

Letter from the President

Kansas V-Plan

Dear Friends:

345 KV TRANSMISSION LINE PROJECT

This is the first in a series of newsletters we will be sending periodically to keep you up to date on the Kansas V-Plan project, a significant upgrade to the high-voltage electricity grid in the south central Kansas region. You are receiving this newsletter because the route for this new high-voltage transmission line will be passing through your property.

The Kansas V-Plan will provide access to more diverse and reliable sources of electricity in Kansas and the Midwest. It will ease congestion across the transmission network, addressing the lack of high-voltage transmission lines in central and western Kansas which causes inefficiencies in the grid and does not allow power to flow in the most efficient manner.

The Southwest Power Pool (SPP) approved the V-Plan in April 2010 as one of its Priority Projects designed to relieve grid congestion, improve the delivery of power to customers, facilitate the addition of new renewable and non-renewable generation to the electric grid, make more efficient use of the transmission system and maintain electric reliability.

In cooperation with Sunflower Electric Power Corporation and Mid-Kansas Electric Company, ITC Great Plains will design and construct a transmission line approximately 122 miles long and two new substations. The route approved by Kansas Corporation Commission on July 12, 2011 runs from Spearville south to the new Clark County substation, east to the Thistle substation that ITC will build east of Medicine Lodge.

Land agents from Contract Land Staff (CLS) representing ITC Great Plains recently began contacting landowners who have property along the line route. They are requesting permission in the form of a Right of Entry Agreement for ITC and its contractors to access your property for surveying, environmental studies and soil boring activities. These are important first steps in the design of the transmission line. At this stage it is important for you to communicate important characteristics of your property to the land agent.

The CLS land agent assigned to you will be your ongoing link to ITC Great Plains and will be available to work with you on any concerns you may have at any time during the project, from the first contact for the Right of Entry Agreement all the way through final design, construction and any necessary restoration work. We encourage you to stay in touch with your CLS agent and communicate any questions or concerns. They are based in our field office in Greensburg and can be reached at (620) 723-3133.

More detailed information regarding the Right of Entry Agreement and the easement acquisition process can be found on the inside pages of this newsletter.

Throughout this project, ITC pledges to maintain open and honest communications with landowners and the community. We hope these newsletters will help keep you informed of our progress. We appreciate the opportunity to share this information with you.

If you have any questions or would like more information, please visit itcgreatplains.com, call (877) ITC-ITC9 or email us at VPlan@itctransco.com. Sincerely,

Carl a Huslig A. Huslig President, ITC Great Plains





Easement Acquisition

ITC plans to purchase easements, rather than ownership rights, for the portion of the land needed for the project. An easement is the right to use the property of another for a specific purpose – in this case to construct, operate and maintain transmission lines. Typically the easement will be on a strip of land approximately 200 feet wide where the lines will be located. Easements allow property owners to retain ownership of their land and continue most uses of their property.

We provide a one-time payment based on a determination of market value and individual discussions with landowners. Our ultimate goal is to reach mutually beneficial easement agreements with all landowners along the route.

Three-Phase Acquisition Process

Land agents from Contract Land Staff, representing ITC Great Plains, will contact landowners to schedule individual appointments to begin the easement acquisition process. Each landowner will be assigned a specific land agent who will serve as the liaison between you and ITC. The agent will be available to you throughout the development and construction of the project.

Phase 1: Initial meeting between land agent and property owner

At this meeting, you will discuss the Right of Entry Agreement and communicate to the land agent the important characteristics of your property. This agreement gives ITC and its contractors access rights to your property for surveying, environmental studies and soil boring activities.

Phase 2: Necessary investigation and analysis conducted pursuant to Right of Entry Agreement

ITC's land agent will remain in contact with you and will serve as an intermediary between landowners and ITC's contractors. You should communicate all concerns regarding access to your land to the land agent. If soil boring is needed, the location of the boring will be staked one week prior to the boring. It is very important that you determine whether the proposed location is appropriate and communicate this to the land agent.

Phase 3: Offer

The land agent will schedule a meeting with you to discuss the offer. You will be provided an easement form and easement acquisition offer based on the results of a market study conducted by a local appraiser on the fair market value of the land that will be subject to the easement. The offer will not include reimbursement for any damage to the property due to construction; instead, the nature and extent of damages, if any, will be determined following construction and ITC will reimburse you.

Transmission Lines and Your Property

Access to your property: We are committed to working with landowners throughout the siting, design, and construction process to attempt to minimize impacts to your property. We will work with you to establish favorable points of access to the right of way. Because of the weight of equipment and materials used in construction, there may be impacts on property such as soil disturbance or compaction. After construction is completed, we will compensate landowners for any damage due to our construction activities and attempt to return your property as near as possible to its preexisting condition.

Ongoing use of your land: Vehicles and equipment generally will be free to pass under the new lines, and in most cases you will be able to use your land in the same way you used it prior to construction of the line. After construction is completed, ITC will attempt to notify you when future access is needed for non-emergency maintenance or other purposes related to the line.

Frequently Asked Questions

Q. What will the line look like?

A. Subject to final detailed engineering design, the V-Plan project is expected to be built primarily with single tubular steel poles in a double-circuit arrangement (see photo at right). Single tubular steel pole structures will minimize the impact on land use. The height of the structures will vary based on terrain, clearances to the ground, objects under the line and structure spacing, but will typically range between 120 and 160 feet. The span lengths between structures will be approximately 800 to 1,500 feet, with an average span of 900 feet.

Q. Do landowners get input on where the line is located?

A. ITC works with landowners throughout the siting, design and construction process to attempt to minimize impacts to their property. It is important for landowners to provide as much information as possible regarding uses and features of their land to ITC's land agents. The agents will serve as the liaison between you and ITC to attempt to address any concerns you may have.

What kind of payment structure do you use?

A. We provide one-time payments, typically negotiated up-front, based on determination of market value and individual negotiations. This approach is consistent with the law governing the payment of utility easements.

Q. Will construction on my property cause damage to my land?

A. ITC Great Plains will seek to minimize damage to your land. We will work with you to establish favorable points of ingress and egress to the right of way. However, because of the weight of the equipment and materials used in construction, there could be impacts on your property including soil disturbance and compaction. After construction, ITC Great Plains will return your property as near as possible to its pre-existing condition.

Q. What use of my land will be available to me after this project is built?

A. After construction is completed, vehicles, equipment and livestock will be free to pass under the line. In most cases, ITC Great Plains expects that after construction you will be able to use most of the land for the same purposes that you used it prior to the construction of the transmission line.

Q. Will you compensate us for crop damage and lost production?

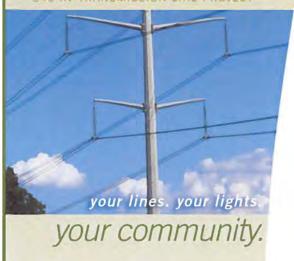
A. We will compensate you for crop damage and lost production due to our construction activities, including access roads. We are committed to working with you throughout the siting, design, and construction process to attempt to minimize acts to your property.



Return Service Requested



345 KV TRANSMISSION LINE PROJECT



FAST FACTS:

Line length: Approximately 122 miles

Line route: Spearville south to Clark County substation;

east to Thistle substation (east of Medicine Lodge)

Voltage: 345,000 (345kV) Right-of-way width: 200 feet

Structure type: Steel monopole, double-circuit

Structure height: 120 - 160 feet

Distance between structures: 800 - 1,500 feet

Structures per mile: Typically six Substations: Clark County, Thistle

KEY DATES & TIMELINE:

June 2010 - Southwest Power Pool issues Notice to Construct

November 2010 - Preliminary routing established

January 17-19 2011 - Public Open Houses in Dodge City, Medicine Lodge and Greensburg

March 14, 2011 - Route application filed with the Kansas Corporation Commission (KCC)

April 20, 2011 - KCC public hearing in Greensburg

June 27, 2011 - KCC public hearing in Dodge City

July 12, 2011 - KCC issues order approving route application with modifications

Summer 2011 - Right-of-way acquisition begins

Spring 2013 - Construction begins

Late 2014 - V-Plan enters service

ITC Great Plains



ITC Great Plains, LLC was formed in July 2006 as a subsidiary of ITC Grid Development, LLC, a wholly-owned subsidiary of ITC Holdings Corp., the nation's only fully independent electric transmission company. Headquartered in Topeka, Kansas, ITC Great Plains is a transmission-or utility which seeks to build a more robust electric transmission system providing access to relinon-discriminatory, competitive and low-cost energy throughout the Southwest Power Pool (SPP) region. ITC Great Plains holds transmission-only utility status in Kansas and Oklahoma with the authority to construct, own, operate, and maintain a regulated, high-voltage transmission system.

