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February 10, 2026

VIA ELECTRONIC FILING

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Application of ISO New England Inc. under Section 204 of the Federal Power Act
For An Order Authorizing the Issuance of Securities, Docket No. ES16-

Dear Secretary Bose:

Enclosed for electronic filing is the Application of ISO New England Inc. under Section 204 of the Federal Power Act and Part 34 of the regulations of the Federal Energy Regulatory Commission for an Order Authorizing the Issuance of Securities.

If there are any questions concerning this filing, please call me at (215) 864-8536.

Very truly yours,

/s/

Patrick R. Gillard
Counsel for
ISO New England Inc.

Enclosures

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

ISO New England Inc.

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Docket No. ES26- -000

**APPLICATION OF ISO NEW ENGLAND INC.
UNDER SECTION 204 OF THE FEDERAL POWER ACT FOR AN ORDER
AUTHORIZING THE ISSUANCE OF SECURITIES**

Pursuant to Section 204 of the Federal Power Act, 16 U.S.C. §824c, ISO New England Inc. (“ISO-NE”) files this application for Commission authorization of up to \$60,000,000.00 (the “Financing”) in principal amount of senior obligations (the “Obligations”) to be issued either (i) in connection with a loan from the Massachusetts Development Authority (the “Authority”) to be funded with the proceeds of a tax-exempt bond to be issued by the Authority or (ii) in the event that such tax-exempt bond financing is not available, through a private placement transaction.

To the extent applicable, ISO-NE also requests an exemption from the competitive bidding and negotiated placement requirements of Section 34.2(a) of the Commission’s regulations. Finally, in order to provide ISO-NE the flexibility to obtain the most favorable terms possible, ISO-NE respectfully requests that the Commission grant the authorization that is sought herein by March 31, 2026.

1. BACKGROUND AND SUMMARY OF REQUESTED AUTHORIZATION

The proceeds of the Obligations will be used to fund the acquisition and expansion of its facilities and payment of related expenses, as further described herein.

2. SECTION 34.3 REQUIREMENTS

Pursuant to Section 34.3 of the Commission’s regulations, 18 C.F.R. §34.3 (2026), ISO-NE provides the following information:

(a) Applicant’s official name and principal business address.

ISO New England Inc.
One Sullivan Road
Holyoke, Massachusetts 01040-2841

(b) State of incorporation and principal place of business.

On May 30, 1997, ISO-NE was organized as a non-profit, private corporation under the laws of the State of Delaware. ISO-NE serves as the regional transmission organization (“RTO”) for New England.¹ ISO-NE operates the New England bulk power system and administers New England’s organized wholesale electricity market pursuant to the ISO Tariff and the Transmission Operating Agreement with the New England transmission owners. In its capacity as an RTO, ISO-NE also has the objective to assure that the bulk power supply system within the New England Control Area conforms to proper standards of reliability as established by the Northeast Power Coordinating Council and the North American Electric Reliability Corporation.

(c) The name, address and telephone number of the person at ISO-NE authorized to receive notices and communications regarding this application.

Jennifer M. Recht, Esq.*
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Tel: (413) 540-4479
Fax: (413) 535-4379
E-mail: jrecht@iso-ne.com

ISO-NE requests that notices and communications regarding this application also be sent to:

Patrick R. Gillard*
Ballard Spahr LLP
1735 Market Street, 51st Floor

¹ Capitalized terms used but not defined in this filing are intended to have the meaning given to such terms in the ISO New England Inc. Transmission, Markets and Services Tariff (“ISO Tariff”).

Philadelphia, PA 19103
(215) 864-8536.

*Persons designated for service

(d) Requested action date.

ISO-NE respectfully requests that, if possible, the Commission act on this application by March 31, 2026 in order to obtain the most favorable terms possible.

(e) Description of the securities to be issued.

(i) Type and nature of securities

The Obligations will be incurred to permanently finance the acquisition, design, construction, renovation, expansion, demolition of an existing building, and equipping of a Whiting Farms Road facility in Holyoke, Massachusetts (the “Whiting Facility”) and related redesign, construction, renovation, and equipping of ISO-NE’s existing Sullivan Road facility in Holyoke, Massachusetts, along with the payment of related expenses (collectively, the “Project”).

In the event that ISO-NE is able to secure tax-exempt financing through the Authority, an agreement between ISO-NE and the Authority will evidence the borrowing of the proceeds of a tax-exempt bond to be issued by the Authority (the “Authority Bond”) to finance the Project. The Authority Bond will be issued by the Authority to a bank financing party as a direct purchase. In the event that tax-exempt financing, through the Authority, is not granted to ISO-NE, ISO-NE will issue unsecured promissory notes evidencing borrowings under a note purchase agreement, which will contain standard representations and warranties typically found in agreements evidencing similar debt instruments. In the event that this alternative structuring is necessary, ISO-NE hereby requests the Commission’s authorization to enter into such private placement arrangement on substantially similar terms and conditions as the tax-exempt financing, to the extent feasible, except as set forth in Section 2(e)(iii) below.

(ii) Amount of securities

The principal amount of the Obligations shall not exceed Sixty Million Dollars (\$60,000,000.00).

(iii) Interest or dividend rate

In the event that ISO-NE is able to secure tax exempt financing through the Authority, it is expected that the Obligations will bear interest at an amount equal to 86% of the sum of 1.25% plus one-month SOFR. If ISO-NE is unable to secure tax-exempt financing through the Authority, it is expected that the Obligations will bear interest at a rate equal to SOFR plus an adder not to exceed 2.5%.

(iv) Dates of issuance and maturity

ISO-NE will not enter into the Financing, and the Obligations will not be incurred, until ISO-NE receives the Commission's approval for such incurrence. The Obligations will mature not more than thirty (30) years from the date of issuance. The Obligations may be subject to optional and/or mandatory redemption under certain circumstances.

(v) Institutional rating of securities

The Obligations will not be rated.

(vi) Stock Exchange on which security will be listed

None.

(f) Purpose for which the securities are issued.

ISO-NE intends to borrow funds as described above to finance the acquisition, design, construction, renovation, expansion, demolition of an existing building, and equipping of the Whiting Facility and related redesign, construction, renovation, and equipping of ISO-NE's existing Sullivan Road facility in Holyoke, Massachusetts, along with repayment by ISO-NE of

any interim financing of the Project. These expansion activities are necessary for space utilization to support ISO-NE's growing and distributed workforce.

The primary office space for ISO-NE's workforce in Holyoke, Massachusetts ("Holyoke Campus") has remained materially unchanged for twenty years. The Holyoke Campus was designed and built in 2003-2007 and was designed to support a headcount of approximately 560 employees. The Holyoke Campus currently has approximately 603 offices and workstations, plus approximately 35 collaboration spaces and 564 parking spaces, including visitor parking. ISO-NE currently has approximately 855 employees and active consultants, of which approximately 84 employees have been relocated to a satellite campus in Windsor, Connecticut. ISO-NE believes that the integrated nature of its work is best suited for employees to work together in a single campus, providing for increased efficiency and collaboration.

In 2024, ISO-NE began leasing the Whiting Facility with the option to purchase the land (the "Property") at a future time. Since that time, ISO-NE has taken additional steps to further the Project, including engaging architects to evaluate and design a new 75,000 square foot building on the Property. The architect and design firm have met with ISO-NE staff to develop a conceptual plan for the new building at the Property that accommodates approximately 300 employees and adds approximately 360 parking spaces. ISO-NE has also completed various studies, including environmental and traffic studies, obtained a site and easement survey, and held meetings with the City of Holyoke. The Project has been discussed with the NEPOOL Budget and Finance Subcommittee and the NEPOOL Participants Committee, without opposition.

(g) State Applications.

No applications with respect to the Obligations will be filed with any state regulatory authority. ISO-NE is not a utility under the laws of any of the New England states. No state has sought to regulate ISO-NE's activities.

(h) Facts relied upon to show that the issuance of the Note is lawful and necessary.

ISO-NE has the authority to incur the Obligations pursuant to the resolutions adopted by ISO-NE's Board of Directors, attached hereto as Exhibit B, its Certificate of Incorporation, and its Bylaws. ISO-NE's corporate purposes as set forth in its Third Restated Certificate of Incorporation are to (i) maintain the reliability of the bulk power and transmission system in New England by, among other things, exercising operational authority over the bulk transmission facilities; (ii) administer and seek to enhance sustainable, competitive and efficient energy markets; (iii) provide non-discriminatory, open-access transmission service; and (iv) engage in any other lawful act or activity for which a corporation may be organized under the General Corporation Law of Delaware. Section 122(13) of the Delaware General Corporation Law empowers a corporation created under Delaware law to borrow money at such rates of interest as the corporation may determine.

ISO-NE's incurrence of the Obligations is consistent with its corporate purposes and responsibilities, its operation as an RTO, and the public interest.

The Obligations are reasonably necessary for ISO-NE to finance the capital projects needed to properly perform the services of a public utility provider and will not impair its ability to perform as an RTO and a FERC-jurisdictional public utility. To the extent applicable, and consistent with current Commission policy, ISO-NE will comply with the requirements of *Westar Energy, Inc.*, 102 FERC ¶ 61,186, *order on reh'g*, 104 FERC ¶ 61,018 (2003).

(i) Statement of the bond indentures(s) or other limitations on the issuance of additional debt or equity securities.

ISO-NE may need the consent from its lender under its revolving credit facilities and the provider of credit enhancement with respect to ISO-NE's existing senior secured notes (issued in connection with the tax-exempt financings for ISO-NE's control center and backup control center, respectively) with respect to the incurrence of the Obligations or to enter into any agreements with respect to the incurrence of the Obligations.

(j) Summary of any rate change.

Because ISO-NE is a non-profit entity without equity, it relies totally on collections under the ISO-NE Tariff to fund all of its operational expenses, including debt service. ISO-NE files updated rates for collection of its administrative costs (including expected debt service) for the upcoming calendar year on or about October 15th each year. These rates are stated in Section IV.A of the ISO-NE Tariff. The revenue requirement for these rates include expected debt service for the Obligations to be incurred and other authorized borrowings.

(k) Notice of filing.

Forms of notice are no longer required under the Commission's regulations.

3. SECTION 34.2 REQUIREMENTS

Section 34.2(a) of the Commission's regulations requires that a utility obtain competitive bids from at least two prospective dealers, purchasers or underwriters, or negotiated offers from at least three prospective dealers, purchasers or underwriters, and that the utility accept the bid or offer that provides the utility with the lowest cost of money. 18 C.F.R. §34.2(a)(1), (a)(2), (a)(3)(i). In the alternative, a utility may obtain authorization from the Commission to accept bids or offers other than the types described above. C.F.R. §34.2(a)(3)(iii).

Section 34.2(b)(4) of the Commission’s regulations exempts securities “to be issued in support of or to guarantee securities issued by governmental or quasi-governmental bodies for the benefit of the utility.” To the extent that the Obligations are to be incurred in support of securities to be issued by a governmental body – the Massachusetts Development Authority – their issuance is exempt from Section 34.2 requirements. In the event that tax-exempt financing is not available through the Authority and notes are to be issued in a private placement transaction, ISO-NE hereby requests an exemption from the competitive bidding and negotiated placement requirements of Section 34.2(a) of the Commission’s regulations.

4. SECTION 34.4 EXHIBITS

Pursuant to §34.4 of the Commission’s regulations, 18 C.F.R. §34.4 (2026), ISO-NE submits the following exhibits:

(a) Exhibit A. Statement of corporate purposes.

Attached as Exhibit A is Article 3 of ISO-NE’s Third Restated Certificate of Incorporation setting forth the purposes and powers of ISO-NE.

(b) Exhibit B. Resolutions of the applicant’s directors and shareholders authorizing issuance of securities.

Attached as Exhibit B is a certification of the Assistant Secretary of ISO-NE with respect to the resolutions adopted by ISO-NE’s Board of Directors at its January 2026 meeting authorizing ISO-NE to enter into the Financing, together with a copy of such resolutions.

(c) Exhibit C (Balance Sheet)

Attached as Exhibit C is the Balance Sheet for ISO-NE as of the twelve months ended October 31, 2025, on an actual and pro forma basis showing adjustments including the Obligations to be incurred in connection with the Financing.

(d) Exhibit D (Income Statement)

Attached as Exhibit D is the Income Statement for ISO-NE for the 12 months ended October 31, 2025, on an actual and pro forma basis showing adjustments including the Obligations to be incurred in connection with the Financing.

(e) Exhibit E (Statements of Cash Flows and Computation of Interest Coverage)

Attached as Exhibit E is the Statement of Cash Flows for ISO-NE for the 12 months ended October 31, 2025, on an actual and pro forma basis showing adjustments including the Obligations to be incurred in connection with the Financing and a Computation of Interest Coverage. The Computation of Interest Coverage is based on an assumed interest rate of 6.0%. As noted above in Section 1(j) above, the revenue requirement that ISO-NE collects through Section IV.A of the ISO-NE Tariff includes the costs of expected debt service, including that incurred pursuant to the Obligations.

(f) Exhibit F

Exhibit F is not applicable because no registration statement is required.

(g) Request for waivers.

ISO-NE hereby requests any waivers necessary in order for these documents to be accepted in satisfaction of the requirements of Section 34.4(c). In particular, the format of these statements in accordance with generally accepted accounting principles provides more useful information than the Form 1 format, given the unique non-traditional nature of ISO-NE assets and operations. These waivers have been granted in past ISO-NE applications under Section 204.

Remainder of page intentionally left blank.

5. CONCLUSION

WHEREFORE, ISO-NE respectfully requests that the Commission authorize the Financing.

Respectfully submitted,

_____/S/
Patrick R. Gillard
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1735 Market Street, 51st Floor
Philadelphia, PA 19103
(215) 864-8536

_____/S/
Jennifer M. Recht
Assistant General Counsel – Corporate
ISO New England Inc.
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Holyoke, MA 01040-2841
(413) 540-4479
jrecht@iso-ne.com

Counsel for ISO New England Inc.

February 10, 2026

Exhibit A

Article 3 of ISO-NE's Third Restated Certificate of Incorporation

Statement of Corporate Purposes

Article 3 of ISO-NE's Third Restated Certificate of Incorporation reads as follows:

PURPOSE. The Corporation is organized and shall be operated exclusively for religious, charitable, scientific, literary or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), including the following:

- (a) to (i) maintain the reliability of the bulk power and transmission system in New England by, among other things, exercising operational authority over the bulk transmission facilities, (ii) administer and seek to enhance sustainable, competitive and efficient energy markets, and (iii) provide non-discriminatory, open-access transmission service; and
- (b) to otherwise engage in any lawful act and activity consistent with the foregoing for which corporations may be formed under the Delaware General Corporation Law.

Exhibit B

Assistant Secretary's Certificate and Board of Directors Resolutions

[Attached.]

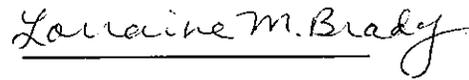
ISO NEW ENGLAND INC.

CERTIFICATE OF ASSISTANT SECRETARY

I, Lorraine M. Brady, DO HEREBY CERTIFY that I am the Assistant Secretary of ISO New England Inc. and DO HEREBY FURTHER CERTIFY AS FOLLOWS:

Attached hereto are true, correct and complete copies of resolutions duly adopted by the Board of Directors of ISO New England Inc. at a regular meeting thereof duly called and held on January 22, 2026. Such resolutions have not been amended, modified or revoked and are in full force and effect on the date hereof.

Witness my hand and the official seal of ISO New England Inc., as of the 29th day of January, 2026.



(CORPORATE SEAL)

RESOLUTIONS OF THE JANUARY 22, 2026 BOARD OF DIRECTORS MEETING

RESOLVED, that the Board of Directors adopts the following resolutions:

WHEREAS, the Board of Directors (the "Board") of ISO New England Inc. (the "Company") desires to adopt resolutions authorizing the Company to apply to the Massachusetts Development Agency ("MassDevelopment") for assistance in financing the acquisition, design, construction, equipping, renovation, expansion, and demolition of a facility at 115 Whiting Farms Road, Holyoke, Massachusetts to be used for Company general and administrative purposes; the related redesign, construction, renovation, and equipping of the existing facility at One Sullivan Road, Holyoke, Massachusetts to be used for Company general and administrative purposes; parking facilities for both locations; and any additional moneys necessary for funding a debt service or other reserve fund, paying capitalized interest, and paying costs of issuance in connection therewith, including, but not limited to, any credit enhancement fees and original issue discount (collectively, the "Project"), and to cause MassDevelopment to issue bonds for the benefit of the Company on a tax-exempt basis for the purpose of financing the Project and for the other purposes set forth above in a stated principal amount not to exceed \$60,000,000 (the "Bonds");

WHEREAS, the Internal Revenue Code and applicable regulations require the Company to take certain actions in connection with incurring certain expenses related to the Project prior to the issuance of tax-exempt debt in order to allow the Company to be reimbursed for such expenditures;

WHEREAS, the Company desires that the Project be eligible for reimbursement from the proceeds of the Bonds; and

WHEREAS, the Board desires to authorize the Company's officers to make the required filings with the Federal Energy Regulatory Commission to secure the necessary regulatory authorizations to proceed with the Project and the financing thereof with the proceeds of the Bonds.

NOW, THEREFORE, BE IT:

RESOLVED, that the Company is authorized to make an application to MassDevelopment for assistance in financing the Project through the issuance of the Bonds; and

FURTHER RESOLVED, that the Company is authorized to purchase the property currently leased by the Company at 115 Whiting Farms Road, Holyoke, Massachusetts for a purchase price of approximately \$3,000,000, which purchase price shall be funded initially with the Company's proceeds of the Bonds, which purchase shall be on such other terms and conditions as the officers of the Company or any of them in their discretion may deem necessary, advisable or appropriate; and

FURTHER RESOLVED, that the Company is authorized to borrow the proceeds of the Bonds from MassDevelopment in a stated principal amount not to exceed \$60,000,000 for purposes of funding the Project, as evidenced by the execution of a note, or other evidence of indebtedness, including, but not limited to, a Loan and Trust Agreement (the "Note"), which Note shall be on and reflect terms acceptable to the Audit and Finance Committee, and which Note shall provide for the payment to MassDevelopment of loan payments in amounts equal to amounts payable by MassDevelopment with respect to Bonds, and for the sale of the Bonds by competitive offering or negotiation; and

FURTHER RESOLVED, that the Bonds and Note shall mature within thirty years from their date of issuance and bear interest at such rate or rates of interest as shall be approved by the Audit and Finance Committee; and

FURTHER RESOLVED, that, as security for its obligations evidenced by the Note, the Company may obtain credit enhancement for the Bonds, including, but not limited to, a bond insurance policy or a letter of credit, and may enter into agreements with the financial institution providing credit enhancement and may pledge the Company's assets, including, but not limited to, a mortgage with respect to any of its real property; and

FURTHER RESOLVED, that the Company intends to reimburse itself from the proceeds of the Bonds for expenditures related to the Project made prior to the issuance thereof, to the extent permitted pursuant to the provisions of Treasury Regulations Section 1.150-2; and

FURTHER RESOLVED, that the Company reasonably expects to reimburse the expenditures set forth in this Resolution with the proceeds of the Bonds subsequent to the date hereof, and no funds from sources other than the bond issue are or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Company for the Project pursuant to the Company's budget or financial policies; and

FURTHER RESOLVED, that the officers of the Company are hereby authorized to make any additional filings deemed necessary by them with the Federal Energy Regulatory Commission, whether pursuant to Section 204 of the Federal Power Act or otherwise, for the purposes of seeking authority to purchase the property at 115 Whiting Farms Road (with the intention of obtaining financing for such purchase through the issuance of the Bonds), to undertake the Project, to incur the obligation of the Bonds (or alternate taxable financing if the Bonds are unavailable) and to execute the Note and any other documents with MassDevelopment or any financial institution providing credit enhancement, and for any other related authorizations; and

FURTHER RESOLVED, that the President and CEO and the Chief Financial Officer of the Company be, and each of them hereby is, authorized and empowered, acting singly, subject to approval of the Audit and Finance Committee where indicated above, to execute and deliver in the name and on behalf of the Company,

any application, loan agreement, mortgage, note (including the Note), indenture, letter of credit, bond purchase agreement, remarketing agreement, certificate or disclosure document relating to the bonds to be issued by MassDevelopment and any other contract, agreement, document, instrument, interest rate exchange or similar agreement, certificate or affidavit necessary or required to secure and effectuate the issuance of the Bonds and the acquisition, construction, renovation, and equipping of the Project and to carry out the intent of and the transactions contemplated by these resolutions; and that said officers be, and hereby are, authorized and empowered, acting singly, to take all other actions necessary or required to carry out such purposes and to carry out the intent of and the transactions contemplated by these resolutions, the necessity of each such document or action to be conclusively evidenced by the execution and delivery or taking thereof by such officers; and

FURTHER RESOLVED, that any actions taken by Company officers or members of senior staff prior to the date hereof with respect to administrative and operational decisions regarding the Project, including, but not limited to the submission of application materials to MassDevelopment are hereby approved, ratified and confirmed; and

FURTHER RESOLVED, that the Board of Directors designates the Audit and Finance Committee as the Committee responsible for oversight of the Project.

Exhibit C

ISO-NE Balance Sheet for the 12 Months Ended October 31, 2025 and Pro Forma Adjustments

[Attached.]

ISO New England Inc.
Statements of Financial Position
As of October 31, 2025
(in thousands)

	Actual	Adjustments	Reference	Pro Forma
Assets				
Current assets:				
Cash and cash equivalents	\$ 113,547	60,000	A	\$ 169,947
		(3,600)	B	
Restricted cash on deposit	12,197			12,197
Security deposits	375,146			375,146
Unbilled receivable, net	47,796			47,796
Prepaid expenses and other assets	2,414			2,414
Regulatory assets	807			807
Noncurrent assets:				
Property and equipment in-service, net	110,389	3,600	C	113,989
Right-of-use asset	5,027			5,027
Restricted cash on deposit	45,792			45,792
Other assets	5,258			5,258
Deferred charges	527			527
Pension and other postretirement benefit asset	11,491			11,491
Total assets	<u>\$ 730,391</u>	<u>\$ 60,000</u>		<u>\$ 790,391</u>
Liabilities and Net Assets				
Current liabilities:				
Accounts payable:				
Settlement, net	\$ 65,440			\$ 65,440
Administration	10,158			10,158
Deposits payable	409,531			409,531
Interest payable	917			917
Accrued compensation, current	28,033			28,033
Regulatory liability, current	13,001			13,001
Lease liability, current	1,816			1,816
Restricted cash on deposit payable, current	12,197			12,197
Long-term debt, current	3,180			3,180
Long-term liabilities:				
Accrued compensation, net of current portion	10,449			10,449
Lease liability, net of current portion	3,221			3,221
Restricted cash on deposit payable, net of	45,792			45,792
Regulatory liability, net of current portion	23,924			23,924
Long-term debt	102,732	60,000	A	162,732
Total liabilities	730,391	60,000		790,391
Unrestricted net assets	-	-		-
Total liabilities and net assets	<u>\$ 730,391</u>	<u>\$ 60,000</u>		<u>\$ 790,391</u>

Notes A through C are explained in Exhibit E

Exhibit D

**ISO-NE Income Statement for the 12 Months Ended October 31,
2025 and Pro Forma Adjustments**

[Attached.]

ISO New England Inc.
Statements of Activities
For twelve months ended October 31, 2025
(in thousands)

	<u>Actual</u>	<u>Adjustments</u>	<u>Reference</u>	<u>Pro Forma</u>
Changes in unrestricted net assets:				
Revenues:				
ISO tariff revenues	\$ 299,731			\$ 299,731
Over collection ISO tariff revenues	(8,234)			(8,234)
Interest income	2,734			2,734
Fees and services	134			134
Total unrestricted revenues	<u>\$ 294,365</u>	<u>\$ -</u>		<u>\$ 294,365</u>
Expenses:				
General and administrative:				
Salaries and benefits	168,744			168,744
Depreciation and amortization expense	33,831			33,831
Professional and consultants	28,151			28,151
Computer services	27,971			27,971
NPCC/NERC dues and expensess	9,207			9,207
Communication expense	3,823			3,823
Interest expense	3,636			3,636
Administrative expense	3,813			3,813
Insurance expense	3,393			3,393
Information services and industry memberships	2,108			2,108
Building services	1,876			1,876
Rents and leases	1,797			1,797
Utilities	1,705			1,705
Board of directors	1,749			1,749
Other expenses	2,561			2,561
Total expenses	<u>\$ 294,365</u>	<u>\$ -</u>		<u>\$ 294,365</u>
Change in unrestricted net assets	-			-
Unrestricted net assets, beginning of year	-			-
Unrestricted net assets, end of year	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>

Notes A through C are explained in Exhibit E

Exhibit E

ISO-NE Statement of Cash Flows for the 12 Months Ended October 31, 2025 and Pro Forma Adjustments

Computation of Interest Coverage on an Actual Basis and a Pro Forma Basis

[Attached.]

ISO New England Inc.
Statements of Cash Flows
For twelve months ended October 31, 2025
(in thousands)

	<u>Actual</u>	<u>Adjustments</u>	<u>Reference</u>	<u>Pro Forma</u>
Cash flows from operating activities:				
Change in net assets without donor restrictions	\$ -	\$ -		\$ -
Adjustments to reconcile change in net assets without donor restrictions to net cash (used in) provided by operating activities:				
Depreciation and amortization expense	33,921			33,921
Amortization of right to use asset	(880)			(880)
Loss on disposal	(1)			(1)
Change in operating assets and liabilities that provide (use) cash:				
Unbilled receivable, net	(1,832)			(1,832)
Prepaid expenses and other assets	(618)			(618)
Regulatory assets	4,036			4,036
Accounts payable:				
Settlement	(3,519)			(3,519)
Administration	(2,691)			(2,691)
Accrued compensation	7,189			7,189
Lease liability	889			889
Interest payable	(641)			(641)
Regulatory liability	7,733			7,733
Net cash (used in) provided by operating activities	<u>43,585</u>	<u>-</u>		<u>43,585</u>
Cash flows from investing activities:				
Capital expenditures	(36,517)			(36,517)
Investments	(1,046)			(1,046)
Net cash used in investing activities	<u>(37,563)</u>	<u>-</u>		<u>(37,563)</u>
Cash flows from financing activities:				
Security deposits	(151,190)			(151,190)
Restricted cash on deposit payable	33,412			33,412
Deposit payable	139,130			139,130
Borrowing on long-term debt	-	60,000	A	60,000
Repayment on long-term debt	(3,180)			(3,180)
Net cash used in financing activities	<u>18,172</u>	<u>60,000</u>		<u>78,172</u>
Net change in cash, cash equivalents and restricted cash	24,194	60,000		84,194
Cash, cash equivalents and restricted cash at beginning of year	<u>147,356</u>			<u>147,356</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 171,550</u>	<u>\$ 60,000</u>		<u>\$ 231,550</u>
Supplemental data:				
Amounts included in Accounts Payable - Administration related to work in process	<u>\$ 2,803</u>	<u>\$ -</u>		<u>\$ 2,803</u>
Cash paid during the year for interest, net of interest capitalized	<u>\$ 4,060</u>	<u>\$ -</u>		<u>\$ 4,060</u>
Non-cash activity - Change in pension liability is offset by regulatory assets	<u>\$ 6,787</u>	<u>\$ -</u>		<u>\$ 6,787</u>

Notes A through C are explained in Exhibit E

ISO New England Inc.
 Exhibit E
 (in thousands)

NOTES:

(A) Borrowing will be received in full

(C) Interest expense will be capitalized until estimated project completion in February 2028

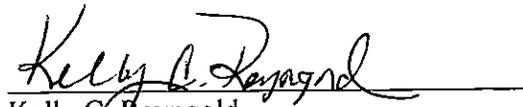
Tax-Exempt Financing

A	Borrowing	
	Remaining	-
	New Borrowing	<u>60,000</u>
	Total	<u><u>60,000</u></u>
B	Interest Expense	
	Total Borrowing	60,000
	Interest Rate	<u>6.00%</u>
	Interest Expense	<u><u>3,600</u></u>
C	Interest Expense Capitalized	
	Total Interest	3,600
	Expense Portion	-
	Capital Portion	3,600

Federal Energy Regulatory Commission Worksheet for computation of Interest Coverage	Actual for the 12 month period ended 10/31/25 (in thousands)	OMB control No. 1902-0043, pro forma for the 12 month period ended 10/31/25 (in thousands)
Net Income	0	0
Add: Interest on Long-Term Debt, Interest on Short-Term Debt, Other Interest Expense	<u>3,636</u>	<u>3,636</u>
Federal and State Income Taxes	<u>0</u>	<u>0</u>
Income Before Interest and Income Taxes	<u>3,636</u>	<u>3,636</u>
Computation of Interest Coverage: Income Before Interest and Income Taxes divided by Total Interest Expense = Interest Coverage	<u>1</u>	<u>1</u>

VERIFICATION

Kelly C. Reyngold, under penalty of perjury, says that she is the Vice President, Chief Financial Officer and Treasurer of ISO New England Inc. ("ISO-NE"); that she caused the foregoing ISO-NE Application Under Section 204 of the Federal Power Act for an Order Authorizing the Issuance of Securities ("Application") to be prepared; and that the Application and supporting data submitted as part of this filing are true, accurate, and current representations of ISO-NE's books.


Kelly C. Reyngold
Vice President, Chief Financial Officer
and Treasurer
ISO New England Inc.

February 10, 2026