

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of the Joint Application	)	
of Entergy Arkansas, Inc., Mid South	)	
TransCo LLC, Transmission Company	)	
Arkansas, LLC and ITC Midsouth LLC	)	File No. EO-2013-0396
for Approval of Transfer of Assets and	)	
Certificate of Convenience and Necessity,	)	
and Merger and, in connection therewith,	)	
Certain Other Related Transactions	)	

EXHIBIT JEJ-12

LETTERS RECEIVED FROM ITC'S SUPPLY CHAIN VENDORS



260 Parkway East, Hillside Industrial Park
Duncan, SC 29334 USA
www.AFLglobal.com

April 17, 2012

Steve Sczytko
Director - Asset & Related Services
ITC
27175 Energy Way
Novi, MI 48377

Steve:

For over 100 years, AFL has been designing and manufacturing accessories for deployment by electric power utilities. We have worked with all of the major transmission utilities, including Entergy, and from our perspective, the following points are key when ITC acquires or constructs additional transmission infrastructure:

- Unlike Entergy, who has to spread its capital expenditures across distribution, substation, generation and transmission assets, ITC has the ability to focus on the transmission assets. Given previous acquisitions of assets in Iowa, and new construction in Kansas and Oklahoma, ITC has improved the aging assets of the incumbent utility. Entergy's transmission assets are aging, and are in need of either rebuilding or upgrading. ITC will invest the capital necessary to upgrade and maintain this transmission system.
- ITC utilizes state of the art telecommunications systems to operate and control the transmission of energy across their infrastructure. In some areas, Entergy's telecommunications network was built in the mid-80's, and needs to be updated to newer technology that will improve the efficiency of the operation of the overall transmission system. Again, ITC will invest their capital into upgrading this overall telecommunication infrastructure.
- Because ITC's main asset is the transmission infrastructure that it constructs and maintains, it can focus all of its energy to making sure that asset is built and operated in the most cost efficient and reliable manner. In the areas that ITC serves, AFL has seen an increase in system reliability primarily due to this focus of all of ITC's efforts into one common goal – maintaining a world class transmission system. During any natural disaster that can occur that damages the electric grid, most utilities have to focus on ALL areas (distribution, generation, substation, transmission, etc.) in order to bring their systems back on line. ITC has one major asset to focus on, and as such, have systems, teams and material in place to quickly get this critical grid infrastructure back on line quickly and efficiently.
- ITC has standardized on the system components used across their transmission assets, and it allows them to leverage the lowest overall cost for these products. This same philosophy will be utilized across the Entergy territory, and will allow for additional cost savings in the maintenance and operation of this system.

ITC Letter
April 17, 2012
Page 2 of 2

I look forward to working with you to continue to design, develop and maintain North America's transmission infrastructure.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Ferguson". The signature is fluid and cursive, with the first name "Stephen" and last name "Ferguson" clearly distinguishable.

Stephen Ferguson
Vice President & General Manager



Hubbell Power Systems, Inc.
Patrick Clemente
RVP Northeast Region

1770 Windsor Trace
Warren, OH 44484
Tel: 330-314-7688
E-Mail: ptclemente@hubbell.com

April 18, 2012

Steve Sczytko
ITC Holdings
27175 Energy Way
Novi, MI
48377

Steve,

Per our recent discussions I am pleased to provide you a proposal to capture the savings seen by ITC in participation with the VIP² program with Hubbell Power Systems. Below you will find two sections outlining the value add from HPS on major projects as well as details of the Alliance savings for the contracts in place. These details can be used as savings specifically for project proposals and a baseline for savings on our contract business moving forward.

▪ **Major Projects – Alliance Advantage: 5%**

- **Project Management**
 - Dedicated project management, engineering, and logistics to support alliance projects.
 - Guaranteed production slots for committed projects within the alliance. This prioritization protects alliance partners from potential changes in delivery constraints due to market fluctuation
- **Tower Pack/Kitting Service**
 - Project kitting and customized shipping services from HPS provide seamless material handling and installation.
 - Reduction in contractor labor hours during installation by packing material to suit the specific needs of the project and/or contractor.
- **Product Standardization and New Product Development**
 - HPS has and will continue to lead new product development and standardization efforts for projects within the alliance. These efficiencies will benefit ITC in providing a fluid process on projects from start to finish.
- **Training**
 - Customized transmission and substation training for the ITC work force and contractors on site. These seminars are provided to suit the needs of the particular project or application.
- **Testing**
 - HPS maintains Corona/RIV testing capabilities at our lab in Wadsworth, Ohio. Testing protocols are in accordance with NEMA 107-1987, IEEE 454, and ANSI C29.1. These testing services represent a minimum cost savings to ITC of \$5,000/assembly.
 - HPS maintains mechanical testing capabilities of hardware components, polymer suspension insulators, polymer line post insulators and braced line post assemblies at our labs in Wadsworth, Ohio; Leeds, Alabama; and Centralia, Missouri. All mechanical testing included in the Thumb Loop proposal is included at no cost to ITC. Typical lab costs for this type of

service can range from \$4,000 - \$6,000 per day depending upon the specific requirements.

- o HPS maintains full scale 3D E-field modeling capabilities of complete insulator assemblies using the Coulomb modeling software. Depending upon the complexity of the assemblies, 3D modeling costs and E-field stress diagrams can be as much as \$3,000-\$5,000 per assembly.

▪ **VIP² Agreement – Alliance Advantage: 7%**

▪ **Sourcing – Alliance Advantage: 2%**

- o HPS Alliance program offers best-in-class; supply chain management, e-Commerce capabilities, account management, performance reporting, and enhanced warranty terms.

▪ **Commodity Indexed Pricing – Alliance Advantage: 2%**

- o Contract pricing linked to commodity indexes, reducing pricing uncertainty and allowing contract pricing to move in sync with the commodity market.

▪ **Inventory Management – Alliance Advantage: 2%**

- o Delivery Commitment
 - HPS dedicated contract carrier to deliver a full truckload of products per negotiated schedule.
- o Guaranteed Lead Time
 - Guaranteed lead times on contract items, by product classification, to keep ITC isolated from changes seen by the balance of the industry.
- o Stocking Manufacturer Commitment
 - Priority access to \$40 million dollars of T&D inventory within HPS distribution center. This front of the line service allows for superior on time performance to eliminate material shortages at the jobsite.
- o Segregated Inventory
 - HPS managed account-specific segregated inventory, tailored to the needs of the alliance.
- o Preferred Storm / Natural Disaster Response
 - HPS DC maintains significant quantities of "storm replenishment products" to suit the needs of ITC and provides immediate response in emergency situations. ITC receives prioritization within HPS for required storm materials.

▪ **Warehousing/ Logistics – Alliance Advantage: 1%**

- o Bar Code Capabilities
 - HPS custom bar coding capability available to suit the needs of ITC or contractors on site
- o Delivery Service and Unmatched Logistics
 - 95% on-time performance for contract items, within one year of alliance commitment.

Our entire HPS team takes great pride in the agreement between ITC/HPS and is looking forward to the enhancement of this agreement.

Sincerely,



Patrick Clemente
RVP Northeast Region



M. J. ELECTRIC, LLC

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Iron Mountain, Michigan 49801
Phone: (906) 774-8000 • Fax: (906) 779-4217
www.mjelectric.com



April 17, 2012

Mr. Steve Sczytko
International Transmission Company
27175 Energy Way
Novi MI 48377

RE: MJ-ITC Alliance Benefits

Steve,

Following up on our various conversations regarding our Alliance model I have captured a few of my thoughts and observations as noted below.

As a Utility Contractor with a national footprint, M. J. Electric, LLC (MJ) has the opportunity to work for many different customers, under a variety of contract arrangements. We are currently engaged in several large Alliance style contracts, each with different requirements and expectations from our customers. The Alliance relationship developed with ITC over the years has been successful and unique. It is unique in that it has out lasted the majority of any Alliance formed, considering that most fail within the first 3 years. ITC and MJ's unfailing commitment to the Alliance principal has allowed us, as partners, to mature into our roles and reap the benefits that the Alliance produces.

Experience has shown that the two areas which are impacted most in a long term Alliance are Safety and Productivity, both which have a direct impact on cost to our companies. These positive benefits are realized only after a period of time where the culture and traditional mindsets begin to shift away from the norm and truly begin thinking about the best interest of the partners. This happens subtly, as trust develops and relationships grow.

Our records show that long term Alliance contracts ultimately produce the safest work environment. This is not an immediate result. Usually by the third year a level of sustainable improvement is seen. This is due to several reasons, some of which are:

- ITC has led, promoted and supported safety initiatives and training throughout the life of the Alliance. The expectations are clear and the partners work toward a common goal. ITC is an active partner in our safety planning.
- Consistent and steady work flow allows the crews to stay together and filter out unsafe workers from the crew.

- Although extensive training is done throughout an employee's tenure at MJ, by the beginning of the third year the crews have been trained and re-trained several times on safety processes, procedures and expectations. The re-training enables a cultural shift to begin in many of our folks as they begin to understand that safety is a mindset and lifestyle, not just following rules.
- Once the cultural shift begins, we can more effectively train on risk behavior. The ultimate goal is to have a company of individuals who perform in the safest manner, not because of a rule or process, but because it has become their personal conviction and they would not think of allowing themselves or anyone on their crew to perform any differently. We are seeing this starting to take root.
- The benefits of Lessons Learned from near misses and other incidents are more easily carried forward with the crews which can often get lost when crews split up and transfer to other customers or contractors.
- Success breeds success, in that when it is seen that a project can be completed safely and productively, the bar is set higher. The safer we work today, the safer we expect to work tomorrow.

Our records also show that work performed in an Alliance agreement is the most productive work we perform, due to many of the same reasons noted above. Items to note are:

- A crew that works together over an extended period refines the work practices and takes advantage of the savings. 100% of these savings are passed on to ITC on a continual basis in the Alliance model.
- By developing a solid core of field leaders, assimilating new craft workers into the crew, due to increased workload, is more easily accomplished. The core individuals are able to bring the new group up to speed quickly.
- The Alliance model is good for employee retention as the craft understands that they cannot hop between multiple contractors and still work on ITC property.
- The relationships formed, at every level in our organizations, allow for quick resolution of any issues that arise. Expectations are clear and management is driven to show continuous improvement and added value.
- Beyond the savings captured in the productivity improvements, the largest area of savings in a project is unrealized risk and contingency dollars that must be accounted for in any estimate. Although certain risk, such as weather, can have a huge impact on the cost of a project, early involvement and pre-planning allows us to mitigate risk and push all savings back to ITC.

I am sure there are many other relevant items to note pertaining to the Alliance model and would look forward to discuss any of these in more detail. Please give me a call and we can discuss at your convenience.

Very truly yours,

M. J. ELECTRIC, LLC

A handwritten signature in cursive script, appearing to read "Edward E. Farrington".

Edward E. Farrington
Senior Vice President, Utility Division
DID#906-776-4557
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EF/rd

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Southwire®

April 20, 2012

Steve Sczytko
27175 Energy Way
Novi, MI 48377

ITC Holdings and Southwire Company have been alliance partners since 2005. We, at Southwire Company, feel this alliance partnership has brought about many important and valuable advantages to ITC. Please take a moment to review some of these advantages I have listed below.

Engineering Assistance & Training

In addition to our products, Southwire is the leader in our industry for technical service and support to our electric utility customers. Some examples of technical assistance include:

- Preconstruction clinics and training
- Assistance with sag and tension calculations
- Assistance with thermal rating
- Clarification of operational information for conductor
- Presentations on line design and conductor choice
- Improving power transmission in limited corridors
- Detailed analysis of failed conductor

Some specific examples of Southwire providing ITC with technical assistance include:

- Annual VR2 training classes held in the Midwest region
- Promptly responding to VR2 installation issues
- In the field installation observations
- Detailed field report summaries
- Analysis of conductor samples

Emergency Response

Southwire's Emergency Response Plan specifically describes the system Southwire has in place to respond to our customer's needs in a crisis situation. Events that create a crisis situation range from natural disasters (hurricanes, tornados, ice storms, earthquakes, floods, and other phenomena) to the man-made interruptions in service. This is standard service for Southwire; however, in the event we incur extraordinary but reasonable charges for freight, raw materials, etc, we reserve the right to recover those charges.

Southwire operates 24 hours a day, 7 days a week and has personnel on call for the purposes of initiating this plan in the event of a customer emergency.

Once the emergency has occurred and ITC has surveyed affected areas, the procurement process begins. ITC will contact Southwire with an order detailing product and quantities and Southwire will begin locating or producing the material. If product is in stock, we will ship material ASAP. However, if material is not in stock, we will begin the production process, which could begin with obtaining raw materials. If raw materials are in stock, we can begin the production process.

When a customer demand exceeds the normal production capacity, Southwire will utilize non-standard routing to manufacture the products. Southwire has substantial flexibility in its manufacturing process within each plant. We also have flexibility in producing products at multiple plant locations. It is Southwire's practice to move emergency production orders to the front of the line in our manufacturing schedule.

Southwire has 9 Master Service Centers located strategically around the United States to allow same day shipment of orders. Southwire also maintains inventory at its 10 wire and cable manufacturing locations. These warehouses are manned 24 hours a day, 7 days a week. Southwire has a dedicated fleet of trucks and good relations with multiple transportation providers to ensure we can ship our products to any location as soon as we can determine where they are needed.

Production Capacity & Delivery Commitment

Southwire is committed to providing the highest level of delivery performance possible. As previously discussed, steel core wire and aluminum rod availability has significant impacts on conductor deliveries.

In regards to steel core, this situation has slightly improved. We are committed to aligning our steel suppliers with our systems to manage production schedules in a manner that meets ITC project needs and requirements. However, the situation with aluminum rod in the industry has become even more tight and complicated. Fortunately for Southwire, we operate 3 Aluminum Rod Mills in Hawesville, Kentucky. Our KY Rod Mill produces approximately 38 million lbs of aluminum rod each month. We supply all of our manufacturing plants with our own rod from this manufacturing facility.

As ITC expands and grows geographically, Southwire grows as well. Since 2010, Southwire has invested approximately \$20 million in manufacturing equipment and equipment upgrades to

service transmission customers including ITC. Some examples include the Drum Twister in Heflin, AL, Bare Transmission Line in Carrollton, GA and other equipment upgrades.

We are currently giving preferential allocation within our production schedules to ITC as your work plans dictate. Additionally, we are not expanding our customer base due to high transmission demand. We remain focused on servicing our alliance customers to the highest potential. We also work diligently to give ITC precise and timely information regarding delivery schedules. We understand the need to delivery commitment compliance and are confident that we can meet your expectations by working together to manage material production and delivery according to your forecasts and plans.

In closing, it is clear to see there are many advantages to the ITC/Southwire alliance partnership. With ITC's recent acquisition of Entergy's transmission assets, these benefits will all be significant focal points for ITC. As stated in the alliance agreement, Southwire is committed to supplying ITC at the same high level of response, quality, value and integrity. We look forward to continuing our alliance with ITC. Please let us know if we can assist in any manner.

Sincerely,

A handwritten signature in black ink, appearing to read 'William W. Watson', with a long horizontal flourish extending to the right.

William W. Watson
Vice President, Energy Sales
Southwire Company



SYSTEMS CONTROL
People. Power. Partnerships.

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April 22, 2012

ITC Holdings
Attention: Steve Sczytko
Director of Supply Chain
27175 Energy Way
Novi, MI 48377

Subject (1) ITC/Entergy Transaction Benefits

Dear Steve:

Thank you for including Systems Control in your request regarding obtaining regulator approval for the ITC/Entergy Transaction.

Since the start of the formal ITC and Systems Control Business Partnership in 2007, and informal in prior years, the business partnership has been forged and executed based upon streamlining processes, standardization, continuous improvement and helping drive consistency and reliability in every product we design, manufacture and deliver across all ITC businesses.

Standardization

From the start of our business relationship with ITC, we have made significant progress with standardization of both panels and control buildings. The collaborative panel standardization process across all ITC business units has resulted in thousands of dollars in savings. This has included standard control and relay panel standards and RTU standards. The standards have resulted in best practices from Systems Control and ITC streamlining the engineering, drafting, manufacturing, testing and field checkout. The collaborative process has resulted in examining major components installed and replaced in the panels striving for best possible cost, quality, customer service and reduction in lead-time.

The same has been accomplished with Equipment Enclosures (substation control centers). The standardization has been optimized into primarily 3 or 4 designs, saving thousands of dollars of engineering, drafting, manufacturing, testing and field checkout.

Integrated Systems

ITC and Systems Control have worked in a collaborative fashion to provide integrated systems. Systems Control state of the art facility which provides engineering, design, manufacturing, and testing all under one roof allows for the true integrating of a system whether it's a RTU panel or

a complete Equipment Enclosure. Our unique design and manufacturing facilities/environment provides the platform for exposure to best in class ideas being used by utility customers all across North America. These best in class ideas are leveraged to assist ITC with improving all products and processes provided to ITC.

In addition, Systems Control employs a continuous improvement culture with lean initiatives executed in every part of our business with counsel and insight from some of the world experts of lean and proven ideas implemented from the Toyota Production System (TPS).

All these improvements are passed along to ITC in the form of labor hour reductions and material costs improvements resulting in thousands of dollars in savings.

Reliability

The North American Electricity Grid is the world's largest and most complex system of power generation, transmission and distribution. Systems Control keenly understands the magnitude and responsibility we undertake of keeping the system operational. Systems Control's entire organization is dedicated to the reliability of the product we design, manufacture, test and deliver all across North America.

The Systems Control engineering/design resources are on the front line of reviewing our customers and our designs/drawings to confirm compliance and configuration control prior to release for manufacturing. We keenly understand the expectations of ITC and all the design parameters.

The configuration control and reliability continues in the factory with robust processes and procedures in place to ensure consistency and reliability. This includes one of the most critical of all processes involving the grid reliability, ensuring precise installation of a lug on a wire with a process only known to Systems Control"Every Person ...Every Shift ...Every Crimper". This process, albeit seems rather simple, is absolutely critical to reliable product being delivered, installed and operational for the long term in a substation.

Finally, we take the responsibility of delivering a reliable product to a customer very seriously, so the last step of our processes is to do complete functional testing of the panels and complete testing of the integrated Equipment Enclosure. This testing process detects drawing or product issues before departure from Systems Control eliminating costly field/substation issues when the product arrives at the job site.

The reliability engrained in our processes and culture of our people save thousands of dollars in issues surfacing at substation installation and check out. More importantly, it saves potentially hundreds of thousands of dollars which would result from an outage.

Summary

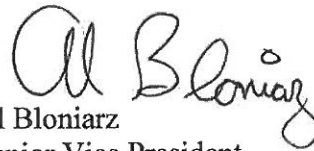
The cost efficiencies that can be gained with the ITC/Entergy transaction will contain all the above efficiencies which were achieved between ITC and Systems Control to date and represent

hundreds of thousands of dollars of actual cost savings and a much larger amount avoided with the reliability of the products delivered.

The ITC and Systems Control template for success is rooted in standardization, continuous improvement and reliability working together in a collaborative environment never losing focus of the cornerstone of our business of Extraordinary Customer Service.

Best Regards,

SYSTEMS CONTROL

A handwritten signature in black ink, appearing to read "Al Bloniarz". The signature is fluid and cursive, with the first name "Al" being more prominent and the last name "Bloniarz" written in a continuous script.

Al Bloniarz
Senior Vice President

AB/nb
CC: Steve Pontbriand
Jon Harry
Brad Lebouef
Encl.



April 20, 2012

Attn: Steve Sczytko

RE: Cost Efficiencies

Dear Steve,

Valmont Newmark is pleased to provide a response to your inquiry regarding possible cost efficiencies that may be achieved as a result of your recent acquisition of Entergy. Typically, when two companies come together by acquisition, the joint company (ITC in this instance) benefits in terms of cost efficiency. An acquisition is able to create economies of scale which in turn generates cost efficiency. As ITC and Entergy form a new and bigger company, the construction of transmission lines will be done on a much larger scale and when the construction level increases, there are strong chances that the cost of construction per mile will be reduced.

Below are some areas that Valmont has identified that could possibly improve cost efficiency for ITC:

- **Materials:** Based on the increased capital expenditures that ITC is projecting over the next several years, an opportunity may exist for Valmont to explore mill direct buys that could lead to reduced material costs and scrap.
- **Standardization of Structures:** Valmont Engineering is willing to work with ITC Engineering to create 'Standard Structures' for each voltage class in an effort to reduce both drafting and engineering time which will result in a reduced lead time for structure delivery and allow ITC the ability to construct more transmission projects on an annual basis.
- **Lead Time:** Accurate project forecasting allows Valmont to reserve production space and provide ITC structures well below current industry lead times. An opportunity exists to improve upon this already reduced lead time if ITC is able to provide Valmont an accurate forecast for all project requirements at least twelve months in advance of the planned construction date.
- **Dedicated Resources:** Due to the increased volume associated with ITC projects as a result of the Entergy acquisition, Valmont is committed to adding additional resources to our Drafting, Engineering, Project Administration, Project Management and Sales departments to ensure that structures will be delivered on time for all planned ITC Projects.
- **Emergency Response/Storm Restoration Stocking Program:** Valmont has the ability to stock structures and deliver them in as little as two weeks or less throughout ITC's entire service area. This proven program grants ITC the ability to both replace structures affected by storm events in a timely manner and avoid outages.

Please let me know if you have any questions or require additional information.

Sincerely,

Jake Klump
Strategic Account Manager
Valmont-Newmark
Utility Steel Group
570-971-8005