# ISO New England Inc.

**Unaudited Financial Statements**
**For the Nine Months Ended September 30, 2026 and 2025**

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**ISO New England Inc.**
**Unaudited Statements of Financial Position**
**As of September 30, 2026 and December 31, 2025**

| | 2026 (unaudited) | 2025 (audited) |
|---|---|---|
| | (In thousands) | |
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 120,619 | $ 140,188 |
| Restricted cash on deposit | 25,735 | 34,204 |
| Security deposits | 342,022 | 370,210 |
| Unbilled receivables, net | 56,797 | 54,515 |
| Prepaid expenses and other assets | 3,974 | 6,761 |
| Regulatory assets - current | 516 | — |
| Noncurrent assets: | | |
| Property and equipment in-service, net | 118,826 | 114,349 |
| Right-of-use asset | 3,717 | 4,722 |
| Restricted cash on deposit | 26,592 | 47,270 |
| Other assets | 6,349 | 5,448 |
| Deferred charges | 3,405 | 521 |
| Pension and other postretirement benefit asset | 19,612 | 14,642 |
| Total assets | $ 728,164 | $ 792,830 |
| **Liabilities and Net Assets** | | |
| Current liabilities: | | |
| Accounts payable: | | |
| Settlement, net | $ 46,889 | $ 99,633 |
| Administration | 11,243 | 18,375 |
| Deposits payable | 349,384 | 395,348 |
| Interest payable | 703 | 1,509 |
| Accrued compensation, current | 34,072 | 35,215 |
| Regulatory liability, current | 9,613 | 15,601 |
| Lease liability, current | 1,680 | 1,808 |
| Restricted cash on deposit payable, current | 25,735 | 34,204 |
| Long-term debt, current | 3,180 | 3,180 |
| Long-term liabilities: | | |
| Accrued compensation, net of current portion | 11,328 | 13,567 |
| Lease liability, net of current portion | 2,039 | 2,919 |
| Other liabilities | 516 | — |
| Restricted cash on deposit payable, net of current portion | 26,592 | 47,270 |
| Regulatory liability, net of current portion | 45,883 | 22,259 |
| Long-term debt | 159,307 | 101,942 |
| Total liabilities | 728,164 | 792,830 |
| Net assets without donor restrictions | — | — |
| Total liabilities and net assets | $ 728,164 | $ 792,830 |

**ISO New England Inc.**
**Unaudited Statements of Activities**
**For The Nine Months Ended September 30, 2026 and 2025**

| | 2026 | 2025 |
|---|---|---|
| | (In thousands) | |
| Changes in net assets without donor restrictions: | | |
| Revenues: | | |
| ISO tariff revenues | $ 259,588 | $ 238,141 |
| Over collection ISO tariff revenues | (24,367) | (16,686) |
| Interest income | 1,553 | 2,025 |
| Fees and services | 84 | 86 |
| Total revenues without donor restrictions | 236,858 | 223,566 |
| Expenses: | | |
| Salaries and benefits | 134,363 | 128,321 |
| Depreciation and amortization expense | 27,116 | 25,800 |
| Computer services | 26,147 | 19,619 |
| Professional fees and consultants | 18,798 | 20,571 |
| NPCC/NERC dues and expenses | 9,908 | 9,207 |
| Administrative expense | 3,184 | 2,632 |
| Communication expense | 2,787 | 2,838 |
| Insurance expense | 2,698 | 2,560 |
| Interest expense | 2,269 | 2,711 |
| Information services and industry memberships | 1,852 | 1,821 |
| Building services | 1,535 | 1,420 |
| Rents and leases | 1,495 | 1,358 |
| Board of directors | 1,357 | 1,285 |
| Utilities | 1,310 | 1,307 |
| Other expense | 2,039 | 2,116 |
| Total expenses | 236,858 | 223,566 |
| Change in net assets without donor restrictions | — | — |
| Net assets without donor restrictions, beginning of year | — | — |
| Net assets without donor restrictions, end of period | $ — | $ — |

**ISO New England Inc.**
**Unaudited Statements of Cash Flows**
**For The Nine Months Ended September 30, 2026 and 2025**

| | 2026 | 2025 |
|---|---|---|
| | (In thousands) | |
| Cash flows from operating activities: | | |
| Change in net assets without donor restrictions | $ — | $ — |
| Adjustments to reconcile change in net assets without donor restrictions net cash provide by (used in) operating activities | | |
| Depreciation and amortization expense | 27,184 | 25,868 |
| Amortization of right to use asset | 1,442 | 1,235 |
| Loss on disposal | 582 | — |
| Change in operating assets and liabilities that provide (use) cash: | | |
| Unbilled receivable, net | (2,282) | (13,824) |
| Prepaid expenses and other assets | 2,787 | 2,181 |
| Regulatory assets | (516) | 3,632 |
| Accounts payable: | | |
| Settlement | (52,744) | (152,526) |
| Administration | (3,986) | (2,305) |
| Accrued compensation | (3,382) | 3,381 |
| Lease liability | (1,446) | (1,233) |
| Other liabilities | 516 | — |
| Interest payable | (806) | (539) |
| Regulatory liability | 12,667 | 16,686 |
| Net cash used in operating activities | (19,984) | (117,444) |
| Cash flows from investing activities: | | |
| Capital expenditures | (38,523) | (27,617) |
| Other assets | (901) | (992) |
| Net cash used in investing activities | (39,424) | (28,609) |
| Cash flows from financing activities: | | |
| Security deposits | 28,188 | (88,141) |
| Restricted cash on deposit payable | (29,147) | 20,728 |
| Deposit payable | (45,964) | 78,515 |
| Borrowing on long-term debt | 60,000 | — |
| Repayment on long-term debt | (2,385) | (2,385) |
| Borrowing on revolving credit | 4,500 | — |
| Repayment on revolving credit | (4,500) | — |
| Net cash provided by financing activities | 10,692 | 8,717 |
| Net change in cash, cash equivalents and restricted cash | (48,716) | (137,336) |
| Cash, cash equivalents and restricted cash at beginning of year | 221,662 | 263,327 |
| Cash, cash equivalents and restricted cash at end of period | $ 172,946 | $ 125,991 |
| Supplemental data: | | |
| Amounts included in Accounts Payable - Administration related to work in process | $ 3,401 | $ 4,408 |
| Cash paid during the year for interest, net of interest capitalized | $ 2,269 | $ 2,711 |
| Non-cash activity: | | |
| Change in pension asset/liability is offset by regulatory assets/liability | $ 4,970 | $ 5,736 |
| Right of Use assets obtained in exchange for lease liability | 361 | 2,238 |