ITC Holdings Corp.
Form 424B5
June 27, 2013

Filed pursuant to Rule 424(b)(5)
Registration No. 333-187994

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Maximum offering price per note	Maximum aggregate offering price	Amount of registration fee(1)
4.05% Notes due 2023	$250,000,000	99.715%	$249,287,500	$34,002.82
5.30% Notes due 2043	$300,000,000	99.732%	$299,196,000	$40,810.34

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated April 18, 2013)
Issued June 26, 2013

ITC Holdings Corp.

$250,000,000 4.05% NOTES DUE JULY 1, 2023

$300,000,000 5.30% NOTES DUE JULY 1, 2043

We are offering $250,000,000 of our 4.05% notes due 2023 (the "2023 notes") and $300,000,000 of our 5.30% notes due 2043 (the "2043 notes" and, together with the 2023 notes, the "notes"). The 2023 notes will bear interest at a rate of 4.05% per annum and will mature on July 1, 2023. The 2043 notes will bear interest at a rate of 5.30% per annum and will mature on July 1, 2043. We will pay interest semi-annually on the notes in arrears on January 1 and July 1 of each year, beginning January 1, 2014.

We may redeem any of the notes at our option, in whole at any time or in part from time to time, at the redemption prices described beginning on page S-15. The notes are our direct, senior unsecured obligations and will rank equally in right of payment with all of our other existing and future senior unsecured indebtedness. There is no sinking fund for the notes.

The notes are new issues of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes on any automated dealer quotation system.

Investing in the notes involves risks. See "Risk Factors" beginning on page S-6 of this prospectus supplement.

	Price to Public(1)	Underwriting Discounts and Commissions	Proceeds to us (before expenses)(1)
Per 2023 note	*99.715%*	*0.65%*	*99.065%*
2023 notes total	*$249,287,500*	*$1,625,000*	*$247,662,500*
Per 2043 note	*99.732%*	*0.875%*	*98.857%*
2043 notes total	*$299,196,000*	*$2,625,000*	*$296,571,000*
Total	*$548,483,500*	*$4,250,000*	*$544,233,500*

(1) Plus accrued interest, if any, from July 3, 2013, if settlement occurs after that day.

Neither the Securities and Exchange Commission (the "Commission") nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes on or about July 3, 2013, only in book-entry form through the facilities of The Depository Trust Company (the "DTC") for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear system, and Clearstream Banking S.A.

Joint Book-Running Managers

Morgan Stanley	***Credit Suisse***
Deutsche Bank Securities	***Wells Fargo Securities***
Barclays	***J.P. Morgan***

Co-Manager

PNC Capital Markets LLC

June 26, 2013.

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We have not, and the underwriters have not, authorized anyone to provide you with any additional information or any information that is different from that contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any free writing prospectus provided in connection with this offering. Neither we nor the underwriters take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying prospectus may be used only where it is legal to sell these securities. The information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus is accurate only as of the date on the cover of the respective document, unless the information specifically indicates that another date applies. Our business, financial condition, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of the notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information about us and the securities we may offer from time to time under our shelf registration statement, some of which may not apply to this offering of the notes. If the description of this offering of the notes in the accompanying prospectus is different from the description in this prospectus supplement, you should rely on the information contained in this prospectus supplement.

You should read this prospectus supplement, the accompanying prospectus, the documents incorporated by reference into this prospectus supplement and the accompanying prospectus, the additional information described under "Where You Can Find More Information" and "Information Incorporated by Reference" in this prospectus supplement and any free writing prospectus provided in connection with this offering before deciding whether to invest in the notes offered by this prospectus supplement.

You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountants and other advisers for legal, tax, business, financial and related advice regarding the purchase of any of the notes offered by this prospectus supplement.

The securities are being offered only for sale in jurisdictions where it is lawful to make such offers. Offers and sales of the securities in the European Union and the United Kingdom are subject to restrictions, the details of which are set out in the section entitled "Underwriting (Conflicts of Interest)." The distribution of this prospectus supplement and the accompanying prospectus and the offering of the securities in other jurisdictions may also be restricted by law. Persons who receive this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. See "Underwriting (Conflicts of Interest)."

Unless otherwise noted or the context requires, all references in this prospectus supplement to:

- "ITC Great Plains" are references to ITC Great Plains, LLC, a wholly-owned subsidiary of ITC Grid Development, LLC;
- "ITC Grid Development" are references to ITC Grid Development, LLC, a wholly-owned subsidiary of ITC Holdings;
- "ITC Holdings" are references to ITC Holdings Corp. and not to any of its subsidiaries;
- "ITC Midwest" are references to ITC Midwest LLC, a wholly-owned subsidiary of ITC Holdings;
- "ITCTransmission" are references to International Transmission Company, a wholly-owned subsidiary of ITC Holdings;
- "METC" are references to Michigan Electric Transmission Company, LLC, a wholly-owned subsidiary of MTH;
- "MISO" are references to the Midcontinent Independent System Operator, Inc. (formerly known as Midwest Independent Transmission System Operator, Inc.);

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"MISO Regulated Operating Subsidiaries" are references to ITCTransmission, METC and ITC Midwest together;

"MTH" are references to Michigan Transco Holdings, LLC, the sole member of METC and an indirect wholly-owned subsidiary of ITC Holdings;

"Regulated Operating Subsidiaries" are references to ITCTransmission, METC, ITC Midwest and ITC Great Plains together; and

"We," "our" and "us" are references to ITC Holdings together with all of its subsidiaries.

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WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, file annual, quarterly and current reports, proxy statements and other information with the Commission. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and any amendments to those reports or proxy statements filed or furnished pursuant to section 13(a), 14 or 15(d) of the Exchange Act are available to the public through the Commission's Internet site at http://www.sec.gov and free of charge through our website at http://www.itc-holdings.com as soon as reasonably practicable after they are electronically filed with, or furnished to, the Commission. Information contained on our website, however, is not and should not be deemed a part of this prospectus supplement. You may also read and copy any document we file with the Commission at its public reference facility located at 100 F Street, N.E., Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 for further information on the public reference room. Our common stock is listed on the New York Stock Exchange (the "NYSE"). You may inspect reports and other information concerning us at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

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FORWARD-LOOKING INFORMATION

This prospectus supplement and the accompanying prospectus include and incorporate by reference "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. We intend that those statements be covered by the safe harbors created under those laws. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, business trends and other information that is not historical information. When used in this prospectus supplement and the accompanying prospectus, the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes" and "forecasts" or future or conditional verbs, such as "will," "should," "could" or "may," and variations of such words or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in our periodic filings with the Commission (including those described under "Information Incorporated by Reference"). All forward-looking statements, including, without limitation, management's examination of historical operating trends and data, are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them. However, we cannot assure you that management's expectations, beliefs and projections will be achieved. There are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from the forward-looking statements contained in this prospectus supplement and the accompanying prospectus. Such risks, uncertainties and other important factors which could cause our actual results to differ materially from those suggested by our forward-looking statements are set forth in our reports incorporated by reference into this prospectus supplement and the accompanying prospectus, and include, among other things:

- Certain elements of our Regulated Operating Subsidiaries' cost recovery through rates can be 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. We have also made certain commitments to federal and state regulators with respect to, among other things, our rates in connection with acquisitions that could have a material adverse effect on our business, financial condition, results of operations and cash flows.

- Our Regulated Operating Subsidiaries' actual capital expenditures may be lower than planned, which would decrease expected rate base and therefore our expected revenues and earnings. In addition, we expect to invest in strategic development opportunities to improve the efficiency and reliability of the transmission grid, but we cannot assure you that we will be able to initiate or complete any of these investments.

- The regulations to which we are subject may limit our ability to raise capital and/or pursue acquisitions, development opportunities or other transactions or may subject us to liabilities.

- Changes in federal energy laws, regulations or policies could impact our business, financial condition, results of operations and cash flows.

- If the amounts billed for transmission service for our Regulated Operating Subsidiaries' transmission systems are lower than expected, or our actual revenue requirements are higher than expected, the timing of collection of our revenues would be delayed.

- 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.

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A significant amount of the land on which our Regulated Operating Subsidiaries' assets are located is subject to easements, mineral rights and other similar encumbrances. As a result, our Regulated Operating Subsidiaries 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.

Our Regulated Operating Subsidiaries contract with third parties to provide services for certain aspects of their businesses. If any of these agreements are terminated, our Regulated Operating Subsidiaries 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 Regulated Operating Subsidiaries' operations or the imposition of civil or criminal penalties.

Our Regulated Operating Subsidiaries are subject to environmental regulations and to laws that can give rise to substantial liabilities from environmental contamination.

Our Regulated Operating Subsidiaries 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.

Acts of war, terrorist attacks and threats, including cyber attacks or threats, or the escalation of military activity in response to such attacks or otherwise may negatively affect our business, financial condition, results of operations and cash flows.

ITC Holdings is a holding company with no operations, and unless we receive dividends or other payments from our subsidiaries, we may be unable to pay dividends and fulfill our other cash obligations.

We are highly leveraged and our dependence on debt may limit our ability to fulfill our debt obligations and/or to obtain additional financing.

Certain provisions in our debt instruments limit our financial flexibility.

Adverse changes in our credit ratings may negatively affect us.

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.

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

We may be unable to satisfy the conditions or obtain the approvals required to complete our proposed merger with the electric transmission business of Entergy Corporation (the "Entergy Transaction") or such approvals may contain material restrictions or conditions.

If completed, the Entergy Transaction may not be successful or achieve its anticipated benefits.

The merger agreement entered into with Entergy Corporation contains provisions that may discourage other companies from trying to acquire us.

Failure to complete the Entergy Transaction could adversely affect the market price of ITC Holdings common stock as well as our business, financial condition, results of operations and cash flows.

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- Investors holding shares of ITC Holdings common stock immediately prior to the completion of the Entergy Transaction will, in the aggregate, have a significantly reduced ownership and voting interest in us after the Entergy Transaction and will exercise less influence over management.

- After the completion of the Entergy Transaction, sales of ITC Holdings common stock may negatively affect its market price.

- We are required to abide by potentially significant restrictions which could limit our ability to undertake certain corporate actions (such as the issuance of ITC Holdings common stock or the undertaking of a merger or consolidation) that otherwise could be advantageous.

- Other risk factors discussed herein and listed from time to time in our public filings with the Commission.

Because our forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond our control or are subject to change, actual results could be materially different and any or all of our forward-looking statements may turn out to be wrong. Forward-looking statements speak only as of the date made and can be affected by assumptions we might make or by known or unknown risks and uncertainties. Many factors mentioned in our discussion in this prospectus supplement and the accompanying prospectus will be important in determining future results. Consequently, we cannot assure you that our expectations or forecasts expressed in such forward-looking statements will be achieved. Actual future results may vary materially.

Except as required by law, we undertake no obligation to publicly update any forward-looking or other statements, whether as a result of new information, future events, or otherwise.

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SUMMARY

You should read the following summary together with the entire prospectus supplement and accompanying prospectus and the documents incorporated by reference, including our consolidated financial statements and related notes. You should carefully consider, among other things, the matters discussed in "Risk Factors" in this prospectus supplement and in the documents incorporated by reference and in the other documents that we subsequently file with the Commission.

About ITC

Our business consists primarily of the electric transmission operations of our Regulated Operating Subsidiaries. In 2002, ITC Holdings was incorporated in the State of Michigan for the purpose of acquiring ITCTransmission. ITCTransmission was originally formed in 2001 as a subsidiary of The Detroit Edison Company, an electric utility subsidiary of DTE Energy Company, and was acquired in 2003 by ITC Holdings. METC was originally formed in 2001 as a subsidiary of Consumers Energy Company, an electric and gas utility subsidiary of CMS Energy Corporation, and was acquired in 2006 by ITC Holdings. ITC Midwest was formed in 2007 by ITC Holdings to acquire the transmission assets of Interstate Power and Light Company in December 2007. ITC Great Plains was formed in 2006 by ITC Holdings and became a Federal Energy Regulatory Commission ("FERC")-jurisdictional entity in 2009 after acquiring certain electric transmission assets in Kansas. We operate high-voltage systems in Michigan's Lower Peninsula and portions of Iowa, Minnesota, Illinois, Missouri, Kansas and Oklahoma that transmit electricity from generating stations to local distribution facilities connected to our systems.

Our business strategy is to operate, maintain and invest in transmission infrastructure in order to enhance system integrity and reliability, to reduce transmission constraints and to allow new generating resources and load to interconnect to our transmission systems. We also are pursuing development projects not within our existing systems, which are also intended to improve overall grid reliability, reduce transmission constraints and facilitate interconnections of new generating resources and load as well as to enhance competitive wholesale electricity markets.

As electric transmission utilities with rates regulated by the FERC, our Regulated Operating Subsidiaries earn revenues through tariff rates charged for the use of their electric transmission systems by our customers, which include investor-owned utilities, municipalities, cooperatives, power marketers and alternative energy suppliers. As independent transmission companies, our Regulated Operating Subsidiaries are subject to rate regulation only by the FERC. The rates charged by our Regulated Operating Subsidiaries are established using cost-based formula rate templates.

Our principal executive offices are located at 27175 Energy Way, Novi, Michigan 48377 and our telephone number at that address is (248) 946-3000. ITC Holdings' website is located at www.itc-holdings.com. The information on our website is not part of this prospectus supplement or the accompanying prospectus.

Entergy Transaction

On December 4, 2011, Entergy Corporation ("Entergy") and ITC Holdings executed definitive agreements ("transaction agreements") under which Entergy will divest and then merge its electric transmission business with a wholly-owned subsidiary of ITC Holdings. Entergy's electric transmission business consists of approximately 15,400 miles of interconnected transmission lines at voltages of 69 kV and above and associated substations across its utility service territory in the Mid-South.

The Entergy Transaction will expand our network across the entire middle of the continental United States from the Great Lakes to the Gulf Coast and will approximately double our asset base and add sizable new markets to our operating and development portfolio. We believe the Entergy Transaction will also validate the merits of the independent transmission model, strengthen our leading transmission platform, enhance our overall credit quality, diversify our capital investment profile and

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provide long-term sustainable growth. Once the merger has been completed, we will become one of the largest electric transmission companies in the United States based on net property, plant and equipment and peak load served.

The terms of the transaction agreements call for Entergy to divest its electric transmission business to a newly-formed entity, Mid South TransCo LLC ("Mid South TransCo"), and Mid South TransCo's subsidiaries, and distribute the equity interests in Mid South TransCo to Entergy's shareholders in the form of a tax-free spin-off, split-off or combination of a spin-off and split-off. Mid South TransCo would then merge with a newly-created merger subsidiary of ITC Holdings in an all-stock, Reverse Morris Trust transaction, and would survive the merger as a wholly-owned subsidiary of ITC Holdings. Prior to closing the merger, we expect to effectuate a $700 million recapitalization, which may take the form of a one-time special dividend to ITC Holdings' pre-merger shareholders, a repurchase of ITC Holdings common stock from its shareholders, or a combination of a special dividend and share repurchase. The merger will result in shareholders of Entergy receiving approximately 50.1% of the shares of pro forma ITC Holdings in exchange for their shares of Mid South TransCo, with existing shareholders of ITC Holdings owning the remaining approximately 49.9% of the combined company. In addition, Entergy will receive gross cash proceeds of $1.775 billion from indebtedness that will be incurred by Mid South TransCo and its subsidiaries prior to the merger. This indebtedness will be assumed by us upon completion of the transaction.

Completion of the Entergy Transaction is expected in 2013 and is subject to the satisfaction of certain closing conditions, including receipt of the necessary approvals of Entergy's retail regulators and the FERC. We expect various hearings and other regulatory proceedings related to the Entergy Transaction to conclude in the third quarter of 2013. ITC Holdings' shareholders approved the Entergy Transaction on April 16, 2013. Entergy has received from the Internal Revenue Service a favorable ruling on the tax free nature of the transaction. On June 20, 2013, we received approval from the FERC for a change of control of the Entergy transmission assets which allows for the transfer of the assets from Entergy to ITC Holdings. In addition, the FERC also approved new rate constructs for the Entergy transmission assets under our ownership which includes but is not limited to: our requested allowed return on equity of 12.38% which is the regional MISO base return on equity, authorized capital structures of 60% equity and 40% debt and the use of forward looking test years with a true-up, while certain other elements of the rate were set for hearing. This approval follows the FERC approval received in May by ITC Holdings and Entergy authorizing utility operating company financings associated with the transaction. There can be no assurance the Entergy Transaction will be consummated. See "Item 1A. Risk Factors Risks Related to the Entergy Transaction We may be unable to satisfy the conditions or obtain the approvals required to complete the Entergy Transaction or such approvals may contain material restrictions or conditions" in our Annual Report on Form 10-K for the year ended December 31, 2012. In connection with obtaining regulatory approval of the Entergy Transaction, we may be required to accept restrictions or make concessions or payments that could be burdensome to us in order to obtain certain regulatory approvals.

Risk Factors

An investment in the notes involves certain risks. You should carefully consider the risks described under "Risk Factors" beginning on page S-6 of this prospectus supplement, as well as the other risk factors and other information included in or incorporated by reference into this prospectus supplement and the accompanying prospectus, before deciding whether to invest in the notes.

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The Offering

Issuer	ITC Holdings Corp.
Securities Offered	$250.0 million aggregate principal amount of 4.05% senior notes due July 1, 2023. $300.0 million aggregate principal amount of 5.30% senior notes due July 1, 2043.
Interest Rate	The 2023 notes will bear interest at a rate of 4.05% per annum. The 2043 notes will bear interest at a rate of 5.30% per annum.
Interest Payment Dates	Each January 1 and July 1, beginning on January 1, 2014.
Ranking	The notes are our direct, senior unsecured obligations and will rank equally in right of payment with all of ITC Holdings' existing and future senior unsecured indebtedness, including $1,462.0 million aggregate principal amount of our senior notes, and amounts outstanding under ITC Holdings' $200.0 million revolving credit facility, $200.0 million term loan entered into in 2012 and $250.0 million term loan entered into in 2013. The notes will be structurally subordinated to all existing and future indebtedness and other obligations of our subsidiaries, including trade payables and: $385.0 million aggregate principal amount of first mortgage bonds of ITCTransmission, and amounts outstanding under the $100.0 million ITCTransmission revolving credit facility; $350.0 million aggregate principal amount of senior secured notes of METC, and amounts outstanding under the $100.0 million METC revolving credit facility; $525.0 million aggregate principal amount of first mortgage bonds of ITC Midwest, and amounts outstanding under the $175.0 million ITC Midwest revolving credit facility; and amounts outstanding under the $150.0 million ITC Great Plains revolving credit facility and the $100.0 million ITC Great Plains term loan. See "Description of the Notes Ranking." For more information, see Note 8 to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2012 and Note 5 in our Quarterly Report on Form 10-Q dated March 31, 2013, which are incorporated herein by reference.
Optional Redemption	We may redeem any of the notes at our option, in whole at any time or in part from time to time, at the redemption prices described under "Description of the Notes Optional Redemption."

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Certain Covenants	The terms of the Indenture restrict our ability to, among other things, create liens, engage in sale and lease-back transactions, engage in consolidations or mergers or sell substantially all of our assets. These restrictions are subject to a number of important qualifications and exceptions which are described under "Description of the Notes."
Events of Default	If an event of default occurs, the principal amount of the notes then outstanding, together with any accrued interest, may be declared immediately due and payable, except that upon the occurrence of certain bankruptcy related events of default, such principal and interest will become immediately payable without any such declaration. See "Description of the Notes."
Form and Denomination	The notes of each series will be represented by one or more global notes issued in fully registered form that, when issued, will be registered in the name of Cede & Co., as registered owner and as nominee for DTC. Purchases and transfers of beneficial interests in the global notes will be made in book-entry form. Purchases of notes or beneficial interests in those notes may be made in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.
Use of Proceeds	We estimate that our net proceeds from this offering, after deducting the underwriting discounts and commissions and the estimated offering expenses payable by us, will be approximately $543.0 million. The net proceeds from this offering will be used to repay ITC Holdings' $267.0 million aggregate principal amount of 5.25% Senior Notes due July 15, 2013 and $200.0 million term loan entered into in 2012 and for general corporate purposes, which may include the repayment of other indebtedness. We will initially hold the proceeds to be used for general corporate purposes in cash. See "Use of Proceeds" in this prospectus supplement.
Trustee, Registrar and Paying Agent	Wells Fargo Bank, National Association.
Governing Law	The notes and documents related to the issuance of the notes will be governed by and construed in accordance with the laws of the State of New York.
Risk Factors	See "Risk Factors" beginning on page S-6 and other information included in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before investing in the notes.

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Conflicts of Interest	Affiliates of Deutsche Bank Securities Inc., Wells Fargo Securities, LLC, Barclays Capital Inc. and J.P. Morgan Securities LLC are lenders under the $200.0 million ITC Holdings term loan and will receive their pro rata share of the net proceeds of this offering used to repay such term loan. Additionally, one or more of the underwriters or their affiliates may be holders of our 5.25% Senior Notes due July 15, 2013, and therefore, to the extent they are holders, will receive a portion of the net proceeds of this offering in connection with the repayment of such notes. Accordingly, such underwriters or their affiliates may receive more than 5% of the net proceeds of this offering, and therefore this offering will be conducted in accordance with FINRA Rule 5121. See "Underwriting (Conflicts of Interest) Conflicts of Interest."

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RISK FACTORS

An investment in the notes involves certain risks. In addition to the other information contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus, you should carefully consider the following discussion of risks before deciding whether an investment in the notes is suitable for you. In addition, you should carefully consider the other risks, uncertainties and assumptions that are set forth under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012, as the same may be updated from time to time by our future filings under the Exchange Act, before investing in the notes. For more information, see the section entitled "Information Incorporated by Reference" in this prospectus supplement.

Risks Relating to Our Capital Structure, Financial Leverage, the Notes and this Offering

ITC Holdings is a holding company with no operations, and unless we receive dividends or other payments from our subsidiaries, we may be unable to meet our obligations under the notes and fulfill our other cash obligations.

As a holding company with no business operations, ITC Holdings' material assets consist primarily of the stock and membership interests in our Regulated Operating Subsidiaries and our other subsidiaries, deferred tax assets and cash on hand. Our only sources of cash to meet our obligations under the notes are dividends and other payments received by us from time to time from our Regulated Operating Subsidiaries and our other subsidiaries and the proceeds raised from the sale of our debt and equity securities. Each of our Regulated Operating Subsidiaries and our other subsidiaries, however, is legally distinct from us and has no obligation, contingent or otherwise, to make funds available to us to make payments on the notes or otherwise. The ability of each of our Regulated Operating Subsidiaries and our other subsidiaries to pay dividends and make other payments to us is subject to, among other things, the availability of funds, after taking into account capital expenditure requirements, the terms of its indebtedness, applicable state laws and regulations of the FERC and the Federal Power Act. Our Regulated Operating Subsidiaries target a FERC-approved capital structure of 60% equity and 40% debt that may limit the ability of our Regulated Operating Subsidiaries to use net assets for the payment of dividends to ITC Holdings.

We are highly leveraged and our dependence on debt may limit our ability to fulfill our obligations under the notes or other debt obligations and/or to obtain additional financing.

We are highly leveraged. As of March 31, 2013, we had approximately $3,360.8 million of consolidated indebtedness on an actual basis, or $3,443.8 million of consolidated indebtedness as adjusted for the issuance of notes in this offering and the use of proceeds therefrom (but not giving effect to the Entergy Transaction). On an actual basis, we had a total of $291.3 million in consolidated revolving credit agreement indebtedness outstanding (with unused commitments of $433.7 million), $450.0 million outstanding under ITC Holdings' term loans and $2,619.5 million of consolidated indebtedness under our various debt securities.

Furthermore, on April 4, 2013, ITC Midwest issued $100.0 million aggregate principal amount of First Mortgage Bonds due 2043, and on May 30, 2013, ITC Great Plains entered into a new unsecured, unguaranteed term loan credit agreement with a borrowing capacity of $100.0 million scheduled to mature on November 28, 2014.

In addition, we anticipate assuming $1.775 billion of indebtedness in connection with the Entergy Transaction and an additional $740 million of debt at ITC Holdings in connection with the recapitalization we plan to effect prior to consummating the Entergy Transaction.

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Our capital structure can have several important consequences, including, but not limited to, the following:

- If future cash flows are insufficient, we may not be able to make principal or interest payments on our debt obligations, which could result in the occurrence of an event of default under one or more of those debt instruments, including the notes offered hereby.

- We may need to incur further indebtedness in order to make the capital expenditures and other expenses or investments planned by us.

- Our indebtedness will have the general effect of reducing our flexibility to react to changing business and economic conditions insofar as they affect our financial condition. A substantial portion of the dividends and payments in lieu of taxes we receive from our Regulated Operating Subsidiaries will be dedicated to the payment of interest on our indebtedness, thereby reducing ITC Holdings' available cash.

- In the event that we are liquidated, the creditors of our subsidiaries will be entitled to payment in full prior to the holders of the notes.

- We currently have debt instruments outstanding with relatively short remaining maturities. Our ability to secure additional financing prior to or after these instruments mature, if needed, may be substantially restricted by the existing level of our indebtedness and the restrictions contained in our debt instruments. Additionally, the interest rates at which we might secure additional financings may be higher than our currently outstanding debt instruments or higher than forecasted at any point in time, which could adversely affect our business, financial condition, results of operations and cash flows.

- Market conditions could affect our access to capital markets, restrict our ability to secure financing to make the capital expenditures and investments and pay other expenses planned by us and could effect our interest rate swap obligations which could adversely affect our business, financial condition, cash flows and results of operations.

ITC Holdings and its subsidiaries may incur substantial indebtedness or issue guarantees in the future, including in connection with the Entergy Transaction. The incurrence of additional indebtedness or issuance of guarantees would increase the leverage-related risks described in this prospectus supplement and the accompanying prospectus.

Because ITC Holdings is the sole obligor of the notes, and its subsidiaries will not guarantee ITC Holdings' obligations under the notes, the notes will be structurally subordinated to the debt and other liabilities of our subsidiaries and the assets of those subsidiaries may not be available to make payments on the notes.

ITC Holdings has no operations of its own and its material cash inflows are only from dividends and other payments received from time to time from its Regulated Operating Subsidiaries or other subsidiaries. None of our subsidiaries will guarantee our obligations under the notes. The notes are structurally subordinated to all of the debt and other liabilities of ITC Holdings' subsidiaries. As of March 31, 2013, ITC Holdings' subsidiaries had an aggregate of $1,451.3 million in debt outstanding, $1,160.0 million of which was secured by their respective assets. In addition, on April 4, 2013, ITC Midwest issued $100.0 million aggregate principal amount of First Mortgage Bonds due 2043 and on May 30, 2013 ITC Great Plains entered into a new unsecured, unguaranteed term loan credit agreement with a borrowing capacity of $100.0 million scheduled to mature on November 28, 2014. The notes would also be structurally subordinated to the $1.775 billion of indebtedness of Mid South TransCo and its subsidiaries that we anticipate assuming in connection with the Entergy Transaction. All of ITC Holdings' subsidiaries may incur additional debt in the future and the notes have no limitations on their ability to do so. In the event that any of ITC Holdings' subsidiaries become insolvent, liquidate, reorganize, dissolve or otherwise wind up, holders of that subsidiary's debt and its

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trade creditors generally will be entitled to payment on their claims from the assets of that subsidiary before any of those assets are made available to ITC Holdings. Consequently, the claims of holders of the notes will be effectively subordinated to all of the debt and other liabilities of ITC Holdings' subsidiaries, including trade payables.

The notes are not secured by our assets; consequently any future secured creditors will be entitled to remedies which would give them priority over the holders of the notes to collect amounts due to them.

In addition to being structurally subordinated to the existing and future debt of our subsidiaries, the notes will not be secured by any of our assets, which consist in material part of the capital stock of ITCTransmission, the indirect ownership interests in METC, ITC Midwest and ITC Great Plains, deferred tax assets and cash. Because the notes are our unsecured obligations, the right of repayment of the holders of the notes may be compromised relative to any future secured creditors if we enter into bankruptcy, liquidation, reorganization or other winding up proceedings or if an event of default occurs under any such future secured debt.

Certain provisions in our debt instruments limit our financial flexibility.

Our debt instruments include senior notes, secured notes, first mortgage bonds, and revolving and term loan credit agreements containing numerous financial and operating covenants that place significant restrictions on, among other things, our ability to:

- incur additional indebtedness;
- engage in sale and lease-back transactions;
- create liens or other encumbrances;
- enter into mergers, consolidations, liquidations or dissolutions, or sell or otherwise dispose of all or substantially all of our assets;
- create and acquire subsidiaries; and
- pay dividends or make distributions on our and ITCTransmission's capital stock and METC's, ITC Midwest's and ITC Great Plains' member capital.

Our debt instruments also require us to meet certain financial ratios, such as maintaining certain debt to capitalization ratios. Our ability to comply with these and other requirements and restrictions may be affected by changes in economic or business conditions, results of operations or other events beyond our control. A failure to comply with the obligations contained in any of our debt instruments could result in acceleration of the related debt and the acceleration of debt under other instruments evidencing indebtedness that may contain cross-acceleration or cross-default provisions.

Adverse changes in our credit ratings may negatively affect us.

Our ability to access the capital markets is important to our ability to operate our business. Increased scrutiny of the energy industry and the impact of regulation, as well as changes in our financial performance and unfavorable conditions in the capital markets could result in credit agencies reexamining our credit ratings. A downgrade in our credit ratings could restrict or discontinue our ability to access the capital markets at attractive rates and increase our borrowing costs. A rating downgrade could also increase the interest we pay under our revolving and term loan credit agreements.

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There is no public trading market for the notes and transferability of the notes is limited.

The notes are new issues of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes on any automated dealer quotation system. The underwriters have advised us that they currently intend to make a market in the notes as permitted by applicable laws and regulations, but they are not obligated to do so and may discontinue any such market-making at any time without notice. We can give no assurance as to the liquidity of any market that may develop for the notes, the ability of investors to sell the notes or the price at which investors would be able to sell their notes.

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RATIO OF EARNINGS TO FIXED CHARGES

Our ratios of earnings to fixed charges were as follows for the periods indicated in the table below:

	Three Months Ended March 31, 2013	Year Ended December 31, 2012	2011	2010	2009	2008
Ratio of earnings to fixed charges	2.91	2.78	2.73	2.53	2.53	2.38

Our ratios of earnings to fixed charges were computed based on:

"earnings," which consist of net income before deducting income taxes and fixed charges, except capitalized interest; and

"fixed charges," which consist of interest charges, including capitalized interest, amortization of debt discount, premium and expense, and the estimated interest component of rental expense.

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USE OF PROCEEDS

The net proceeds from the sale of the notes are estimated to be approximately $543,033,500, after deducting the underwriting discounts and commissions and the estimated offering expenses payable by us.

The net proceeds from this offering will be used to repay ITC Holdings' $267.0 million aggregate principal amount of 5.25% Senior Notes due July 15, 2013 and $200.0 million term loan entered into in 2012 and for general corporate purposes, which may include the repayment of other indebtedness. We will initially hold the proceeds to be used for general corporate purposes in cash. ITC Holdings' term loan entered into in 2012 bears interest at a rate ranging from LIBOR plus 0.625% to LIBOR plus 1.250%, depending on the credit rating of ITC Holdings' senior unsecured debt. The term loan entered into in 2012 matures on August 23, 2013 and the proceeds therefrom were used for general corporate purposes, including the repayment of revolving borrowings. The net proceeds from this offering may be temporarily invested by us in interest-bearing securities prior to use.

Affiliates of Deutsche Bank Securities Inc., Wells Fargo Securities, LLC, Barclays Capital Inc. and J.P. Morgan Securities LLC are lenders under the $200.0 million ITC Holdings term loan and will receive their pro rata share of the net proceeds of this offering used to repay such term loan. Additionally, one or more of the underwriters or their affiliates may be holders of our 5.25% Senior Notes due July 15, 2013, and therefore, to the extent they are holders, will receive a portion of the net proceeds of this offering in connection with the repayment of such notes. See "Underwriting (Conflicts of Interest) Conflicts of Interest."

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2013 on an actual basis and on an as adjusted basis to give effect to the offering of the notes and the use of proceeds therefrom. The information set forth below is only a summary and should be read in conjunction with our condensed consolidated financial statements and the related notes incorporated by reference in this prospectus supplement and the accompanying prospectus.

	As of March 31, 2013	
	Actual	As Adjusted
	(in thousands)	
Cash and cash equivalents	$ 67,582	$ 143,616
Indebtedness:		
Notes offered hereby		550,000