



May 4, 2016

Mr. Michael B. McNulty
ITC Holdings Corp
27175 Energy Way
Novi, Michigan 48377

Re: Environmental Transaction Review and Visual Observation Update
Van Tyle Substation Property
Hayes Township, Otsego County, MI

Dear Mr. McNulty:

Environmental Consulting & Technology, Inc. (ECT) has completed an environmental transaction review of the above-referenced property (Subject Property). The Subject Property consists of approximately 57 acres of land located to the north of Van Tyle Road and east of Coppins Road in Hayes Township, Otsego County, Michigan. This transaction review consisted of a review of Phase I Environmental Site Assessments (ESA) for the associated properties, a review of current reliance letters, and updated visual observations of the Subject Property.

The Subject Property is currently being developed as an electrical substation and associated transmission line corridor. The 57 acre Subject Property is composed of portions of three separate properties with parcel identification numbers 071-003-400-030-00, 071-003-300-020-00, and 071-003-300-025-01. The parcels are commonly referred to as the Drysdale and Ebeling properties, named after the historical owners. Separate Phase I ESAs for the parcels were prepared by Compliance, Inc. (Compliance), and dated June 16, 2015.

A review of the Phase I ESAs revealed the presence of various natural gas production equipment, underground piping corridors, and gas wells on or near the Subject Property. Compliance concluded that the existence of the natural gas production activity would constitute a recognized environmental condition, but they considered the risk associated with the operations was not significant. They reported that no spills, regulatory violations, piping failures, or adjacent containment operations had been observed or reported. No other recognized environmental conditions were observed or reported.

Compliance indicated that the Subject Property consisted of woodland and open land areas with no structures or development, with the exception of the gas well operations and associated equipment. In an effort to update the current visual condition of the Subject Property, ECT conducted a walk-through assessment. ECT did not observe the presence of any new recognized environmental conditions. Since the completion of the June 2015 Phase I ESAs, the Subject Property had been improved with an electrical substation and its associated transmission line corridors. Much of the wooded land has been cleared.

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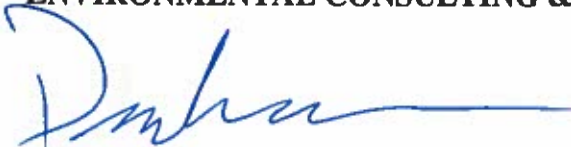
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The ECT review of the Compliance Phase I ESAs of the Subject Property did not reveal any data gaps, inconsistencies, or non-compliant conditions. It appears that the reports have complied with the applicable ASTM Standard E1527-13. In addition, ECT has reviewed the current Compliance reliance letters prepared for ITC and considers them to be compliant with industry standards associated with typical reliance language.

ECT appreciates the opportunity to provide these services. If you have any questions or require additional information, please do not hesitate to contact us at your earliest convenience.

Sincerely,

ENVIRONMENTAL CONSULTING & TECHNOLOGY, INC.



Dirk S. Mammen
Principal Scientist
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