
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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Docket Nos. EC05-65-000,
EL05-94-000

COMMISSION AUTHORIZES INITIAL PUBLIC OFFERING FOR TRANSMISSION SERVICES COMPANY

The Federal Energy Regulatory Commission today authorized an initial public offering (IPO) of stock by ITC Holdings Corp., the parent of International Transmission Co., a transmission operating company within the Midwest Independent Transmission System Operator. To assure independence of the transmission company, today's order limits public stock ownership by any single market participant to less than 5 percent.

"This represents an important transition for the electric industry to business models where the economic incentive of the company is directly in line with customers," said Commissioner Nora Mead Brownell. "Companies whose only business is transmission invest more, operate with greater efficiency and are totally focused on providing quality transmission service to customers," she added.

ITC Holdings and International Transmission are direct and indirect subsidiaries of International Transmission Holdings Limited Partnership (Partnership), respectively. The Partnership's general and controlling partner is Ironhill Transmission LLC. The Partnership's limited partners are investment partnerships managed by affiliates of Kohlberg Kravis Roberts & Co., Trimaran Capital Partners LLC, and Stockwell Fund LP.

The Partnership owns approximately 91 percent of the common stock of ITC Holdings, with the remaining 9 percent owned by management and employees of ITC Holdings and International Transmission Co. ITC Holdings, in turn, owns all the common stock of International Transmission.

With the IPO, ITC Holdings and International Transmission plan to offer up to 49.9 percent of ITC Holdings' common stock to the public. Further public offerings are anticipated to ultimately make 100 percent of the company's common stock publicly traded. After the IPO, ITC Holdings will have one class of common stock and the common stock will have one vote per share.

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