

ITC Holdings Corp.
Form S-4
May 09, 2018

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As filed with the Securities and Exchange Commission on May 9, 2018

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

ITC HOLDINGS CORP.

(Exact Name of Registrant as Specified in its Charter)

Michigan
(State or Other Jurisdiction of
Incorporation or Organization)

4911
(Primary Standard Industrial
Classification Code Number)
27175 Energy Way
Novi, Michigan 48377
(248) 946-3000

32-0058047
(I.R.S. Employer
Identification Number)

(Address, Including Zip Code, and Telephone Number, Including
Area Code, of Registrant's Principal Executive Offices)

Christine Mason Soneral, Esq.
Senior Vice President and General Counsel
ITC Holdings Corp.
27175 Energy Way
Novi, Michigan 48377
(248) 946-3000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

With a copy to:

Risë B. Norman, Esq.
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017-3954
(212) 455-2000

**Approximate date of commencement of proposed exchange offers:
As soon as practicable after the effectiveness of this registration statement.**

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company) Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Amount to be Registered	Proposed Maximum Offering Price per Note	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
2.700% Senior Notes due 2022	\$500,000,000	100%	\$500,000,000	\$62,250.00
3.350% Senior Notes due 2027	\$500,000,000	100%	\$500,000,000	\$62,250.00

(1) Exclusive of accrued interest, if any, and estimated solely for the purpose of calculating the registration fee under Rule 457(f) of the Securities Act of 1933, as amended (the "Securities Act").

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information contained in this prospectus is subject to completion and amendment. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

Subject to completion, dated May 9, 2018

PRELIMINARY PROSPECTUS

ITC Holdings Corp.

\$500,000,000 2.700% SENIOR NOTES DUE 2022

\$500,000,000 3.350% SENIOR NOTES DUE 2027

We are offering to exchange (i) all outstanding \$500,000,000 aggregate principal amount of our 2.700% senior notes due 2022 (the "outstanding 2022 notes") for an equal amount of 2.700% senior notes due 2022 (the "exchange 2022 notes") and (ii) all outstanding \$500,000,000 aggregate principal amount of our 3.350% senior notes due 2027 (the "outstanding 2027 notes" and, together with the outstanding 2022 notes, the "outstanding notes") for an equal amount of 3.350% senior notes due 2027 (the "exchange 2027 notes" and, together with the exchange 2022 notes, the "exchange notes"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act") (such transactions, collectively, the "exchange offers").

We are conducting the exchange offers in order to provide you with an opportunity to exchange your unregistered notes for freely tradable notes that have been registered under the Securities Act.

The Exchange Offers

We will exchange all outstanding notes that are validly tendered and not validly withdrawn for an equal principal amount of the applicable series of exchange notes that are freely tradable.

You may withdraw tenders of outstanding notes at any time prior to the close of business, New York City time, on the last business day on which the exchange offers remain open.

The exchange offers expire at 11:59 p.m., New York City time, on _____, 2018, unless extended. We do not currently intend to extend the expiration date.

The exchange of outstanding notes for exchange notes in the exchange offers will not be a taxable event for United States federal income tax purposes.

We will not receive any proceeds from the exchange offers.

The Exchange Notes

The exchange notes are being offered in order to satisfy certain of our obligations under the registration rights agreement entered into in connection with the placement of the outstanding notes.

The terms of the exchange notes to be issued in the exchange offers are substantially identical to the applicable series of the outstanding notes, except that the exchange notes will have been registered under the Securities Act and will be freely tradable.

Resale of Exchange Notes

The exchange notes may be sold in the over-the-counter market, in negotiated transactions or through a combination of such methods. We do not plan to list the exchange notes on a national securities exchange.

All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and in the indenture. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offers, we do not currently anticipate that we will register resales of the outstanding notes under the Securities Act.

See "Risk Factors" beginning on page 12 of this preliminary prospectus (this "prospectus") for a discussion of certain risks that you should consider before participating in the exchange offers.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the exchange notes to be distributed in the exchange offers or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2018.

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We have not authorized anyone to provide you with any additional information or any information that is different from that contained in this prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus may be used only for the purposes for which it has been published, and no person has been authorized to give any information not contained herein. The information contained in this prospectus is accurate only as of its respective date. Our business, financial condition, results of operations and prospects may have changed since that date. We are not making an offer of these securities in any state where the offer is not permitted.

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ABOUT THIS PROSPECTUS

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

"Ancillary Services Agreement" are references to the Amended and Restated Purchase and Sale Agreement for Ancillary Services entered into by METC and Consumers Energy dated as of April 29, 2002;

"ASU" are references to FASB Accounting Standards Updates;

"Board" are references to the board of directors of ITC Holdings;

"CIA" are references to the Coordination and Interconnection Agreement entered into by ITC Transmission and DTE Electric dated as of February 28, 2003;

"Company," "we," "our" and "us" are references to ITC Holdings together with all of its subsidiaries;

"Consumers Energy" are references to Consumers Energy Company, a wholly-owned subsidiary of CMS Energy Corporation;

"DOE" are references to the Department of Energy;

"DT Interconnection Agreement" are references to the Amended and Restated Distribution-Transmission Interconnection Agreement entered into by METC and Consumers Energy dated April 1, 2001 and most recently amended and restated effective as of January 1, 2015;

"DTE Electric" are references to DTE Electric Company, a wholly-owned subsidiary of DTE Energy;

"DTE Energy" are references to DTE Energy Company;

"DTIA" are references to the Distribution-Transmission Interconnection Agreement entered into by ITC Midwest and IP&L dated as of December 17, 2007 and amended and restated effective as of December 1, 2016;

"Easement Agreement" are references to the Amended and Restated Easement Agreement entered into by METC and Consumers Energy dated April 29, 2002 and as further supplemented;

"Eiffel" are references to Eiffel Investment Pte Ltd, a private limited company duly organized and validly existing under the laws of Singapore that is the GIC subsidiary that is a minority investor in Investment Holdings and successor to Finn Investment Pte Ltd;

"FASB" are references to the Financial Accounting Standards Board;

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"FERC" are references to the Federal Energy Regulatory Commission;

"Formula Rate" are references to a FERC-approved formula that is used to calculate rates;

"Fortis" are references to Fortis Inc.;

"FortisUS" are references to FortisUS Inc., an indirect subsidiary of Fortis;

"FPA" are references to the Federal Power Act;

"GAAP" are references to accounting principles generally accepted in the United States of America;

"Generator Interconnection Agreement" are references to the Amended and Restated Generator Interconnection Agreement entered into by Consumers Energy and METC dated as of April 29, 2002 and most recently amended effective as of October 1, 2016;

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"GIC" are references to GIC Private Limited;

"GIOA" are references to the Generator Interconnection and Operation Agreement entered into by DTE Electric and ITCTransmission dated as of February 28, 2003;

"Initial Complaint" are references to a November 2013 complaint to the FERC under Section 206 of the FPA regarding ROE;

"Investment Holdings" are references to ITC Investment Holdings Inc., a majority owned indirect subsidiary of Fortis in which GIC has an indirect minority interest;

"IP&L" are references to Interstate Power and Light Company, an Alliant Energy Corporation subsidiary;

"IRS" are references to the Internal Revenue Service;

"ISO" are references to Independent System Operators;

"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" and "Issuer" are references to ITC Holdings Corp. and not to any of its subsidiaries;

"ITC Interconnection" are references to ITC Interconnection LLC, a wholly-owned subsidiary of ITC Grid Development, LLC;

"ITC Michigan" are references to ITCTransmission and METC, collectively;

"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;

"kV" are references to kilovolts (one kilovolt equaling 1,000 volts);

"kW" are references to kilowatts (one kilowatt equaling 1,000 watts);

"LBA" are references to a Local Balancing Authority;

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"LGIA" are references to the Large Generator Interconnection Agreement entered into by ITC Midwest, IP&L, and MISO dated as of December 20, 2007 and amended as of August 6, 2013;

"LIBOR" are references to the London Interbank Offered Rate;

"MECS" are references to the Michigan Electric Coordinated Systems;

"Merger" are references to the merger with Fortis, whereby ITC Holdings merged with Merger Sub and subsequently became a majority owned indirect subsidiary of Fortis;

"Merger Agreement" are references to the agreement and plan of merger between Fortis, FortisUS, Merger Sub and ITC Holdings for the Merger;

"Merger Sub" are references to Element Acquisition Sub, Inc., an indirect subsidiary of Fortis that merged into ITC Holdings in the Merger;

"METC" are references to Michigan Electric Transmission Company, LLC, a wholly-owned subsidiary of MTH;

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"Mid-Kansas" are references to Mid-Kansas Electric Company LLC;

"Mid-Kansas Agreement" are references to an Amended and Restated Maintenance Agreement entered into by Mid-Kansas and ITC Great Plains dated as of August 24, 2010, and most recently amended effective as of June 1, 2015;

"MISO" are references to the Midcontinent Independent System Operator, Inc., a FERC-approved regional transmission organization which oversees the operation of the bulk power transmission system for a substantial portion of the Midwestern United States and Manitoba, Canada, and of which ITCTransmission, METC and ITC Midwest are members;

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

"MOA" are references to the Master Operating Agreement entered into by ITCTransmission and DTE Electric dated as of February 28, 2003;

"Moody's" are references to Moody's Investor Services, Inc.;

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

"MVPs" are references to multi-value projects, which have been determined by MISO to have regional value while meeting near-term system needs;

"NERC" are references to the North American Electric Reliability Corporation;

"NYSE" are references to the New York Stock Exchange;

"Operating Agreement" are references to the Amended and Restated Operating Agreement entered into by Consumers Energy and METC dated as of April 29, 2002;

"Order 1000" are references to FERC Order No. 1000;

"OSA" are references to the Operations Services Agreement for 34.5 kV Transmission Facilities entered into by ITC Midwest and IP&L effective as of January 1, 2011;

"PCBs" are references to polychlorinated biphenyls;

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

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"ROE" are references to return of equity;

"RTO" are references to Regional Transmission Organizations;

"SEC" are references to the Securities and Exchange Commission;

"Second Complaint" are references to an additional complaint filed on February 12, 2015 with the FERC under Section 206 of the FPA ROE;

"September 2016 Order" are references to an order issued by the FERC on September 28, 2016 regarding ROE complaints;

"Shareholders Agreement" are references to the Shareholders' Agreement, dated as of October 14, 2016 by and among the Company, Investment Holdings, FortisUS, Eiffel (as successor to Finn Investment Pte Ltd), and any other person that becomes a shareholder of Investment Holdings pursuant to such agreement;

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"SPP" are references to Southwest Power Pool, Inc., a FERC-approved RTO which oversees the operation of the bulk power transmission system for a substantial portion of the South Central United States, and of which ITC Great Plains is a member;

"Standard and Poor's" are references to Standard and Poor's Ratings Services;

"TCJA" are references to the Tax Cuts and Jobs Act of 2017, a comprehensive tax reform bill enacted on December 22, 2017;

"TO" are references to transmission owners;

"ULCS" are references to Utility Lines Construction Services LLC; and

"\$" are references to United States dollars.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the SEC. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports filed or furnished are available to the public through the SEC'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 SEC. Information contained on our website, however, is not and should not be deemed a part of this prospectus. You may also read and copy any document we file with the SEC at the Office of Investor Education and Advocacy located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference facilities.

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FORWARD-LOOKING INFORMATION

This prospectus includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "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 future business conditions, our plans and prospects, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, business trends, the outlook for our business and the electric transmission industry, expectations with respect to various legal and regulatory proceedings and other information that is not historical information. When used in this 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. 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. 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 this prospectus, and include, among others:

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.

The TCJA and any future changes in tax laws or regulations may negatively affect our results of operations, net income, financial condition and cash flows.

Our actual capital investment may be lower than planned, which would cause a lower than anticipated rate base and would therefore result in lower revenues, earnings and associated cash flows compared to our current expectations. In addition, we expect to incur expenses related to the pursuit of development opportunities, which may be higher than forecasted.

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

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.

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 our ability to complete construction projects in a timely manner.

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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, costly litigation or the imposition of civil or criminal penalties.

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

If 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 actual collection of our total revenues would be delayed.

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.

Acts of war, terrorist attacks, cyber attacks, natural disasters, severe weather and other catastrophic events may have a material adverse effect on 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 fulfill our cash obligations.

We have a considerable amount of debt and our reliance on debt financing may limit our ability to fulfill our debt obligations and/or to obtain additional financing.

Adverse changes in our credit ratings may negatively affect us.

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

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

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 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 correct or update any of our forward-looking or other statements in this prospectus, 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, including our consolidated financial statements and related notes. You should carefully consider, among other things, the matters discussed in "Risk Factors" in this prospectus before participating in the exchange offers.

The Company

About ITC Holdings

Our business consists primarily of the electric transmission operations of our Regulated Operating Subsidiaries. ITC Holdings was incorporated in the State of Michigan in 2002. Our business strategy is to own, operate, maintain and invest in transmission infrastructure in order to enhance system integrity and reliability, reduce transmission constraints and support new generating resources 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, as well as enhance competitive wholesale electricity markets. We own and operate high voltage electricity transmission 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.

As electric transmission utilities whose rates are regulated by the FERC, our Regulated Operating Subsidiaries earn revenues 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 rates.

On October 14, 2016, ITC Holdings and Fortis completed the merger contemplated by the agreement and plan of sale dated February 9, 2016 among ITC Holdings, Fortis and certain affiliates of Fortis, pursuant to which Fortis acquired an 80.1% indirect equity interest in ITC Holdings through Investment Holdings, which owns all of our outstanding common stock, and GIC Private Limited acquired an indirect 19.9% equity interest in ITC Holdings through Investment Holdings.

Corporate Information

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.

Risk Factors

You should carefully consider the information set forth under the section entitled "Risk Factors" beginning on page 12 of this prospectus as well as the other information contained in this prospectus before participating in the exchange offers.

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The Exchange Offers

On November 14, 2017, we completed the private offering of \$500 million aggregate principal amount of our 2.700% senior notes due 2022 (the "outstanding 2022 notes") and \$500 million aggregate principal amount of our 3.350% senior notes due 2027 (the "outstanding 2027 notes" and, together with the outstanding 2022 notes, the "outstanding notes"). In this prospectus, the term "exchange notes" refers to the 2.700% senior notes due 2022, as registered under the Securities Act, together with the 3.350% senior notes due 2027, as registered under the Securities Act. The term "notes" refers to both the outstanding notes and the exchange notes.

General

In connection with the private offering of the outstanding notes, the Issuer of the outstanding notes entered into a registration rights agreement with the initial purchasers, in which the Issuer agreed, among other things, to use commercially reasonable efforts to cause to be filed with the SEC and to become effective a registration statement covering an offer to exchange the outstanding notes for exchange notes of the applicable series within 365 days after the date of issuance of the outstanding notes and to complete the exchange offers for the outstanding notes prior to the 30th business day after the date on which such registration statement is declared effective by the SEC.

You are entitled to exchange in the exchange offers your outstanding notes for exchange notes of the applicable series, which are identical in all material respects to the outstanding notes except:

the exchange notes have been registered under the Securities Act;

the exchange notes are not entitled to any registration rights which are applicable to the outstanding notes under the registration rights agreement;

certain additional interest rate provisions are not applicable to the exchange notes; and

the initial interest payment date is different.

The Exchange Offers

We are offering to exchange up to \$500 million aggregate principal amount of 2.700% senior notes due 2022 and up to \$500 million aggregate principal amount of 3.350% senior notes due 2027. You may only exchange outstanding notes in denominations of \$2,000 and integral multiples of \$1,000 in excess of \$2,000.

Resale

Based on interpretations by the staff of the SEC, set forth in no-action letters issued to third parties, we believe that the exchange notes issued pursuant to the exchange offers in exchange for the outstanding notes of the applicable series may be offered for resale, resold and otherwise transferred by you (unless you are our "affiliate" within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

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you are acquiring the exchange notes in the ordinary course of your business; and

you have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of the exchange notes. If you are a broker-dealer and receive exchange notes for your own account in exchange for outstanding notes that you acquired as a result of market-making or other trading activities, you must acknowledge that you will deliver this prospectus, as required by law, in connection with any resale or other transfer of the exchange notes that you receive in the exchange offers. See "Plan of Distribution."

Any holder of outstanding notes who:

is our affiliate;

does not acquire exchange notes in the ordinary course of its business; or

tenders its outstanding notes in the exchange offers with the intention to participate, or for the purpose of participating, in a distribution of exchange notes cannot rely on the position of the staff of the SEC enunciated in *Morgan Stanley & Co. Incorporated* (available June 5, 1991), *Exxon Capital Holdings Corporation* (available May 13, 1988), as interpreted in the SEC's letter to *Shearman & Sterling* (available July 2, 1993), or similar no-action letters and, in the absence of an exemption therefrom, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes.

Expiration Date The exchange offers will expire at 11:59 p.m., New York City time, on _____, 2018, unless extended by the Issuer. The Issuer currently does not intend to extend the expiration date for either exchange offer.

Withdrawal You may withdraw the tender of your outstanding notes at any time prior to the close of business, New York City time, on _____, 2018. The Issuer will return to you any of your outstanding notes that are not accepted for any reason for exchange, without expense to you, promptly after the expiration or termination of the applicable exchange offer.

Conditions to the Exchange Offers The exchange offers are subject to customary conditions described in "The Exchange Offers Conditions to the Exchange Offers." We will not be required to accept for exchange, or to issue any exchange notes in exchange for, any outstanding notes, and we may terminate or amend the exchange offers if we determine in our reasonable judgment that:

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the exchange offers or the making of any exchange by a holder violates any applicable law or applicable interpretations of the staff of the SEC;

any action or proceeding has been instituted or threatened in any court or by any governmental agency with respect to the exchange offers; or

any governmental approval shall not have been obtained that we deem necessary for the consummation of the exchange offers.

Procedures for Tendering Outstanding Notes

If you wish to participate in the exchange offers, you must complete, sign and date the accompanying letter of transmittal, according to the instructions contained in this prospectus and the letter of transmittal. You must then mail or otherwise deliver the letter of transmittal, together with the outstanding notes and any other required documents, to the exchange agent at the address set forth on the cover page of the letter of transmittal.

If you hold outstanding notes through The Depository Trust Company, or "DTC," and wish to participate in the exchange offers, you must comply with the Automated Tender Offer Program procedures of DTC by which you will agree to be bound by the letter of transmittal. By signing, or agreeing to be bound by, the letter of transmittal, you will represent to us that, among things:

you are not our "affiliate" within the meaning of Rule 405 under the Securities Act;

you have no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the exchange notes in violation of the provisions of the Securities Act;

you are acquiring the exchange notes in the ordinary course of your business; and

if you are a broker-dealer that will receive exchange notes for your own account in exchange for outstanding notes that were acquired as a result of market-making or other trading activities, you will deliver a prospectus, as required by law, in connection with any resale of such exchange notes.

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Special Procedures for Beneficial Owners	If you are a beneficial owner of outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender those outstanding notes in the exchange offers, you should contact the registered holder promptly and instruct the registered holder to tender those outstanding notes on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.
Guaranteed Delivery Procedures	If you wish to tender your outstanding notes and your outstanding notes are not immediately available or you cannot deliver your outstanding notes, the letter of transmittal and any other required documents, or you cannot comply with the DTC Automated Tender Offer Program for transfer of book-entry interests prior to the expiration date, you must tender your outstanding notes according to the guaranteed delivery procedures set forth in this prospectus under "The Exchange Offers Guaranteed Delivery Procedures."
Effect on Holders of Outstanding Notes	As a result of the making of, and upon timely acceptance for exchange of all validly tendered outstanding notes pursuant to the terms of the exchange offers, the Issuer will have fulfilled a covenant under the registration rights agreement. Accordingly, there will be no increase in the applicable interest rate on the outstanding notes under the circumstances described in the registration rights agreement. If you do not tender your outstanding notes in the exchange offers, you will continue to be entitled to all the rights and limitations applicable to the applicable series of outstanding notes as set forth in the indenture governing the notes, except the Issuer will not have any further obligation to you to provide for the registration of untendered outstanding notes under the registration rights agreement. To the extent that outstanding notes are tendered and accepted in the exchange offers, the trading market for outstanding notes of the applicable series that are not so tendered and accepted could be adversely affected.

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Consequences of Failure to Exchange	All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and in the indenture. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offers, the Issuer does not currently anticipate that it will register resales of the outstanding notes under the Securities Act.
Certain United States Federal Income Tax Consequences of the Exchange Offers	The exchange of outstanding notes for the applicable series of exchange notes in the exchange offers will not be a taxable event for United States federal income tax purposes. See "Certain United States Federal Income Tax Consequences of the Exchange Offers."
Regulatory Approvals	Other than compliance with the Securities Act and qualification of the indenture governing the notes under the Trust Indenture Act, there are no federal or state regulatory requirements that must be complied with or approvals that must be obtained in connection with the exchange offers.
Use of Proceeds	We will not receive any cash proceeds from the issuance of the exchange notes in the exchange offers. See "Use of Proceeds."
Exchange Agent	Wells Fargo Bank, National Association is the exchange agent for the exchange offers. The contact information for the exchange agent is set forth in the section captioned "The Exchange Offers Exchange Agent."

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The Exchange Notes

Issuer	ITC Holdings Corp.
Securities Offered	\$500 million aggregate principal amount of 2.700% senior notes due 2022 and \$500 million aggregate principal amount of 3.350% senior notes due 2027.
Maturity	The exchange 2022 notes will mature on November 15, 2022; and The exchange 2027 notes will mature on November 15, 2027.
Interest Rate	The exchange 2022 notes will bear interest at a rate of 2.700% per annum; and The exchange 2027 notes will bear interest at a rate of 3.350% per annum.
Interest Payment Dates	On May 15 and November 15 of each year, beginning on May 15, 2018.
Ranking	The exchange 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 approximately \$1,750 million aggregate principal amount of ITC Holdings' other senior notes and amounts outstanding from time to time under ITC Holdings' \$400 million revolving credit facility entered into in 2017 and amounts outstanding under ITC Holdings' commercial paper program dated June 8, 2015. The exchange notes will be structurally sub