>\$200.0 N, D 10, 2015,</p> |
| <p>1.3% D 31, 2015.</p> | | |
| <p>O J 31, 2014, ME C 2, 2015, ME C</p> | <p>\$50.0</p> | <p>ME C 2014.</p> |
| <p>O D 17, 2014, ME C \$50.0 N</p> | <p>\$150.0 4.19% \$50.0 6.63% ME C</p> | <p>N, D 15, 2044. N, D 18, 2014, ME C ME C</p> |

ITC Midwest

| | | |
|---|--------------------------|------------------------------------|
| <p>O A 7, 2015, I C M G, A 7, 2055.</p> | <p>\$225.0 I C M</p> | <p>3.83% F M B I C M F M B</p> |
|---|--------------------------|------------------------------------|

ITC Great Plains

| | | |
|--|--|--|
| <p>O N 26, 2014, I C G P N 26, 2044.</p> | <p>\$150.0 I C G P I C G P</p> | <p>4.16% F M B, A, \$100.0 I C G P F M B</p> |
|--|--|--|

Derivative Instruments and Hedging Activities

| | | |
|--------------------------|---------------------------------|---|
| <p>D 31, 2015, I C H</p> | <p>5.875% N \$139.3</p> | <p>30, 2016 (5.875% 5.875% N) . A</p> |
|--------------------------|---------------------------------|---|

| <u>Interest Rate Swaps</u> | | <u>Notional Amount</u> | <u>Fixed Rate</u> | <u>Original Term</u> | <u>Effective Date</u> |
|------------------------------|------|------------------------|-------------------|----------------------|-----------------------|
| <i>(Amounts in millions)</i> | | | | | |
| A | 2014 | \$ 25.0 | 3.217% | 10 | 2016 |
| O | 2014 | 25.0 | 3.075% | 10 | 2016 |
| J | 2015 | 25.0 | 2.301% | 10 | 2016 |
| | | <u>\$ 75.0</u> | | | |

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

10-
LIBOR
30, 2016
30, 2016.

I C H

10-
F
2016

I C H
\$25.0
1.770% 1.619%
5.875% N

A D 31, 2015,

(AOCI).

A D 31, 2015,
\$3.5

\$0.1

N

R N 12

Revolving Credit Agreements

A D 31, 2015, I C H R O

| (Amounts in millions) | Total Available Capacity | Outstanding Balance (a) | Unused Capacity | Weighted Average Interest Rate on Outstanding | Commitment Fee Rate (b) |
|-----------------------|--------------------------|-------------------------|-----------------|---|-------------------------|
| I C H | \$ 400.0 | \$ 137.7 | \$ 262.3 () | 1.6% () | 0.175% |
| I C | 100.0 | 48.3 | 51.7 | 1.4% () | 0.10% |
| ME C | 100.0 | 2.5 | 97.5 | 1.4% () | 0.10% |
| I C M | 250.0 | 72.3 | 177.7 | 1.4% () | 0.10% |
| I C G P | 150.0 | 59.1 | 90.9 | 1.4% () | 0.10% |
| | <u>\$ 1,000.0</u> | <u>\$ 319.9</u> | <u>\$ 680.1</u> | | |

() I

() C

() I C H

I C H

\$167.3 D 31, 2015.

() L LIBOR 1.25%
, 0.50% 1.00%
LIBOR, 0.25%, I C H
() L LIBOR 1.00%
, 0.50% 1.00%
LIBOR,

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

| | 2015 | 2014 | 2013 |
|------|-----------|-----------|-----------|
| E PP | 4,096,910 | 4,603,292 | 5,169,828 |
| E PP | 1,056,250 | 550,178 | 912,570 |

Stock Split

D 31, 2013:

(In thousands, except per share and share data)

| | Reported | Adjustment | Adjusted |
|--------------|------------|-------------|-------------|
| F D 31, 2013 | \$ 231,408 | \$ | \$ 231,408 |
| D B | 51,912,128 | 103,824,256 | 155,736,384 |
| I | 429,540 | 859,080 | 1,288,620 |
| D | 52,341,668 | 104,683,336 | 157,025,004 |
| P B | \$ 4.46 | \$ (2.97) | \$ 1.49 |
| D | \$ 4.42 | \$ (2.95) | \$ 1.47 |

D 31, 2013:

| | Reported | Adjustment | Adjusted |
|--------------|------------|-------------|-------------|
| F D 31, 2013 | 51,912,128 | 103,824,256 | 155,736,384 |
| P | 490,989 | 981,978 | 1,472,967 |
| P | 52,403,117 | 104,806,234 | 157,209,351 |
| | 99.1% | % | 99.1% |

E PP D 31, 2013

| | Reported | Adjustment | Adjusted |
|-----------------|-----------|------------|-----------|
| E PP D 31, 2013 | 1,723,276 | 3,446,552 | 5,169,828 |
| A - E PP | 304,190 | 608,380 | 912,570 |

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Impacts of the Accelerated Share Repurchase Program

3.6 , , D 31, 2015 2014 N 13. 7.2
A R

10. INCOME TAXES

O

| (In thousands) | | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|----------------|-----|-------------------|-------------------|-------------------|
| I | 35% | \$ 134,357 | \$ 138,042 | \$ 123,329 |
| | () | 13,366 | 16,054 | 9,110 |
| AF DC | | (8,469) | (6,201) | (9,715) |
| E | () | | | (5,614) |
| O | | 2,217 | 2,427 | 1,752 |
| | | <u>\$ 141,471</u> | <u>\$ 150,322</u> | <u>\$ 118,862</u> |

() N 17

E

C

| (In thousands) | | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|----------------|--|-------------------|-------------------|-------------------|
| C | | \$ 64,100 | \$ 59,949 | \$ 42,159 |
| D | | 76,833 | 90,313 | 76,094 |
| B | | 538 | 60 | 609 |
| | | <u>\$ 141,471</u> | <u>\$ 150,322</u> | <u>\$ 118,862</u> |

D

D ()

D 31:

| (In thousands) | | <u>2015</u> | <u>2014</u> |
|----------------|---------|---------------------|---------------------|
| P | | \$ (678,567) | \$ (560,960) |
| ME C | () | (11,629) | (12,721) |
| A | ADI () | (15,300) | (15,164) |
| G | | (147,894) | (133,138) |
| N | | 961 | 22,047 |
| R | () | 70,234 | 18,878 |
| P | | 18,508 | 14,196 |
| | NOL () | 20,375 | 20,004 |
| | | 13,661 | 12,211 |
| O | | (5,775) | (7,404) |
| N | | <u>\$ (735,426)</u> | <u>\$ (642,051)</u> |
| G | | <u>\$ (888,727)</u> | <u>\$ (810,141)</u> |
| G | | 153,301 | 168,090 |
| N | | <u>\$ (735,426)</u> | <u>\$ (642,051)</u> |

() D N 5.

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(NOL) D 31, 2015,
 NOL 2022.1
 \$8.6 NOL \$7.1 , , D 31, 2015 2014, NOL ,

Balance Sheet Classification of Deferred Taxes

A N 3, -

D 31, 2014:

(In thousands)

| | Reported | Adjustment | Adjusted |
|-------|-----------|-------------|----------|
| C D | \$ 14,511 | \$ (14,511) | \$ |
| N - D | 656,562 | (14,511) | 642,051 |

11. RETIREMENT BENEFITS AND ASSETS HELD IN TRUST

Pension Plan Benefits

() , , . O

E R I A 1974, 2015, 2014 2013,
 \$4.1 , \$3.8 \$6.9 2016. 2015, 2014 2013,
 \$2.8

() , , . O

D 31, 2015 2014, , \$35.6 \$26.5
 2015, 2014 2013, \$9.4 , \$5.1 \$0.6 , F D , 31,
 O \$0.2 D 31, 2015 \$0.1
 D 31, 2014

| <u>Asset Category</u> | <u>2015</u> | <u>2014</u> |
|-----------------------|---------------|---------------|
| F | 50.4% | 48.8% |
| E | 49.6% | 51.2% |
| | <u>100.0%</u> | <u>100.0%</u> |

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

| N | 2015, 2014 | 2013 | : |
|----------------|------------------|-----------------|-----------------|
| (In thousands) | <u>2015</u> | <u>2014</u> | <u>2013</u> |
| | \$ 6,496 | \$ 5,066 | \$ 5,261 |
| I | 3,696 | 3,603 | 2,792 |
| E | (3,838) | (3,541) | (2,868) |
| A | (42) | (42) | (42) |
| A | 4,243 | 1,545 | 2,714 |
| N | <u>\$ 10,555</u> | <u>\$ 6,631</u> | <u>\$ 7,857</u> |

D 31, 2015 2014:

| (In thousands) | <u>2015</u> | <u>2014</u> |
|----------------|--------------------|--------------------|
| C B O : | | |
| B | \$ (95,740) | \$ (73,468) |
| | (6,496) | (5,066) |
| I | (3,696) | (3,603) |
| A () | 5,869 | (14,937) |
| B | 2,747 | 1,334 |
| O | 128 | |
| E | <u>\$ (97,188)</u> | <u>\$ (95,740)</u> |
| C P A : | | |
| B | \$ 56,390 | \$ 48,894 |
| A | (129) | 4,851 |
| E | 4,102 | 3,822 |
| B | (2,108) | (1,177) |
| O | (128) | |
| E | <u>\$ 58,127</u> | <u>\$ 56,390</u> |
| F , | <u>\$ (39,061)</u> | <u>\$ (39,350)</u> |
| A : | | |
| R | \$ (49,169) | \$ (48,571) |
| | (40,830) | (35,962) |
| | <u>\$ (89,999)</u> | <u>\$ (84,533)</u> |
| A : | | |
| F : | | |
| A | \$ (45,322) | \$ (44,033) |
| O - | 6,408 | 4,683 |
| O | (147) | |
| | <u>\$ (39,061)</u> | <u>\$ (39,350)</u> |
| A N - R A : | | |
| N | \$ 18,724 | \$ 24,868 |
| P | 66 | 25 |
| | <u>\$ 18,790</u> | <u>\$ 24,893</u> |

FA B

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

N 5.

2014

A

2014.

2015

D 31, 2015,

A
2014 2013 :

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|--------------|--------------|--------------|
| D | 4.01 - 4.44% | 3.75 - 4.05% | 4.60 - 5.10% |
| A | 4.00% | 4.00% | 4.00 - 6.00% |

A
2015, 2014 2013 :

D 31,

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|--------------|--------------|--------------|
| D | 3.75 - 4.05% | 4.60 - 5.10% | 3.70 - 4.45% |
| A | 4.00% | 4.00 - 6.00% | 5.00 - 6.00% |
| E | 6.70% | 6.75% | 7.00% |

A D 31, 2015,

:

(In thousands)

| | |
|-----------|----------|
| 2016 | \$ 1,716 |
| 2017 | 5,259 |
| 2018 | 5,548 |
| 2019 | 5,878 |
| 2020 | 6,551 |
| 2021 2025 | 38,681 |

Investment Objectives and Fair Value Measurement

.I

.E

.F

.G

.N

.L 1,

;L

;

2,

L 3,

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

| | | | | | | | | | |
|----------------|-----|-----|---|---|---|--|--|--|---|
| | . C | | | | - | | | | |
| | | . F | | D | 31, 2015 | 2014, | | | |
| | | | | D | 31, 2015, | | | | : |
| | | | | | <u>Fair Value Measurements at Reporting Date Using</u> | | | | |
| (In thousands) | | | | | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> | | |
| F | | | : | | | | | | |
| M | | | | | \$ 23,427 | \$ | \$ | | |
| M | | | | | 5,409 | | | | |
| M | | | | | 29,291 | | | | |
| | | | | | <u>\$ 58,127</u> | <u>\$</u> | <u>\$</u> | | |
| | | | | D | 31, 2014, | | | | : |

| | | | | | | | | | |
|----------------|--|--|---|--|---|--|--|--|--|
| | | | | | | | | | |
| | | | | | <u>Fair Value Measurements at Reporting Date Using</u> | | | | |
| (In thousands) | | | | | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> | | |
| F | | | : | | | | | | |
| M | | | | | \$ 23,770 | \$ | \$ | | |
| M | | | | | 5,096 | | | | |
| M | | | | | 23,783 | | | | |
| G | | | | | | 3,741 | | | |
| | | | | | <u>\$ 52,649</u> | <u>\$ 3,741</u> | <u>\$</u> | | |

D 31, 2014. A D 31, 2014,

Other Postretirement Benefits

\$9.1 , \$6.3 \$1.5 2015, 2014 2013,
 \$9.2 2016.

Asset Category

| | | | | | | | | | |
|---|--|--|--|--|---------------|---------------|--|--|--|
| | | | | | | | | | |
| F | | | | | <u>2015</u> | <u>2014</u> | | | |
| E | | | | | 50.0% | 57.2% | | | |
| | | | | | 50.0% | 42.8% | | | |
| | | | | | <u>100.0%</u> | <u>100.0%</u> | | | |

O D 31, 2015 2014

M A 2003.

M P D , I

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

| N | 2015, 2014 | 2013 | : |
|----------------|-----------------|-----------------|-----------------|
| (In thousands) | | | |
| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
| | \$ 8,486 | \$ 5,846 | \$ 5,774 |
| I | 2,477 | 1,991 | 1,562 |
| E | (1,852) | (1,361) | (1,415) |
| A | 499 | | 220 |
| N | <u>\$ 9,610</u> | <u>\$ 6,476</u> | <u>\$ 6,141</u> |

D 31, 2015 2014:

| (In thousands) | 2015 | 2014 |
|----------------|--------------------|--------------------|
| C B O : | | |
| B | \$ (57,927) | \$ (42,706) |
| | (8,486) | (5,846) |
| I | (2,477) | (1,991) |
| A () | 10,265 | (7,695) |
| B | 662 | 311 |
| O | 8 | |
| E | <u>\$ (57,955)</u> | <u>\$ (57,927)</u> |
| C P A : | | |
| B | \$ 32,397 | \$ 24,004 |
| A | 155 | 2,107 |
| E | 9,122 | 6,286 |
| E | 662 | 311 |
| B | (662) | (311) |
| O | (6) | |
| E | <u>\$ 41,668</u> | <u>\$ 32,397</u> |
| F | <u>\$ (16,287)</u> | <u>\$ (25,530)</u> |
| A | | |
| F | | |
| A | <u>\$ (16,287)</u> | <u>\$ (25,530)</u> |
| | <u>\$ (16,287)</u> | <u>\$ (25,530)</u> |
| A N - R A : | | |
| N | \$ 191 | \$ 9,258 |
| | <u>\$ 191</u> | <u>\$ 9,258</u> |

FA B

N 5.

2014

2014.

2015

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

2, ;L 1, ;L
L 3, ;
.C
.F D 31, 2015 2014,
D 31, 2015,

| (In thousands) | Fair Value Measurements at Reporting Date Using | | |
|----------------|---|--|--|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| F | | | |
| C | \$ 30 | \$ | \$ |
| M | 19,981 | | |
| M | 863 | | |
| M | 20,794 | | |
| | <u>\$ 41,668</u> | <u>\$</u> | <u>\$</u> |
| | | D | 31, 2014, |

| (In thousands) | Fair Value Measurements at Reporting Date Using | | |
|----------------|---|--|--|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| F | | | |
| C | \$ 5,099 | \$ | \$ |
| M | 13,070 | | |
| M | 785 | | |
| M | 12,790 | | |
| G | | 653 | |
| | <u>\$ 31,744</u> | <u>\$ 653</u> | <u>\$</u> |

O

.O

D 31, 2014. A D 31, 2014,

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Defined Contribution Plan

| | | |
|------------|-------|-------|
| | P | |
| 2015, 2014 | 2013, | |
| | \$4.6 | \$4.5 |
| | | \$4.5 |

12. FAIR VALUE MEASUREMENTS

2, ;L 1, ;L
L 3, ;
.C
.F D 31, 2015 2014,
O D 31, 2015,

| Fair Value Measurements at Reporting Date Using | | | |
|---|---|--|--|
| (In thousands) | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| F | \$ 49 | \$ | \$ |
| C | 35,813 | | |
| M | 976 | | |
| I | | 112 | |
| F | | (3,548) | |
| I | \$ 36,838 | \$ (3,436) | \$ |
| O | - | D | 31, 2014, |

| Fair Value Measurements at Reporting Date Using | | | |
|---|---|--|--|
| (In thousands) | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| F | \$ 5,452 | \$ | \$ |
| C | 26,715 | | |
| M | 667 | | |
| I | | (1,934) | |
| F | \$ 32,834 | \$ (1,934) | \$ |

A D 31, 2015 2014,

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

ITC Transmission

I C 345
 50.4% . I C
 \$28.8 D 31, 2015.
 O A 234 M I C . A O
 I C

METC

ME C C E ,
 A R D I A
 C E D 31, 2015, ME C)
 \$13.9 (\$0.1 ME C 345)
 ME C 6.3% 92.0%. I
 ME C 345
 ME C 608 M
 . A D 31, 2015, ME C
 ME C
 \$41.0
 1.0% 41.9%.

ITC Midwest

I C M . A
 D 31, 2015, I C M \$18.4
 (\$0.7) I C M
 28.0% 80.0%. A D 31, 2015,
 I C M \$32.9 ()
 \$0.1 I C M
 48.0% 80.0%.

ITC Great Plains

I M 2014, I C G P
 49.0% . I C G P
 . A D 31, 2015, I C G P
 \$6.5 I C G P 51.0%.

16. COMMITMENTS AND CONTINGENT LIABILITIES

Environmental Matters

. A

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

D 31, 2015,

ME C \$10.5

ME C

D 31, 2015

ME C

Rate of Return on Equity and Capital Structure Complaints

ON 12, 2013, A B A E C MI O
 C I G I E C I G (I E C I M L
 I FERC 206 FPA(I C FERC) 12.38%
 MI O ROE (ROE) MI O O , I C ME C I C
 M MI O R O FERC 9.15% I C ROE
 60% , FERC (MI O R O) I C ROE
 I C I C H R O I C ME C
 O ,
 O J 19, 2014, 206 ROE I O N E
 O , FERC ROE DCF (- DCF) - -
 - ROE FERC ROE
 - DCF I O N E ROE
 MI O ROE
 O O 16, 2014, FERC I C FERC ROE
 FERC FERC- I C 50% ME C ROE
 O ROE
 O FERC N 12, 2013.
 D 2014, MI O O FERC J 5, 2015, C J FERC 47
 O A 6, 2015, MI O O I C
 ROE FERC
 ROE, 11, 2015 (I R P) . H 11.39% ROE N 12, 2013
 F 11, 2015 (I R P) . O D 22, 2015, ROE 10.32% I
 R P , ROE 11.35% , ROE 10.32% I
 I C FERC MI O O / I
 R P FERC ROE ROE ROE I

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

ROE
 C

Purchase Obligations and Leases

A D 31, 2015, \$61.4 D 31, 2015,
 2016,
 \$1.1, \$1.0 \$0.8 D 31, 2015, 2014 2013,

A C E O C ME C A R E ME CE A
 F D 31, 2015 :

(In thousands)

| | |
|------|-----------------|
| 2016 | \$ 932 |
| 2017 | 824 |
| 2018 | 700 |
| 2019 | 545 |
| 2020 | 1,971 |
| | <u>\$ 4,972</u> |

Other Commitments

METC

A P), C A E A ME C MI O. C E (A
 A C A E .C E ME C
 N . 888 FERC- .ME C FERC O
 - , - M 1, 2002
 A A C A E
 C E (E A) ME C E A
 .C E ()
 - - \$10.0 E A

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

D 31, 2050 10 50- .P C E
 E A
ITC Midwest
 O A F 34.5 I CM IP&L
 2011, IP&L (O A), J 1,
 D 31, 2015 I CM 34.5 O A

ITC Great Plains
 G P M A M -K E C LLC (M -K) I C
 2010, J 1, 2015, A), A 24,
 K A 10 10- I C G P M -
 (3) I C G P , (2) (1) ,

Concentration of Credit Risk

O 20.8%, 21.9% D E E , C E IP&L,
 , 26.8%, , \$232.6 , \$244.6 \$299.9 ,
 D E E , C E D IP&L 2013
 2015 2015
 MI O R D E E , C E IP&L 2017.A . MI O,
 I C G P I C G P . MI O PP IP&L
 , MI O PP ,

17. ENTERGY TRANSACTION

I 2011, E I C H E I C H . C
 E . O D 10, 2013, M P C
 E I C H . O D 13, 2013, I C H E I .
 F D 31, 2014 2013, ,
 E \$0.4 \$43.1 , \$0.7 \$7.8 ,
 . D 2013 E , \$5.6
 R O E I C H .

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

18. SEGMENT INFORMATION

FA B

Regulated Operating Subsidiaries

I C , ME C, I C M I C G P
 FER.C.

ITC Holdings and Other

I I C H O I C H
 R O

| | Regulated Operating Subsidiaries | ITC Holdings and Other | Reconciliations/ Eliminations | Total |
|----------------|---|-----------------------------------|--|--------------|
| 2015 | | | | |
| (In thousands) | | | | |
| O | \$ 1,044,311 | \$ 1,057 | \$ (600) | \$ 1,044,768 |
| D | 143,956 | 716 | | 144,672 |
| I | 97,337 | 106,442 | | 203,779 |
| I () | 529,484 | (145,607) | | 383,877 |
| I () | 200,582 | (59,111) | | 141,471 |
| N | 328,902 | 242,406 | (328,902) | 242,406 |
| P , | 6,093,499 | 16,140 | | 6,109,639 |
| G | 950,163 | | | 950,163 |
| () | 7,479,286 | 4,158,986 | (4,056,150) | 7,582,122 |
| C | 687,988 | 3,428 | (7,276) | 684,140 |
| 2014 | | | | |
| (In thousands) | | | | |
| O | \$ 1,023,170 | \$ 605 | \$ (727) | \$ 1,023,048 |
| D | 127,320 | 716 | | 128,036 |
| I | 81,225 | 105,418 | (7) | 186,636 |
| I () | 548,704 | (154,299) | | 394,405 |
| I () | 210,914 | (60,592) | | 150,322 |
| N | 337,790 | 244,083 | (337,790) | 244,083 |
| P , | 5,483,093 | 13,782 | | 5,496,875 |
| G | 950,163 | | | 950,163 |
| () () | 6,854,387 | 3,944,318 | (3,839,127) | 6,959,578 |
| C | 736,751 | 1,471 | (5,077) | 733,145 |

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

| 2013 | Regulated Operating Subsidiaries | ITC Holdings and Other | Reconciliations/ Eliminations | Total |
|----------------|---|-----------------------------------|--|--------------|
| (In thousands) | | | | |
| O | \$ 941,571 | \$ 567 | \$ (866) | \$ 941,272 |
| D | 117,924 | 672 | | 118,596 |
| I | 70,239 | 98,660 | (580) | 168,319 |
| I () | 515,327 | (162,959) | | 352,368 |
| I () | 193,764 | (74,902) | | 118,862 |
| N | 321,563 | 233,506 | (321,563) | 233,506 |
| P , | 4,833,545 | 12,981 | | 4,846,526 |
| G | 950,163 | | | 950,163 |
| () () | 6,159,153 | 3,619,759 | (3,513,894) | 6,265,018 |
| C | 824,165 | 2,208 | (4,785) | 821,588 |

() R

R O

() A

. R N 3 10

19. SUPPLEMENTARY QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Q

| (In thousands, except per share data) | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Year |
|--|--------------------------|---------------------------|--------------------------|---------------------------|--------------|
| 2015 | | | | | |
| O () () | \$ 272,487 | \$ 275,058 | \$ 273,189 | \$ 224,034 | \$ 1,044,768 |
| O () () | 149,452 | 158,408 | 149,644 | 103,213 | 560,717 |
| N () () | 67,132 | 72,336 | 65,573 | 37,365 | 242,406 |
| B | \$ 0.43 | \$ 0.47 | \$ 0.42 | \$ 0.25 | \$ 1.57 |
| D | \$ 0.43 | \$ 0.46 | \$ 0.42 | \$ 0.24 | \$ 1.56 |
| 2014 | | | | | |
| O () | \$ 258,603 | \$ 263,214 | \$ 270,134 | \$ 231,097 | \$ 1,023,048 |
| O () | 153,441 | 158,928 | 161,432 | 119,028 | 592,829 |
| N () () | 69,136 | 54,336 | 73,873 | 46,738 | 244,083 |
| B | \$ 0.44 | \$ 0.34 | \$ 0.47 | \$ 0.30 | \$ 1.56 |
| D | \$ 0.43 | \$ 0.34 | \$ 0.47 | \$ 0.30 | \$ 1.54 |

() D

D 31, 2015

2014,
ROE

\$115.1

N 16,
\$46.9
D 31,

2015 2014, \$73.2 \$28.9

ITC HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

() D 2015, N 4, \$6.2
 \$9.5
 D 31, 2015.

() D 2014, N 8, \$29.2
 I C H \$18.2

20. SUBSEQUENT EVENTS

O F 9, 2016, F I . (F), F I . (F), E A I . (M)
) I C H (M A),
 M (M). I M , I C H \$22.57 0.7520 F
 F I C H M , I C H N
 E 27% F . F E .
 M F , 2016, I C H
 M . . . F C , . . . D FERC, C F I
 M M . A , M M
 M A , M
 M A (, I C H F M A).
 I M A 9, 2017 (, M
 A M A I C H). M F A M
 I C H F . I M A \$245
 I C H F I M A \$280
 I 2016, , M \$10
 . A D 31, 2015 M
 M
 R O I C H
 P M A , M ,
 . M

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

N .

ITEM 9A. CONTROLS AND PROCEDURES.

M R I C O F R I 8 F 10-K.
D & LLP, I 8 F 10-K.

Disclosure Controls and Procedures

EC E A ,
C E O , C
F O , , .I C
.B , ,
A , C E O , C F O ,
E A .B , C E O C F O R 13 -15

Changes in Internal Control over Financial Reporting

D 31, 2015 ,

ITEM 9B. OTHER INFORMATION.

N .

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

16() B O R C C E G D , E P O ,
(A C)

ITEM 11. EXECUTIVE COMPENSATION.

D P I C E O

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

M P I O M

Equity Compensation Plans

C - 2015 L IP,
E PP, -
2006 L IP,

2015 (): D 31,

| <u>Plan Category</u> | <u>Number of Shares to be Issued Upon Exercise of Outstanding Options</u> | <u>Weighted Average Exercise Price of Outstanding Options</u> | <u>Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans(a)</u> |
|----------------------|---|---|--|
| E | 3,817 | \$ 25.94 | 11,276 |

() : 1) D 31, 2015 ; 2)
; 3)
2015 L IP 4,600,000

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

G D I P C C

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

R P A F I R P A P 3 A I

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

() (1) F :

| | | | | | | | | |
|------|---|---|---|---|---|----------|----------------|----------------|
| M | R | I | C | F | R | | | |
| R | I | R | P | A | F | | | |
| R | I | R | P | A | F | | | |
| C | | | F | P | D | 31, 2015 | 2014 | |
| C | | | O | | E | D | 31, 2015, 2014 | 2013 |
| C | | | C | I | | E | D | 31, 2015, 2014 |
| C | | | C | | E | | E | D |
| 2013 | | | | | | | | 31, 2015, 2014 |
| C | | | C | F | E | D | 31, 2015, 2014 | 2013 |
| N | C | F | | | | | | |

(2) F

| | | | | | | |
|---|---|---|---|---|---|-------|
| | I | C | F | I | R | |
| A | | | | | R | - () |
| | | | | | | , () |

()

. At the request of any shareholder, ITC Holdings will furnish any exhibit upon the payment of a fee of \$.10 per page to cover the costs of furnishing the exhibit.

SCHEDULE I — Condensed Financial Information of Registrant

ITC HOLDINGS CORP.

CONDENSED STATEMENTS OF FINANCIAL POSITION (PARENT COMPANY ONLY)

| (In thousands, except share data) | | December 31, | |
|---|------------------|---------------------|---------------------|
| | | 2015 | 2014 |
| ASSETS | | | |
| Current assets | | | |
| C | | \$ 8,185 | \$ 6,305 |
| A | | 38,010 | 42,665 |
| P | | 1,674 | 1,655 |
| | | <u>47,869</u> | <u>50,625</u> |
| Other assets | | | |
| I | | 4,010,767 | 3,784,609 |
| D | | 21,241 | 25,887 |
| D | (\$6,670 | \$4,700, | |
| |) | 12,322 | 14,117 |
| O | | 64,098 | 67,376 |
| | | <u>4,108,428</u> | <u>3,891,989</u> |
| TOTAL ASSETS | | <u>\$ 4,156,297</u> | <u>\$ 3,942,614</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Current liabilities | | | |
| A | | \$ 3,421 | \$ 2,431 |
| A | | 24,123 | 23,502 |
| A | | 34,836 | 34,815 |
| D | | 395,334 | |
| O | | 7,084 | 4,266 |
| | | <u>464,798</u> | <u>65,014</u> |
| Accrued pension and postretirement liabilities | | 61,609 | 69,562 |
| Other | | 1,186 | 3,237 |
| Long-term debt (| | 1,919,633 | 2,135,244 |
| | \$3,404 \$3,940, | | |
| |) | | |
| STOCKHOLDERS' EQUITY | | | |
| C | , 300,000,000 | 152,699,077 | |
| 155,140,967 | D | 31, 2015 | 2014, |
| | | 829,211 | 923,191 |
| R | | 875,595 | 741,550 |
| A | | 4,265 | 4,816 |
| | | <u>1,709,071</u> | <u>1,669,557</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | | <u>\$ 4,156,297</u> | <u>\$ 3,942,614</u> |
| | | (|). |

SCHEDULE I — Condensed Financial Information of Registrant

ITC HOLDINGS CORP.

CONDENSED STATEMENTS OF OPERATIONS (PARENT COMPANY ONLY)

| (In thousands) | Year Ended December 31, | | |
|---|-------------------------|-------------------|-------------------|
| | 2015 | 2014 | 2013 |
| O | \$ 996 | \$ 786 | \$ 1,487 |
| G | (5,526) | (7,336) | (56,707) |
| I | (106,442) | (105,411) | (98,660) |
| L | | (29,205) | |
| O | (163) | (196) | (3,609) |
| LOSS BEFORE INCOME TAXES | (111,135) | (141,362) | (157,489) |
| INCOME TAX BENEFIT | (45,652) | (55,646) | (72,798) |
| LOSS AFTER TAXES | (65,483) | (85,716) | (84,691) |
| EQUITY IN SUBSIDIARIES' NET EARNINGS | 307,889 | 329,799 | 318,197 |
| NET INCOME | \$ 242,406 | \$ 244,083 | \$ 233,506 |

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SCHEDULE I — Condensed Financial Information of Registrant

ITC HOLDINGS CORP.

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (PARENT COMPANY ONLY)

| (In thousands) | Year Ended December 31, | | |
|--|-------------------------|-------------------|-------------------|
| | 2015 | 2014 | 2013 |
| NET INCOME | \$ 242,406 | \$ 244,083 | \$ 233,506 |
| OTHER COMPREHENSIVE (LOSS) INCOME | | | |
| D (\$967, \$1,897, \$16,087) | (375) | (1,479) | 24,304 |
| A - - D (\$126, \$18, \$46) | (176) | (32) | 71 |
| TOTAL OTHER COMPREHENSIVE (LOSS) INCOME, NET OF TAX | (551) | (1,511) | 24,375 |
| TOTAL COMPREHENSIVE INCOME | \$ 241,855 | \$ 242,572 | \$ 257,881 |
| | (|). | |

**SCHEDULE I — Condensed Financial Information of Registrant
ITC HOLDINGS CORP.
CONDENSED STATEMENTS OF CASH FLOWS (PARENT COMPANY ONLY)**

| (In thousands) | Year Ended December 31, | | |
|---|-------------------------|------------|-----------|
| | 2015 | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| N | \$ 242,406 | \$ 244,083 | 233,506 |
| A | | | |
| E | (307,889) | (329,799) | (318,197) |
| D | 185,303 | 224,167 | 169,973 |
| D | (116,243) | (122,413) | (117,956) |
| L | | 29,205 | |
| I | 120,863 | 124,315 | 112,008 |
| - | 17,674 | 14,652 | 15,667 |
| O | 3,108 | 2,852 | (226) |
| C | | | |
| A | 3,158 | 1,304 | (979) |
| P | 92 | 4,154 | 16,948 |
| A | 990 | (3,869) | (2,294) |
| A | 621 | 1,572 | 1,190 |
| A | 21 | (2,671) | 6,501 |
| A | 8,996 | 11,147 | (179) |
| | (11,707) | (7,767) | (4,302) |
| O | 2,416 | (2,425) | 2,278 |
| O | 6,006 | 3,078 | 12,465 |
| N | 155,815 | 191,585 | 126,403 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| E | (263,150) | (348,661) | (339,770) |
| R | 161,075 | 126,900 | 96,120 |
| P | 673 | 495 | 20,844 |
| P | (10,422) | (6,091) | (22,250) |
| O | (750) | (984) | |
| N | (112,574) | (228,341) | (245,056) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| I | | 398,664 | 548,484 |
| B | 838,900 | 533,900 | 222,800 |
| B | | 60,000 | 390,000 |
| N | 94,630 | | |
| R | | (248,625) | (267,000) |
| R | (754,700) | (480,400) | (252,400) |
| R | | (39,000) | (450,000) |
| I | 13,635 | 20,713 | 10,042 |
| D | (108,275) | (95,595) | (84,129) |
| R | (137,081) | (134,284) | (4,885) |
| | 11,707 | 7,767 | 4,302 |
| A | | (20,000) | |
| R | | 20,000 | |
| O | (177) | (6,932) | 5,746 |
| N () | (41,361) | 16,208 | 122,960 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 1,880 | (20,548) | 4,307 |
| CASH AND CASH EQUIVALENTS — Beginning of period | 6,305 | 26,853 | 22,546 |
| CASH AND CASH EQUIVALENTS — End of period | \$ 8,185 | \$ 6,305 | \$ 26,853 |
| I () | \$ 103,915 | \$ 105,817 | \$ 90,224 |
| I | 55,722 | 44,524 | 20,092 |
| E | 1,497 | 6,227 | 6,213 |

()

SIGNATURES

P 13 15() E A 1934, C N ,
M , F 25, 2016.

ITC HOLDINGS CORP.

B : // JO EPH L. ELCH

J L.
C , P C E O

P E A 1934, :

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|---|--------------|-------------|
| // JO EPH L. ELCH J L. | E C O () | F 25, 2016 |
| // REJJI P. HA E R P. H | P C F O () | F 25, 2016 |
| // ALBER ERN A E | D | F 25, 2016 |
| // CHRI OPHER H. FRANKLIN C H. F | D | F 25, 2016 |
| // ED ARD G. JEP EN E G. J | D | F 25, 2016 |
| // DA ID R. LOPE D R. L | D | F 25, 2016 |
| // HA EL R. OLEAR H R. OL | D | F 25, 2016 |
| // HOMA G. EPHEN G. | D | F 25, 2016 |
| // GORDON BENNE E AR , III G B , III | D | F 25, 2016 |
| // LEE C. E AR L C. | D | F 25, 2016 |

EXHIBITS

. O EC 001-32576.

| <u>Exhibit No.</u> | <u>Description of Exhibit</u> |
|--------------------|--|
| 2.1 | A I., F I., P I., M ICH, C F (9, 2016, F F 8-K I., E A 11, 2016) |
| 3.1 | A 2013 F 10-K) R A I R , (R |
| 3.2 | F A 2014 F 10-K) R B R F 24, 2015 (R |
| 4.1 | F C , R . N . 333-123657) (R R F -1, |
| 4.3 | I (, R J R 16, 2003, R F -1, BN M , R . N . 333-123657) |
| 4.5 | F M BN M D C , J 15, 2003, I R C F -1, , R . N . 333-123657) |
| 4.6 | F C 333-123657) J 15, 2003, J I R 15, 2003, C F -1, F M BN M D , R . N . |
| 4.7 | C 333-123657) J I 15, 2003, J I R 15, 2003, C F -1, F M BN M D , R . N . |
| 4.8 | A C F -1, BN M I , R . N . 333-123657) J (19, 2005, I R |
| 4.9 | A C , (B R N I , C M 24, 2006, I BN M , N.A. (30, 2006) |
| 4.10 | C , J 15, 2003, M I F 8-K M C 30, 2006) F M BN M D |
| 4.12 | J BN M 16, 2003, I R , O B N 10, 2006, F C 8-K , N.A., (10, 2006) |
| 4.14 | F M BN M I D 10, 2003 (E R F C 10-Q , LLC JPM C |
| 4.17 | I CH F 10-Q C . N P A 30, 2007) 20, 2007 (R |
| 4.18 | J BN M 16, 2003, I R , J B N 24, 2008, F C 8-K , N.A. (J 25, 2008) |
| 4.19 | F M BN M D C , N.A., J 14, 2008, F I CM 8-K LLC F 1, 2008) |
| 4.20 | F D I CM , LLC , J B J N 14, 2008 (C R , N.A., F M 8-K , F I M 1, |

- 4.21 F B N I , C M 25, 2008, I C
J 15, 2003 (R , N.A., F 8-K M F M D C
- 4.23 B N M I C D 15, 2008, I C M LLC
(N.A.), F 8-K F M D , N.A. (B N C
R D 23, 2008) J 14, 2008 (C
- 4.24 M M I C I , N.A. (N 25, 2008, ME C B N F
M I D 10, 2003 (E R F 8-K , LLC D JPM C B
, N.A.)
- 4.25 F B N M I C D 11, 2009, I C H C C N.A.,
14, 2009) BN M C), (R F 8-K D
- 4.26 F B N M I C D 10, 2009, I C M LLC
(N.A.), (R F 8-K D B N C
- 4.27 F C B), LLC (B R N M A 20, 2010, M E JPM C
F 8-K C M 10, 2010)
- 4.28 N R M I C , N.A. (D B 15, 2008, I C M LLC B
F 10-Q J N 30, 2011) C , N.A.) (
- 4.29 F M R C I F , N.A. (J 15, 2011, I C M LLC B N
(R F 10-Q J N 30, 2011) C , N.A.)
- 4.30 N M I C , N.A. (N 29, 2011, I C M LLC B
(R F 8-K D B N C , N.A.)
- 4.31 C B), LLC (B R N O 5, 2012, M E JPM C
F 8-K O , N.A. (29, 2012)
- 4.32 N M I C , N.A. (M 18, 2013, I C M LLC B
(R F 8-K A 8, 2013) B N C , N.A.)
- 4.33 I A , A 18, 2013,) (I C H R C ' F -3 F A B N
() () (R ' F 18, 2013)
- 4.34 F N A I , (J 3, 2013,) (I C H R C ' F F B ,
2013) () (R ' F 8-K J 3,
- 4.35 F B N M I , A 7, 2013, I C
() (R , N.A. (F 8-K BN M C C) ,
A 16, 2013)
- 4.36 F M M C I , N.A. (M 16, 2014, I C H C B N
M C) (B R N F 8-K M , N.A., BN
16, 2014)
- 4.38 B , N F A I , J 4, 2014 I C H N C . 2024 (F
R F 8-K J 4, 2014) 3.65%
- 4.39 B N M I , M 23, 2014, I C
(R F 8-K J , N.A. (BN M C C) ,
10, 2014)
- 4.40 F M B D A , N (12, 2014, I C G P , LLC
2014) F B , N A , (R F 8-K N 26,

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- 4.41 F B , N I A , , N (12, 2014, F I C G P , LLC (8-K N , 26, 2014)
- 4.42 C B), , LLC (I B R N M D 5, 2014, M E JPM C (F 8-K D , N.A. (22, 2014)
- 4.43 E N (M R I C , N.A. (M 18, 2015, B I C M LLC C , B , N.A.), (F 8-K A 8, 2015)
- *10.27 D R . N . 333-123657) P (R R R F -1, ,
- *10.45 F P (R R A F A 8-K E A 18, 2006) R 2006L I
- *10.46 F (R O A F 8-K E A 18, 2006) R 2006 L I P
- 10.51 F M A E R C E (A R C F 10-Q E C 30, 2006)
- 10.52 A F 10-Q C R C A 1, 2001 O C A M 1, 2002 (M R E (E 30, 2006)
- 10.53 A 2002 (C R E F C 10-Q 1, 2001 P M E A C A , M 1, (R 30, 2006)
- *10.64 F 12, 2007 (A R R E 2007 F G 10-K) B P R , N
- *10.75 F F 8-K A A 19, 2008) A 2006 L IP (A 2008) (R
- *10.76 F F 8-K A A 19, 2008) A 2006 L IP)(A 2008)(R
- *10.77 F A 19, 2008) O A 2006 L IP (A 2008) (R F 8-K
- *10.78 F 8-K R A 19, 2008) A A 2006 L IP (A 2008) (R F
- *10.80 M B P (R 2008 F 10-K)
- *10.81 E R P (R 2008 F 10-K)
- *10.97 R A F 8-K R J 1, 2011) 2006 L I P M 26, 2011 (
- *10.98 I C H R F C E J 1, 2011) P P , M 26, 2011 (
- 10.104 F (M 2012) (O A R E F 10-Q O A J 30, 2012) R 2006 L IP
- 10.105 F 2006 L IP (M 2012) (A A R E F 10-Q O A J 30, 2012) R
- *10.108 E 2012 (A R ' F I C H 8-K D C . J L. , D 21, (F 8-K 26, 2012)
- *10.109 E 2012 (A R ' F I C H 8-K D C . L H. B , D 21, (F 8-K 26, 2012)
- *10.110 E 2012 (A R ' F I C H 8-K D C . J E. J , D 21, (F 8-K 26, 2012)

- *10.111 E 21, 2012 (A R ' F I C H 8-K D C . D J. O , D
- *10.112 R D 21, 2012 (A R ' F I C H 8-K D C . J L , 26, 2012)
- *10.120 F R A F 10-Q E R P , M 16, 2013 (J 30, 2013)
- *10.122 R D 2, 2013) R C , J 1, 2014 (R ' F 8-K
- 10.123 I C H 2013 L C A , D 20, 2013, I C H C ' F B , N A LLC M L , P , F & I , F ; LLC, J.P. M , B A R , N.A., ' F 8-K D 20, 2013) JPM C
- 10.124 M E C 2014 C L C A J 31, 2014, M E C , LLC, G (B R A, F 8-K J 31, 2014)
- 10.125 A R O R L I P L A C , I C M M A I 6, 2013 (R 2013 F 10-K)
- 10.126 I C H R C A , M 28, 2014, I C H C , JPM C B , N.A., , J.P. M LLC, B B PLC JPM F B , N , LLC, A , (R B F 8-K M 28, 2014) PLC PLC
- 10.127 I C R C A , M 28, 2014, I C B PLC , JPM C B , N.A., , J.P. M LLC, B B PLC F B , N , LLC, A , (R B F 8-K M 28, 2014)
- 10.128 M E C R C A , M 28, 2014, M E C , LLC, JPM C B , N.A., , J.P. M LLC, B B PLC PLC F B , N , LLC, A , (R B F 8-K M 28, 2014)
- 10.129 I C M R C A , M 28, 2014, I C M LLC, JPM C B , N.A., , J.P. M LLC, B B PLC JPM F B , N , LLC, A , (R B F 8-K M 28, 2014) PLC PLC
- 10.130 I C G P R C A , M 28, 2014, I C G P , LLC, JPM C B , N.A., , J.P. M LLC, B B PLC JPM F B , N , LLC, A , (R B F 8-K M 28, 2014) PLC PLC
- *10.133 F R N 2003 A P O P A E O R A F 10-Q J 30, 2014) (M 2014) (R A F
- *10.134 F R N 2006 L IP (M 2014) (O A R F E O J A 10-Q 30, 2014)
- *10.135 F (M 2014) (O A R F E O J A 10-Q 30, 2014) R 2006 L IP

- *10.136 F A A E O A R 2006 L IP
(M 2014)(R F 10-Q J 30, 2014)
- *10.137 E A R F I C H C R P.H D 21,
2012 (R F 10-Q C . R P.H 30, 2014)
- *10.138 E A F 8-K I C H C R P.H O 27, 2014
(R A F 8-K O 29, 2014)
- *10.139 I C H C . E J P P M 21, 2014 (R
F 10-Q C . E J P P M 21, 2014 (R
- *10.140 30, 2015) A I P (2015)(R F 10-Q M
- *10.141 F R A A (5) (F 2015)(R F
10-Q R A M A 30, 2015)
- 10.142 A M R E D C - , LLC C I A C ,
J 1, 2015 (R F 10-Q , LLC C I M E A C ,
- *10.143 I C H C . 2015 E P P (R F 10-Q
J 30, 2015)
- *10.144 I C H C . 2015 L I P (R F 10-Q
J 30, 2015)
- *10.145 F O G A A R 2006 L IP (M 2015)
(R O F A 10-Q J 30, 2015)
- *10.146 F R G A A R 2006 L IP (M 2015)
(R R F 10-Q J A 30, 2015)
- *10.147 F P R A A A R 2006 L IP (M
2015)(R A F 10-Q J 30, 2015)
- *10.148 F A 2014 O G A (M 2015)(R F 10-
Q A J 30, 2015)
- *10.149 F A 2014 R G A (M 2015)(R F
10-Q A J 30, 2015)
- *10.150 E A R I C H C C M
F 3, 2015 (R F 10-Q J 30, 2015)
- 10.151 A R G I A M E
O , I C , LLC, C 30, 2015 (C R M F 10-Q I
- 10.152 ME C 2015 L C A D 8, 2015, M E
C , LLC, B B PLC, L
(, R B F 8-K D 10, 2015) L
- 10.153 LLC, A D - I P L A C , L D I C M
F O 21, 2015
- 10.154 R D O G O A 16, 2006, N 18, 2015,
R D O G O A 16, 2006, N 18, 2015,
- *10.155 L A F 8-K F 8, 2016, I C H C J L ()
R A F 8-K F 8, 2016, I C H C J L ()
- 12.1 R E F C I C H C .
- 21 L
- 23.1 C D & LLP R

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|---------|--------|---|------|----------|-----------------------|-----|---|-------|
| 31.1 | C | C | E | O 302 | R 13 -14 -O A 2002 | E | A | 1934, |
| 31.2 | C | C | F | O 302 | R 13 -14 -O A 2002 | E | A | 1934, |
| 32 | C O | A | 2002 | 18 . .C. | 1350, | 906 | | - |
| 101.IN | BRL | I | D | | | | | |
| 101. CH | BRL | | E | | | | | |
| 101.CAL | BRL | | E | C | L | | | |
| 101.DEF | BRL | | E | D | D | | | |
| 101.LAB | BRL | | E | L | L | | | |
| 101.PRE | BRL | | E | P | L | | | |

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