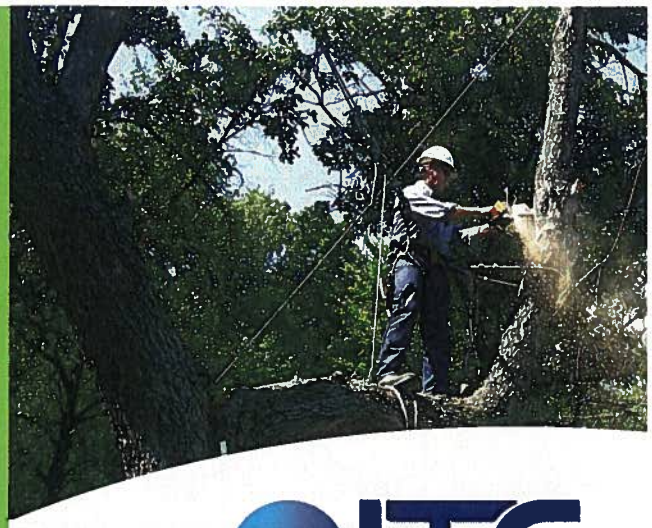
IMPORTANT! Utility Tree Clearance Information



Dear Resident:

To ensure your safety and the reliability of the high voltage electric transmission grid in Michigan, a professional vegetation management contractor hired by ITC will be in your area soon. Where permissible, the following will occur:

- **In areas directly under the transmission line or 10 feet outside of the line, trees will be removed.**
- **Outside of this area, trees that threaten safety or reliability will be targeted for removal.**
- **If ITC lacks tree removal rights or permission for removal is not obtained, trees will be pruned to the extent easements permit.**

This work is necessary to prevent vegetation from coming in contact with or dangerously close to the high voltage power lines and to provide crews with maintenance and emergency repair access. Vegetation interference in transmission lines can cause electric system outages.

All work will be done under the advisement of professional arborists according to utility standards. ITC applies a stump treatment to removals.

– There is no charge for this service –

Description: _____

_____

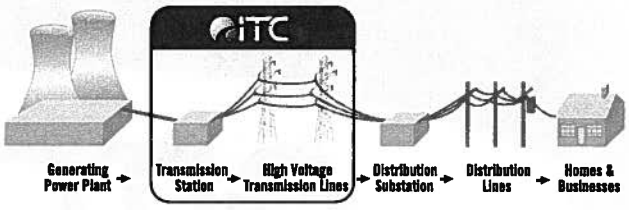
_____

Utility Arborist: _____

Phone: _____

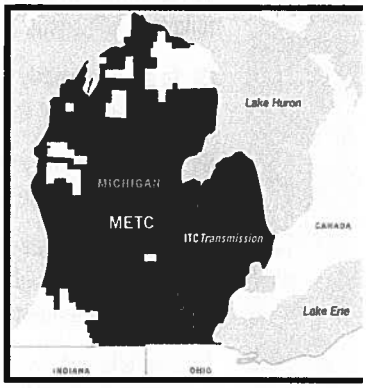
If you have any questions, please contact us at:
877.ITC.ITC9 (877.482.4829).

For more information about ITC, visit us on the web at:
www.itctransco.com



About the Company

ITC Holdings Corp., through its subsidiaries ITC*Transmission* and Michigan Electric Transmission Company, LLC (METC), owns operates and maintains more than 8,100 miles of high voltage transmission lines in Michigan's Lower Peninsula. ITC does not generate electricity; its wires transport high voltage power to where it is needed 24 hours a day, 365 days a year.

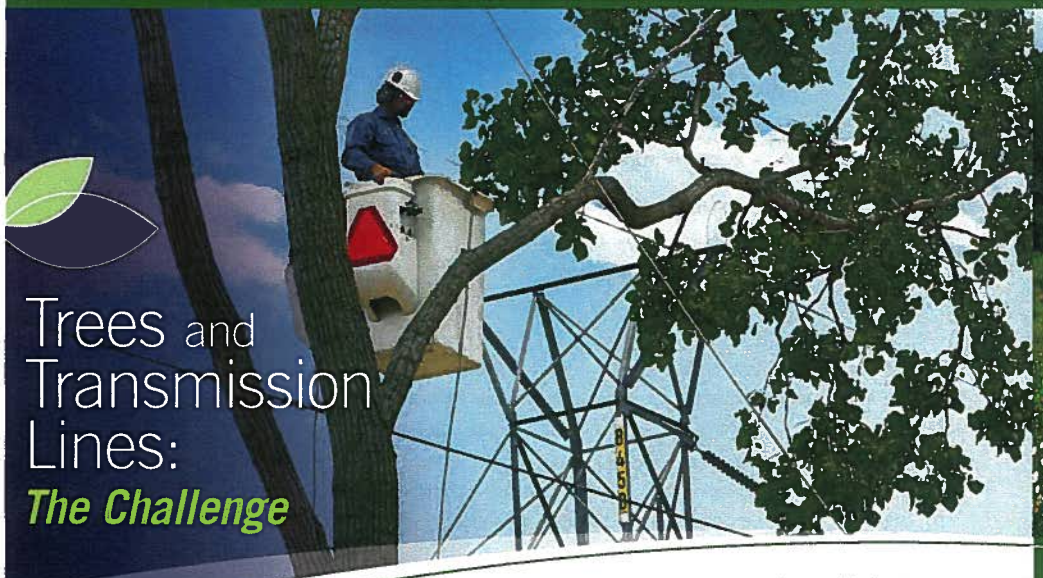


Electric outages and blackouts are inconvenient, costly and potentially dangerous. As the transmission operator for Michigan, ITC is mandated to maintain its system to prevent outages resulting from vegetation contact with lines. ITC supports the federal standard of zero vegetation-related outages as a critical factor of every community's safety and security. ITC has determined that a proactive vegetation management approach, including removal of tall growing corridor species where permissible, is essential to secure the reliability of the transmission grid.

ITC

Victor
the High Power Tower

VEGETATION MANAGEMENT



Trees and Transmission Lines:
The Challenge

Trees and high voltage power lines are a hazardous combination. Trees that come into contact with transmission lines can cause serious system outages and pose a significant safety threat to residents and the public.

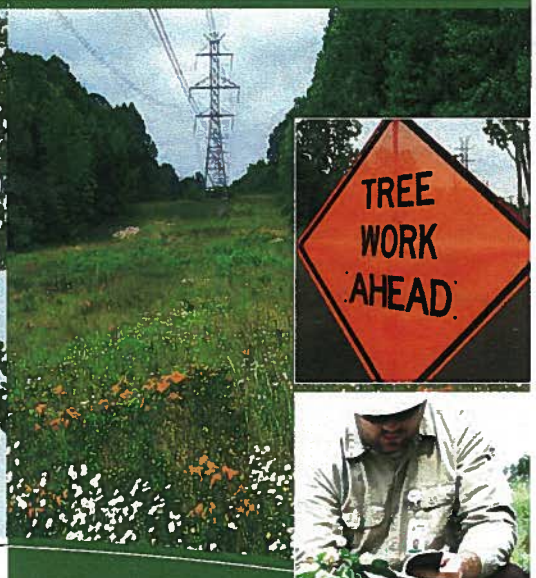
Even when there is no direct contact, electricity can arc from transmission lines to nearby tree branches, posing personal safety and fire issues.

Nothing brings a halt to daily life faster than the loss of power. Outages and blackouts are inconvenient, costly and potentially dangerous. The Blackout of 2003 left 50 million people in the Northeast, Midwest and Canada without power for days. It cost our economy billions of dollars in lost productivity. Hospitals, long-term care facilities, and schools are just a few examples of vital infrastructure that depend on uninterrupted power to serve our communities. The underlying cause of the Blackout, tree contact with power lines in northern Ohio, is well documented.

ITC Holdings Corp., through its subsidiaries ITC*Transmission* and Michigan Electric Transmission Company, LLC. (METC), owns, operates and maintains more than 8,100 miles of high voltage transmission lines in Michigan's Lower Peninsula – the transmission lines formerly owned by DTE Energy and Consumers Energy Company. ITC does not produce electricity; its wires transport high voltage power to where it is needed 24 hours a day, 365 days a year.

The Zero-Outage Standard

In an effort to ensure reliability and protect communities from outages like the Blackout of 2003, the Federal Energy Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC) have promulgated stringent standards governing how utility companies operate their transmission grids. These standards cover a broad range of topics including vegetation management. The federal mandate for vegetation management is firm: Utility companies must eliminate the occurrence of power outages caused by vegetation interference in power lines. Failure to meet this zero-outage mandate on regulated lines can result in fines of up to $1 million per day.

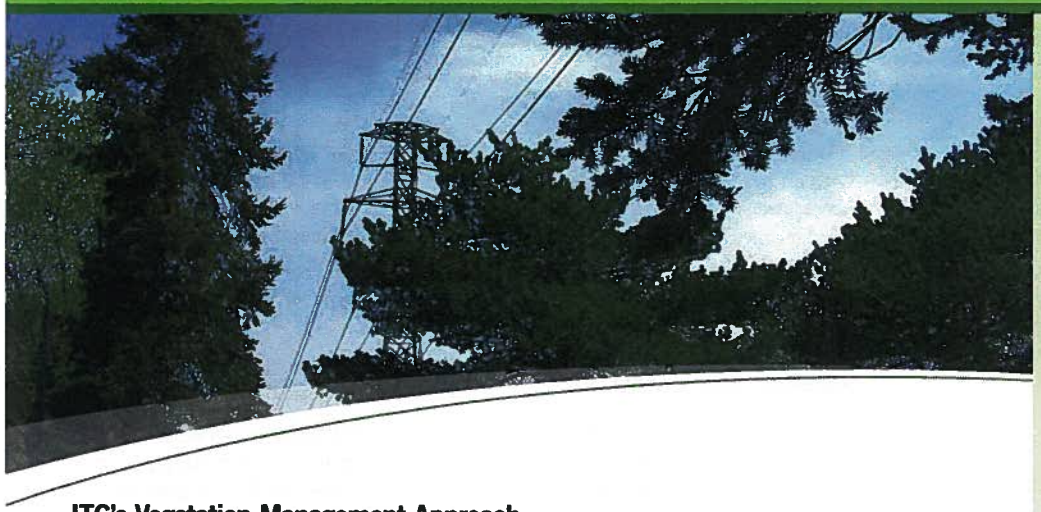


ITC's Commitment to Natural Greenways

As we continue this process, we are applying an integrated vegetation management approach to manage our Rights-of-Way as healthy ecosystems. This approach embraces removal of noxious and invasive species and development of native prairie grasses along with the planting of low growing shrubs to beautify the corridors. We advocate a *"right plant, right place"* approach to our Rights-of-Way. Such an approach has allowed us to develop our transmission corridors as wildlife greenways. We are cooperating with government agencies, communities, conservation groups, universities and other organizations to manage and improve knowledge of this natural resource.

ITC is also working with affected landowners to identify appropriate, low-growing species that can be planted in ITC Rights-of-Way. These include flowers, roses and small shrubs.

ITC HOLDINGS CORP.
27175 Energy Way
Novi, MI 48377



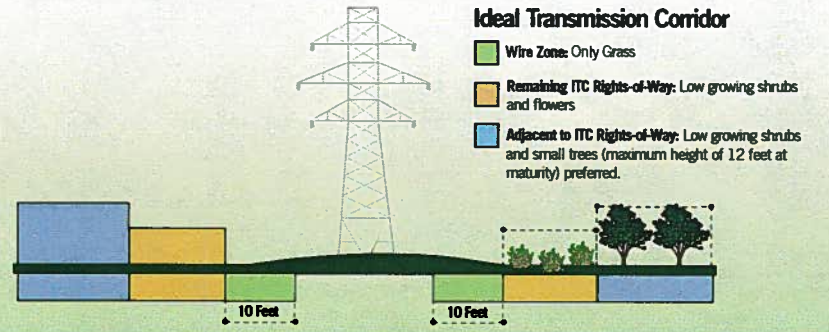
ITC's Vegetation Management Approach

In order to meet the new zero-outage mandate, ITC determined it must implement a vegetation management approach in accordance with the following:

Within the Wire Zone: Trees growing within the wire zone (the area under and 10 feet outside the wires) shall be targeted for removal with priority emphasis given to incompatible tall growing species. Where we lack removal rights in the wire zone or permission is not obtained, trees shall be pruned to the maximum allowable height directing growth laterally away from wires.

Outside the Wire Zone, but Within ITC Rights-of-Way: Trees growing outside the wire zone, but within ITC Rights-of-Way, will be targeted for removal, where necessary to maintain safety and reliability, with priority emphasis given to incompatible tall growing species. Where we lack tree removal rights within the Rights-of-Way, or where permission is not obtained, trees shall be pruned to the maximum allowable height.

Adjacent to ITC Rights-of-Way: Trees growing outside and adjacent to ITC Rights-of-Way, and posing a safety or reliability threat, will be pruned to the edge of our Rights-of-Way. Permission will be sought from the affected property owner to remove or prune the tree outside of the ITC Rights-of-Way.



FREQUENTLY ASKED QUESTIONS

Q: Why is it necessary to cut down my trees when you have pruned them in the past?

A: In an effort to protect against electric outages like the one that occurred in the Blackout of 2003, the Federal Energy Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC) drafted stringent standards governing how utilities operate their transmission grids. The standards cover a broad range of topics, including vegetation management. Utility companies engaged in transmission must eliminate all power outages caused by vegetation interference with power lines. Failure to meet this zero-outage mandate may lead to fines of up to $1 million per day. To meet this stringent federal mandate and because vegetation growth can be aggressive (especially in summer months), ITC and its subsidiaries have adopted an approach that calls for tree removal, where necessary and permissible, to maintain the safety and reliability of the transmission grid.

Q: I have received a hang tag on my door saying you will begin work in my neighborhood. When will it take place?

A: In general, ITC leaves notices for residents about impending vegetation management work one to six weeks in advance of actual pruning and removal operations.

Q: Why is vegetation management important?

A: ITC is responsible for ensuring the dependability and integrity of 8,100 miles of high-voltage transmission lines throughout Michigan's Lower Peninsula. As the transmission operator for Michigan, ITC is mandated to maintain its system to prevent outages resulting from vegetation contact with lines. ITC supports the federal standard of zero vegetation-related outages as a critical factor of every community's safety and security. Vegetation interference with transmission lines can cause worker and community safety issues, lead to fires and trigger power outages and blackouts. ITC is responsible for eliminating these risks by properly maintaining its transmission corridors.

Q: Who gave you permission to trim or remove trees on my property?

A: ITC relies upon its legal Rights-of-Way when conducting vegetation management activities. In most cases, the rights are set forth in an easement applicable to the property.

Q: Have reliability standards governing transmission vegetation management been developed?

A: Yes. In August 2005 Congress passed the Energy Policy Act of 2005 which requires the FERC to certify an Electric Reliability Organization (ERO) to develop mandatory and enforceable reliability standards subject to FERC review and approval. In February 2006, FERC certified NERC to handle this task. NERC developed vegetation management reliability standards that were adopted by the federal government in March 2007. These standards became mandatory in June 2007.

Q: Does FERC require ITC to cut down trees in its transmission corridors?

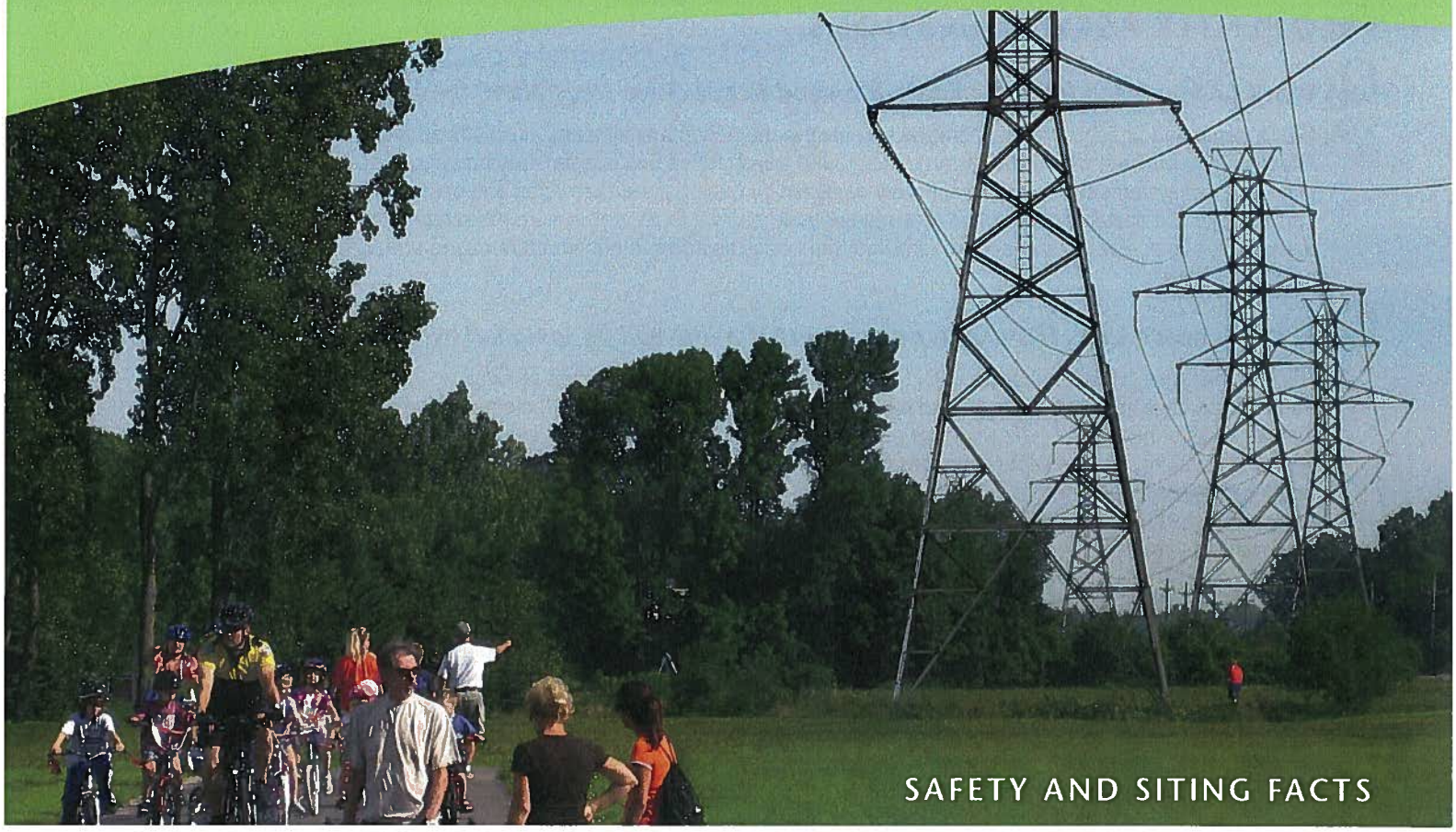
A: The federal government gives utility companies discretion in how they will meet the zero-outage mandate. ITC has determined that a proactive vegetation management approach is essential to secure the reliability and safety of its system.

ITC

For Additional Information:

ITC is working closely with individual landowners and municipalities to ensure that their concerns are addressed. Keeping lines of communication open is absolutely vital. ***If you have questions, please contact ITC's customer hotline at 1-877-ITC-ITC9 (1-877-482-4829). For more information about ITC, please visit: www.itctransco.com.***

Overhead Versus Underground Transmission Lines:



SAFETY AND SITING FACTS

Electricity is the foundation of a strong, vibrant society. The economic prosperity and geographic development of a region are almost inextricably linked to the availability of safe, reliable power.

The high-voltage electricity infrastructure that supports the movement of power in the United States was established nearly 100 years ago. Today, approximately 200,000 miles of high voltage transmission lines carry energy from power generating facilities to cities and other demand centers where electricity is needed; nearly all of those lines are sited overhead.

ITC is actively pursuing transmission projects that will address reliability and congestion issues, support increasing demands for electricity, promote community safety and facilitate the participation of renewable resources on the electric grid. These projects regularly prompt customer and governmental inquiries about the feasibility of siting transmission lines underground. While ITC generally sites all transmission lines above ground because of efficiency, cost, and maintenance factors, the following questions and answers *(reverse)* address this issue in more detail. They will help community members understand the complexities associated with transmission lines.

ITC

Overhead Versus Underground Transmission Lines:

FREQUENTLY ASKED QUESTIONS

Q: *Won't underground lines eliminate the need to cut down trees along the project route?*

A: No. Underground projects are very complex and involve more than merely taking an overhead line and placing it in the ground. The trenching involved with installing an underground transmission line is extensive and deep. Trees growing in the right of way may have root systems that could be seriously damaged by underground excavation and equipment.
This damage can destabilize trees and may require their removal in order to ensure the safety of those living and working around transmission lines. Even if a tree is not removed, the loss of significant root structure due to underground lines will weaken and potentially kill it.

Q: *What approach does ITC use in determining if a line will be installed overhead or underground?*

A: ITC has been unequivocal in its approach to all transmission projects regardless of location: Whenever possible, new transmission lines are sited above ground because underground lines are less efficient, cost significantly more, have unique maintenance requirements, typically involve substantial traffic disruptions while being installed, can require significant vegetation clearing, and present challenges in emergency situations. Only when right-of-way and clearance issues prevent ITC from erecting overhead lines on towers will the company pursue an underground option. The very structure of the utility industry is such that customers ultimately pay for the cost of the system investments; ITC pursues the most cost-efficient transmission improvements possible.

Q: *How much extra do underground lines cost?*

A: The additional expense incurred to install underground transmission lines varies substantially from project to project and depends on factors such as line length, voltage, geographic location and availability of easements. In general, underground transmission lines are five to six times more costly to install than overhead lines on 120 kV routes and are less efficient. The structure of the utility industry is such that customers ultimately pay for the cost of the system. As such, ITC is committed to providing its customers with the most reliable, efficient and cost-effective transmission system possible to ensure that their energy needs will be met.

Q: *We have an underground ordinance that requires all new utility lines to be buried. How are you going to meet this requirement?*

A: Like other utilities, ITC is required to follow the law. Michigan law provides, however, that a certificate of public convenience and necessity granted by the Michigan Public Service Commission takes precedence over a conflicting local ordinance, including ordinances that regulate transmission location.

Q: *Why have you used lines underground in some projects and not others?*

A: ITC only sites lines underground under unique circumstances. The company has only installed one new underground line since it took ownership and operation of the transmission systems that serve most of Michigan's Lower Peninsula. That line, the Erin-Stephens #3 120 kV line in the Eastpointe area north of Detroit, was sited underground because it ran through a densly populated area where sufficient right-of-way to site the line overhead was unavailable. Underground transmission lines that operate at the same voltage as proposed overhead lines have only about one half the capacity of the overhead transmission lines. Planning of the transmission system must also take into consideration the impact of long restoration times, usually several weeks, for underground transmission if a line failure occurs. Underground transmission lines have different characteristics than overhead lines, like lower impedance and greater charging current. Widespread use of underground transmission presents serious technical issues and would be impractical to implement. In summary, underground transmission is reserved for specific circumstances where the installation of overhead construction would not be physically or technically possible, e.g., urban areas, downtown urban centers, airports or major freeway crossings.

Q: *Won't underground lines have less impact on residential property values in the area?*

A: There is no simple answer to this question. Many factors affect the market price of real estate including the availability of community services, proximity to schools, parks and other amenities, the quality, age, size and design of the property, topography, neighborhood perceptions, the selling market, and so on. Overhead and underground transmission lines, by themselves, are not generally a significant influence on a property's value. Factors such as property location, home improvements, and lot size are more likely to be major determinants of property value.

ITC Vegetation Management Policy

ITC maintains an active vegetation management program incorporating a three-year inspection cycle throughout its corridors. But vegetation growth is dynamic. Trees that are pruned can sprout aggressively; additionally, during hot summer months transmission lines sag due to the energy load they are carrying. In order to meet the federal government's zero-outage mandate, ITC determined it must implement a revised vegetation management approach in accordance with the following:

Within the Wire Zone: **Trees growing within the wire zone (the area under and 10 feet outside the wires) shall be targeted for removal with priority emphasis given to incompatible, tall-growing species. Where we lack removal rights in the wire zone or permission is not obtained, trees shall be pruned to the maximum allowable height directing growth laterally away from wires.**

Outside the Wire Zone, but within remaining ITC Rights-of-Way: **Trees growing outside the wire zone, but within the remaining ITC Rights-of-Way will be targeted for removal, where necessary, to maintain safety and reliability, with priority emphasis given to incompatible, tall-growing species. Where we lack tree removal rights within the Rights-of-Way, or where permission is not obtained, trees shall be pruned to the maximum allowable height.**

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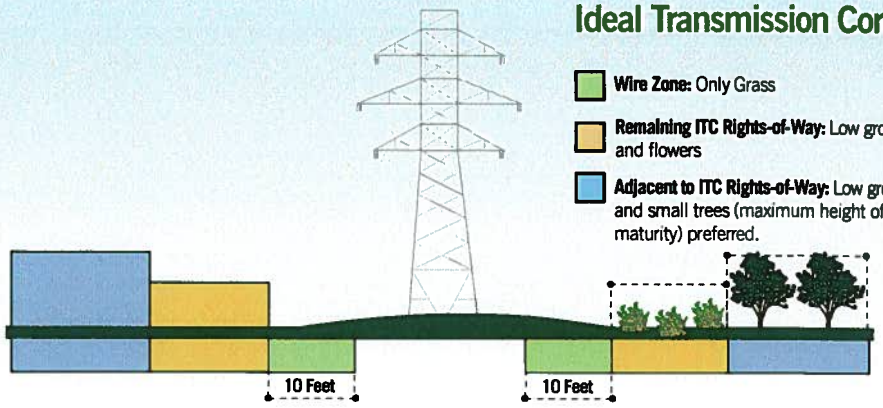
Ideal Transmission Corridor



ITC will actively negotiate with affected property owners to seek the necessary tree removal or pruning rights in those cases where rights are insufficient to maintain the safety and reliability of the transmission line. In the event we cannot secure the necessary rights from property owners, we may pursue other appropriate legal remedies.

ITC