



May 10, 2018

VIA ELECTRONIC FILING

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Re: ISO New England Inc., Capital Budget Quarterly Filing for First Quarter of 2018; Docket No. ER18-_____-000

Dear Secretary Bose:

ISO New England Inc. (the “ISO” or “ISO-NE”) hereby submits, pursuant to Section 205 of the Federal Power Act (“FPA”), Part 35 of the Rules and Regulations of the Federal Energy Regulatory Commission (the “Commission”), and the provisions of Section IV.B.6.2 of the ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”),¹ the ISO’s Capital Projects Report (the “Capital Projects Report”) and schedule of the unamortized costs of the ISO’s funded capital expenditures (the “Unamortized Costs Schedule”) for the quarter ending March 31, 2018 (collectively, the “First Quarter 2018 Report”). The ISO respectfully requests that the Commission accept the First Quarter 2018 Report as filed, effective April 1, 2018.

I. INTRODUCTION

Section IV.B.6.2 of the Tariff provides:

Consistent with the requirements imposed by the Commission in Docket No. ER02-2153, the ISO will file quarterly reports with the Commission specifying, by project, the ISO’s prior year spending on multi-year projects, year to date spending and a forecast of the next calendar year spending. In addition, the ISO will file a schedule of the unamortized costs of the ISO’s funded capital expenditures at the end of the quarter and the allocation of those costs to Schedules 1, 2, and 3. Such reports will be filed within forty-five (45) days at the end of each quarter and posted on the ISO’s website. All quarterly capital budget and expenditure filings will be filed pursuant to, and subject to Commission review under, Section 205 of the Federal Power Act.

The Capital Projects Report and the Unamortized Cost Schedule for the quarter ending March 31, 2018 are attached hereto. The Unamortized Cost Schedule sets forth the allocation of the costs to Schedules 1, 2, and 3 of Tariff Section IV.A, should such collection prove necessary.

¹ Capitalized terms used but not otherwise defined in this filing have the meanings ascribed thereto in the Tariff.

II. DISCUSSION OF THE FIRST QUARTER REPORT

The ISO's forecasted annual capital budget, accepted by the Commission for 2018 at \$28.0 million,² cannot predict with perfect accuracy the exact manner in which the ISO would incur capital expenditures. The ISO's quarterly filings keep stakeholders and the Commission apprised of adjustments; accordingly, the First Quarter 2018 Report provides actual capital expenditures incurred by the ISO through 2018 on multi-year capital projects, year-to-date spending during 2018, forecasts for capital projects for the remainder of 2018, and forecasted future amounts for projects that extend beyond 2018.

The following discussion highlights significant changes from the last quarterly report. Specifically, below, the ISO describes any (i) newly-chartered³ capital projects, (ii) projects completed during the quarter, and (iii) projects with significant budget changes compared with the last quarterly report. Finally, the discussion below includes a review of unchartered projects and non-project capital expenses.

The ISO vetted the changes discussed herein through the stakeholder process by posting a draft of this filing letter (with attachments) on its website on May 3, 2018. The ISO also discussed the contents of the filing letter and attachments at the May 10, 2018 meeting of the NEPOOL Budget & Finance Subcommittee.

A. New Projects with Approved Charters⁴

1. Energy Storage Device (\$3,617,700)

The Energy Storage Device project will develop a solution focused on the real-time markets that enables emerging grid-sized electric storage technologies that can nearly instantaneously change between charging and discharging (e.g., battery storage) to fully participate in the capacity, energy, reserve, and regulation markets. Specifically, this project will allow electric storage facilities (not including pumped storage technologies that can already fully participate in the markets) to participate in the energy and reserve market as dispatchable resources (when charging and discharging) while also continuing to participate in the regulation market under the Alternative Technology Regulation Resource construct.

Currently, for a storage facility to be dispatched in the real-time energy market and provide reserves, it must register as a Generator Asset and a Dispatchable Asset-Related Demand (the construct used by pumped storage facilities). The ISO's current implementation must be further enhanced for other large scale storage to address several shortcomings. The current implementation does not have the capability to automatically switch between charging and discharging without operator involvement, which is likely to be required frequently. In addition, storage facilities that have limited energy would likely need to frequently re-declare their

² See Commission letter order issued to ISO New England Inc. in Docket No. ER18-77-000 (December 6, 2017).

³ All capital projects, prior to approval, must have a completed project charter. This charter documents the project's goals and objectives, schedule and milestones, and budget. Before approving a new capital project, the ISO's senior management team reviews each project charter.

⁴ Amounts shown in parentheses represent total project costs.

dispatch limits to reflect their available energy and storage. The use of the current verbal re-declaration process will not be practicable given the potential volume and frequency of re-declarations.

This project will include enhancements and updates to various software and systems including the Energy Management System, Remote Terminal Unit connections, the Market Database, Settlements Market System, and Dispatcher Training Simulator.

The target completion date for this project is March, 2019.

2. Identity and Access Management Phase I (\$1,219,100)

ISO-NE's Identity and Access Management ("IAM") application performs critical functions to model, request, approve, and implement access to information technology assets including applications, servers, systems, shared drives, and badged physical access. All ISO systems rely on this application to model and implement authorization functionality to protect information technology and other assets from unauthorized access.

This project will include purchasing and implementing the necessary hardware and software to update the current access rights process and applications to a state-of-the-art solution that meets with cyber security best practices. The project will also address enhancements which have been requested through the ISO's corrective action/preventative action program. The new IAM solution will enable stronger controls for the revocation of physical access and remote system access to ensure compliance with current North American Electric Reliability Corporation ("NERC") Critical Infrastructure Protection ("CIP") de-provisioning requirements through automation and provision for a time recorded audit trail. The scope of this project will also include a more robust and efficient means for requesting access rights to applications, servers, and file shares. This enhancement will reduce the current high volume of employee role re-validations required and allow the ISO to maintain a consistent compliant state.

The targeted completion date for this project is August, 2018.

3. 2018 Issue Resolution Phase I (\$400,000)

The ISO uses a corrective action/preventative action ("CAPA") approach to identify and track needed enhancements to existing systems and processes. The 2018 Issue Resolution Project Phase I will focus on resolving 39 CAPAs within the first three quarters of the year that enhance various software systems. The software changes span a range of functionality including user interface and internal reporting improvements for systems including: the Visitor Management system; Scheduling, Pricing, and Dispatching system; business intelligence software, ISO-NE's external web site, and various market system software.

The targeted completion date for this project is September, 2018.

B. Capital Projects Completed in Current Quarter

1. Energy Management System Alarm Presentation Enhancements

The Energy Management System Alarm Presentation Enhancement project was placed into service in March 2018 with total actual and remaining residual costs of \$181,600, on target with planned costs of \$181,600.

C. Projects with Significant Changes

1. Forward Capacity Market – Pay for Performance (2018 Budget decrease of \$125,000 for a total project cost of \$2,266,600)

The reduction for the Forward Capacity Market – Pay for Performance project includes the return of \$125,000 to the Emerging Work Fund. The project is nearing completion (June 2018), and costs for outside services have been less than initially contemplated.

D. Capital Projects in Planning/Conceptual Design

Capital project priorities in the planning and conceptual design phase are fluid. The Capital Projects Report includes the ISO's current best estimate as to how it will spend capital funds. The estimates for projects in Planning/Conceptual Design are high level/low confidence. When the project scope, timeline, budget, and benefits are determined, these figures will be updated and communicated to stakeholders and the Commission through future quarterly reports.

E. Non-Project Capital Expenses

Non-project capital expenditures fund furniture and fixtures, non-project related hardware and software purchases, and the internal capitalized labor necessary to code System Improvement Requests, also known as "SIRs." The SIRs are generally a result of requests from Market Participants and the ISO's operational groups to improve system functionalities.

The ISO's non-project capital spending for the 2018 Budget has decreased \$400,000 from an original 2018 Budget estimate of \$4,045,000 to \$3,645,000. The reduction in non-project capital is due to lower than expected requirements for hardware/software expenditures as a number of purchases slated for early 2018 were purchased during the fourth quarter of 2017.

III. ADDITIONAL SUPPORTING INFORMATION

The ISO submits the following additional information pursuant to Sections 205 of the FPA and 35.13 of the Code of Federal Regulations:

35.13(b)(1) – In addition to this transmittal letter, the ISO provides the following materials:

- for the First Quarter ending March 31, 2018, the Capital Projects Report and the Unamortized Costs Schedule (Attachment 1); and

- a list of the governors and electric utility and other regulatory agencies for the six New England states that comprise the New England Control Area and the New England Conference of Public Utility Commissioners, Inc. (Attachment 2).

35.13(b)(2) – The ISO requests that the Commission accept the First Quarter 2018 Report as filed, effective April 1, 2018. Since the information in the First Quarter 2018 Report involves the period ending March 31, 2018, a waiver of the 60-day prior notice requirements is appropriate, as is the requested effective date. That effective date will also avoid any issue regarding a potential lag in the “backstopping” accomplished through the ISO’s capital budget quarterly reports.

35.13(b)(3) – An electronic copy of this filing is being provided to all NEPOOL Participants and to the governors and electric utility and other regulatory agencies for the six New England states that comprise the New England Control Area, and to the New England Conference of Public Utility Commissioners, Inc. The names and addresses of these governors and regulatory agencies are shown in Attachment 2. In accordance with Commission rules and practice, there is no need for entities identified on Attachment 2 to be included on the Commission’s official service list in the captioned docket unless such entities become interveners in this docket.

35.13(b)(4) – A description of the materials submitted pursuant to this filing is contained in this transmittal letter.

35.13(b)(5) – This transmittal letter and supporting materials provide a statement of the reasons the First Quarter 2018 Report should be accepted by the Commission.

35.13(b)(6) – The ISO’s approval of these changes is evidenced by this filing. The ISO also notes that the NEPOOL Budget and Finance Subcommittee reviewed this filing and the 2018 Capital Budget, and the NEPOOL Participants Committee voted to support the 2018 Capital Budget.

35.13(b)(7) – The ISO does not have any knowledge of any relevant expenses or costs of service that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

35.13(c)(1) – Sales, services, and revenues cannot reasonably be projected at this time.

35.13(c)(2) – There is no other rate schedule on file for which a comparison of charges would be appropriate.

35.13(c)(3) – No specifically assignable facilities have been or will be installed or modified in order for the Commission to accept this filing.

IV. COMMUNICATIONS

Correspondence and communications regarding this filing should be addressed to:

Jennifer M. Recht
Corporate Counsel
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

V. CONCLUSION

For the reasons stated herein, the ISO requests that the Commission accept the First Quarter 2018 Report as filed, effective April 1, 2018.

Respectfully submitted,

/s/ Jennifer M. Recht
Jennifer M. Recht
Corporate Counsel
ISO New England Inc.

Attachment 1

ISO New England Inc.
Capital Projects Schedule
For the Quarter ended 3/31/18
(\$000's)

| <u>Description</u> | <u>Prior Year(s) Spending [1]</u> | <u>2018 YTD Spending</u> | <u>2018 Costs to Complete</u> | <u>Total Project Costs [2]</u> |
|--|---------------------------------------|------------------------------|-----------------------------------|--|
| Capital Projects - Approved Charters | | | | |
| . Price Responsive Demand | 6,850.4 | 1,885.6 | 843.2 | 9,579.2 |
| . Energy Storage Device | 595.9 | 345.8 | 2,676.0 | 3,617.7 |
| . Forward Capacity Market - Pay for Performance | 1,331.6 | 484.2 | 450.8 | 2,266.6 |
| . Identity and Access Management Phase I | 171.1 | 295.1 | 752.9 | 1,219.1 |
| . Internal Market Monitoring Data Analysis Phase I | 748.7 | 180.3 | 230.7 | 1,159.7 |
| . Forward Capacity Market Improvements [3] | 540.4 | 283.1 | 116.5 | 940.0 |
| . Photovoltaic & Load Forecasting | 126.2 | 37.6 | 714.6 | 878.4 |
| . Intranet Platform Replacement | 170.0 | 284.3 | 400.7 | 855.0 |
| . Customer Contact Center Solution | 360.5 | 104.7 | 230.7 | 696.0 |
| . Balance of Planning Period Financial Assurance Project [4] | 265.9 | 1.4 | 391.2 | 658.5 |
| . Data Archival & Storage | 558.0 | 28.8 | 46.2 | 633.0 |
| . Update Enhanced Energy Scheduling Technical Architecture | 295.7 | 48.0 | 156.3 | 500.0 |
| . 2018 Issue Resolution Phase I | - | 21.2 | 378.8 | 400.0 |
| . Mobile Application Project | 136.6 | 30.6 | 190.5 | 357.6 |
| . Energy Management System Alarm Presentation Enhancements | 156.6 | 15.9 | 9.1 | 181.6 |
| . Projects Less Than \$100K in Value (One Project) | - | 10.7 | - | 10.7 |
| Sub Total Projects with Approved Charters | 12,307.8 | 4,057.1 | 7,588.2 | 23,953.1 |

ISO New England Inc.
Capital Projects Schedule
For the Quarter ended 3/31/18
(\$000's)

| <u>Description</u> | <u>Prior Year(s) Spending [1]</u> | <u>2018 YTD Spending</u> | <u>2018 Costs to Complete</u> | <u>Total Project Costs [2]</u> |
|--|---------------------------------------|------------------------------|-----------------------------------|--|
| Capital Projects in Planning/Conceptual Design [5] | | | | |
| . Long-Term FTRs [6] | 907.5 | - | - | 907.5 |
| . nGEM Software Development | 713.7 | 26.9 | 1,773.1 | 2,513.7 |
| . CIMNET Simultaneous Feasibility Test with Data Transfer Enhancements | 256.5 | 2.2 | 1,997.8 | 2,256.5 |
| . Competitive Auctions with Sponsored Policy Resources | - | 32.2 | 1,697.8 | 1,730.0 |
| . Energy Management Platform 3.2 Upgrade and Custom Reduction | 250.9 | 155.2 | 844.8 | 1,250.9 |
| . Enterprise Application Integration | 124.1 | 2.1 | 597.9 | 724.1 |
| . Internal Market Monitoring Data Analysis Phase II | - | | 600.0 | 600.0 |
| . FERC Form 1, 3-Q and 714 | 6.6 | 0.1 | 499.9 | 506.6 |
| . Projects Less Than \$100K in Value (Five Projects) | 60.1 | 108.2 | 172.7 | 341.0 |
| . Other Emerging Work Projects | - | | 3,698.9 | 3,698.9 |
| Sub Total Capital Projects Planning/ Conceptual Design | 2,319.5 | 326.9 | 11,882.8 | 14,529.2 |
| Non-Project Capital Spending | - | 934.0 | 2,711.0 | 3,645.0 |
| Capitalized Interest & Loan Fees | - | 133.3 | 366.7 | 500.0 |
| Total Capital Projects | 14,627.3 | 5,451.3 | 22,548.7 | 42,627.3 |

[1] Prior Year(s) spending reflects only those projects with current and future spending.

[2] Total project costs include external and internal labor capital costs.

[3] The Forward Capacity Market Improvements project, which has replaced the Forward Capacity Auction (FCA) 12 project, will include changes contemplated in FCA 12, including implementation of Zonal Demand Curves into reconfiguration auctions.

[4] The Balance of Planning Period Financial Assurance Project is on hold pending resolution and ratifications of outstanding stakeholder concerns related to ISO-NE's filing of a financial assurance methodology to accommodate the Financial Transmission Rights/Balance of Planning Period auctions.

[5] All estimates are subject to material change until rules are finalized, approved by FERC, scope is defined and project chartered.

[6] The Long-Term FTRs project has been indefinitely deferred pending the development of appropriate credit requirements.

ISO NEW ENGLAND INC.

FERC COMPLIANCE FILING - 03/31/18

ALLOCATION ON UNRECOVERED PLANT IN SERVICE/UNAMORTIZED COST OF PLANT

| Line No. | Description | Unrecovered Basis | | | (e) | Self-Funding Tariff | | | |
|----------|--|-------------------|-------------|---------------|-----|---------------------|--------------|---------------|--------------|
| | | Total | Adjustments | Adj. Total | | Total | Schedule 1 | Schedule 2 | Schedule 3 |
| | (a) | (b) | (c) | (d) | | (f) | (g) | (h) | (i) |
| 1 | 2018 Items: | | | | | | | | |
| 2 | Building Improvements | \$ - | \$ - | \$ - | | \$ - | \$ - | \$ - | \$ - |
| 3 | Furniture, Fixtures, and Equipment | 8,592 | - | 8,592 | | 8,592 | 1,852 | 4,446 | 2,294 |
| 4 | Non-Project Capital Spending (Hardware and Software) | 1,915,102 | - | 1,915,102 | | 1,915,102 | 412,705 | 991,065 | 511,332 |
| 5 | Market Systems and Enhancement Projects | 4,751,494 | - | 4,751,494 | | 4,751,494 | 189,078 | 2,318,206 | 2,244,209 |
| 6 | Non-Market Systems and Enhancement Projects | 769,446 | - | 769,446 | | 769,446 | 166,449 | 397,770 | 205,226 |
| 7 | Total 2018 Items - \$ | \$ 7,444,634 | \$ - | \$ 7,444,634 | | \$ 7,444,634 | \$ 770,084 | \$ 3,711,488 | \$ 2,963,062 |
| 8 | Total 2018 Items - % | | | | | 100.00% | 10.34% | 49.85% | 39.80% |
| 9 | | | | | | | | | |
| 10 | 2017 Items: | | | | | | | | |
| 11 | Building Improvements | \$ 604,758 | \$ - | \$ 604,758 | | \$ 604,758 | \$ 130,325 | \$ 312,962 | \$ 161,470 |
| 12 | Furniture, Fixtures, and Equipment | 72,681 | - | 72,681 | | 72,681 | 15,663 | 37,612 | 19,406 |
| 13 | Non-Project Capital Spending (Hardware and Software) | 2,247,135 | - | 2,247,135 | | 2,247,135 | 484,258 | 1,162,892 | 599,985 |
| 14 | Market Systems and Enhancement Projects | 17,721,975 | - | 17,721,975 | | 17,721,975 | 1,290,568 | 9,987,541 | 6,443,867 |
| 15 | Non-Market Systems and Enhancement Projects | 2,784,777 | - | 2,784,777 | | 2,784,777 | 614,241 | 1,427,661 | 742,875 |
| 16 | Total 2017 Items - \$ | \$ 23,431,326 | \$ - | \$ 23,431,326 | | \$ 23,431,326 | \$ 2,535,054 | \$ 12,928,669 | \$ 7,967,603 |
| 17 | Total 2017 Items - % | | | | | 100.00% | 10.82% | 55.18% | 34.00% |
| 18 | | | | | | | | | |
| 19 | 2016 Items: | | | | | | | | |
| 20 | Building Improvements | \$ 267,151 | \$ - | \$ 267,151 | | \$ 267,151 | \$ 57,571 | \$ 138,251 | \$ 71,329 |
| 21 | Furniture, Fixtures, and Equipment | 439,090 | - | 439,090 | | 439,090 | 94,624 | 227,229 | 117,237 |
| 22 | Non-Project Capital Spending (Hardware and Software) | 1,309,231 | - | 1,309,231 | | 1,309,231 | 282,139 | 677,527 | 349,565 |
| 23 | Market Systems and Enhancement Projects | 11,321,512 | - | 11,321,512 | | 11,321,512 | 1,616,248 | 6,689,083 | 3,016,182 |
| 24 | Non-Market Systems and Enhancement Projects | 1,680,811 | - | 1,680,811 | | 1,680,811 | 644,576 | 657,251 | 378,985 |
| 25 | Total 2016 Items - \$ | \$ 15,017,796 | \$ - | \$ 15,017,796 | | \$ 15,017,796 | \$ 2,695,158 | \$ 8,389,340 | \$ 3,933,298 |
| 26 | Total 2016 Items - % | | | | | 100.00% | 17.95% | 55.86% | 26.19% |
| 27 | | | | | | | | | |
| 28 | 2015 Items: | | | | | | | | |
| 29 | Building Improvements | \$ 31,466 | \$ - | \$ 31,466 | | \$ 31,466 | \$ 6,781 | \$ 16,284 | \$ 8,401 |
| 30 | Furniture, Fixtures, and Equipment | 126,157 | - | 126,157 | | 126,157 | 27,187 | 65,286 | 33,684 |
| 31 | Non-Project Capital Spending (Hardware and Software) | 346,026 | - | 346,026 | | 346,026 | 74,569 | 179,068 | 92,389 |
| 32 | Market Systems and Enhancement Projects | 5,452,502 | - | 5,452,502 | | 5,452,502 | 1,362,540 | 2,438,010 | 1,651,951 |
| 33 | Non-Market Systems and Enhancement Projects | 1,749,264 | - | 1,749,264 | | 1,749,264 | 604,259 | 819,748 | 325,257 |
| 34 | Total 2015 Items - \$ | \$ 7,705,415 | \$ - | \$ 7,705,415 | | \$ 7,705,415 | \$ 2,075,336 | \$ 3,518,397 | \$ 2,111,683 |
| 35 | Total 2015 Items - % | | | | | 100.00% | 26.93% | 45.66% | 27.41% |
| 36 | | | | | | | | | |
| 37 | 2014 Items: | | | | | | | | |
| 38 | Building Improvements | \$ 79,577 | \$ - | \$ 79,577 | | \$ 79,577 | \$ 17,149 | \$ 41,181 | \$ 21,247 |
| 39 | Back-up Control Center | 1,547,416 | - | 1,547,416 | | 1,547,416 | 333,468 | 800,788 | 413,160 |
| 40 | Furniture, Fixtures, and Equipment | 99,379 | - | 99,379 | | 99,379 | 21,416 | 51,429 | 26,534 |
| 41 | Non-Project Capital Spending (Hardware and Software) | 1,269,514 | - | 1,269,514 | | 1,269,514 | 273,580 | 656,974 | 338,960 |
| 42 | Market Systems and Enhancement Projects | 694,531 | - | 694,531 | | 694,531 | 414,165 | 264,708 | 15,658 |
| 43 | Non-Market Systems and Enhancement Projects | 541,392 | - | 541,392 | | 541,392 | 340,121 | 131,587 | 69,684 |
| 44 | Total 2014 Items - \$ | \$ 4,231,810 | \$ - | \$ 4,231,810 | | \$ 4,231,810 | \$ 1,399,899 | \$ 1,946,666 | \$ 885,244 |
| 45 | Total 2014 Items - % | | | | | 100.00% | 33.08% | 46.00% | 20.92% |
| 46 | | | | | | | | | |
| 47 | 2013 Items: | | | | | | | | |
| 48 | Building Improvements | \$ 43,268 | \$ - | \$ 43,268 | | \$ 43,268 | \$ 9,324 | \$ 22,391 | \$ 11,553 |
| 49 | Back-up Control Center | 17,369,742 | - | 17,369,742 | | 17,369,742 | 3,743,179 | 8,988,842 | 4,637,721 |
| 50 | Furniture, Fixtures, and Equipment | 427,432 | - | 427,432 | | 427,432 | 92,112 | 221,196 | 114,124 |
| 51 | Non-Project Capital Spending (Hardware and Software) | 1,486,897 | - | 1,486,897 | | 1,486,897 | 320,426 | 769,469 | 397,002 |
| 52 | Market Systems and Enhancement Projects | 289,846 | - | 289,846 | | 289,846 | 193,068 | 96,778 | - |
| 53 | Non-Market Systems and Enhancement Projects | 427,506 | - | 427,506 | | 427,506 | 131,128 | 195,129 | 101,250 |
| 54 | Total 2013 Items - \$ | \$ 20,044,692 | \$ - | \$ 20,044,692 | | \$ 20,044,692 | \$ 4,489,238 | \$ 10,293,805 | \$ 5,261,649 |
| 55 | Total 2013 Items - % | | | | | 100.00% | 22.40% | 51.35% | 26.25% |

ISO NEW ENGLAND INC.

FERC COMPLIANCE FILING - 03/31/18

ALLOCATION ON UNRECOVERED PLANT IN SERVICE/UNAMORTIZED COST OF PLANT

| Line No. | Description | Unrecovered Basis | | | (e) | Self-Funding Tariff | | | |
|----------|--|-------------------|-------------|---------------|-----|---------------------|--------------|--------------|--------------|
| | | Total | Adjustments | Adj. Total | | Total | Schedule 1 | Schedule 2 | Schedule 3 |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| 56 | | | | | | | | | |
| 57 | 2012 Items: | | | | | | | | |
| 58 | Building Improvements | \$ 51,928 | \$ - | \$ 51,928 | | \$ 51,928 | \$ 11,190 | \$ 26,873 | \$ 13,865 |
| 59 | Back-up Control Center | 1,629,733 | - | 1,629,733 | | 1,629,733 | 351,207 | 843,387 | 435,139 |
| 60 | Furniture, Fixtures, and Equipment | 1,644 | - | 1,644 | | 1,644 | 354 | 851 | 439 |
| 61 | Non-Project Capital Spending (Hardware and Software) | 372,763 | - | 372,763 | | 372,763 | 80,330 | 192,905 | 99,528 |
| 62 | Market Systems and Enhancement Projects | 248,343 | - | 248,343 | | 248,343 | 136,387 | 111,957 | - |
| 63 | Non-Market Systems and Enhancement Projects | 84,202 | - | 84,202 | | 84,202 | 18,146 | 43,575 | 22,482 |
| 64 | Total 2012 Items - \$ | \$ 2,388,614 | \$ - | \$ 2,388,614 | | \$ 2,388,614 | \$ 597,615 | \$ 1,219,547 | \$ 571,452 |
| 65 | Total 2012 Items - % | | | | | 100.00% | 25.02% | 51.06% | 23.92% |
| 66 | | | | | | | | | |
| 67 | 2011 Items: | | | | | | | | |
| 68 | Facilities Project | \$ 23,797 | \$ - | \$ 23,797 | | \$ 23,797 | \$ 5,128 | \$ 12,315 | \$ 6,354 |
| 69 | Furniture, Fixtures, and Equipment | 1,831 | - | 1,831 | | 1,831 | 395 | 947 | 489 |
| 70 | Non-Market Systems and Enhancement Projects | 11,906 | - | 11,906 | | 11,906 | 2,566 | 6,161 | 3,179 |
| 71 | Total 2011 Items - \$ | \$ 37,534 | \$ - | \$ 37,534 | | \$ 37,534 | \$ 8,088 | \$ 19,424 | \$ 10,021 |
| 72 | Total 2011 Items - % | | | | | 100.00% | 21.55% | 51.75% | 26.70% |
| 73 | | | | | | | | | |
| 74 | 2010 Items: | | | | | | | | |
| 75 | Facilities Project | \$ 17,847 | \$ - | \$ 17,847 | | \$ 17,847 | \$ 3,846 | \$ 9,236 | \$ 4,765 |
| 76 | Furniture, Fixtures, and Equipment | - | - | - | | - | - | - | - |
| 77 | Total 2010 Items - \$ | \$ 17,847 | \$ - | \$ 17,847 | | \$ 17,847 | \$ 3,846 | \$ 9,236 | \$ 4,765 |
| 78 | Total 2010 Items - % | | | | | 100.00% | 21.55% | 51.75% | 26.70% |
| 79 | | | | | | | | | |
| 80 | 2009 Items: | | | | | | | | |
| 81 | Facilities Project | \$ 16,526 | \$ - | \$ 16,526 | | \$ 16,526 | \$ 3,561 | \$ 8,552 | \$ 4,412 |
| 82 | Non-Project Capital Spending (Hardware and Software) | 417 | - | 417 | | 417 | 90 | 216 | 111 |
| 83 | Total 2009 Items - \$ | \$ 16,943 | \$ - | \$ 16,943 | | \$ 16,943 | \$ 3,651 | \$ 8,768 | \$ 4,524 |
| 84 | Total 2009 Items - % | | | | | 100.00% | 21.55% | 51.75% | 26.70% |
| 85 | | | | | | | | | |
| 86 | 2008 Items: | | | | | | | | |
| 87 | Facilities Project | \$ 20,584 | \$ - | \$ 20,584 | | \$ 20,584 | \$ 4,436 | \$ 10,652 | \$ 5,496 |
| 88 | Non-Market Systems and Enhancement Projects | 209,718 | - | 209,718 | | 209,718 | 45,194 | 108,529 | 55,995 |
| 89 | Total 2008 Items - \$ | \$ 230,302 | \$ - | \$ 230,302 | | \$ 230,302 | \$ 49,630 | \$ 119,181 | \$ 61,491 |
| 90 | Total 2008 Items - % | | | | | 100.00% | 21.55% | 51.75% | 26.70% |
| 91 | | | | | | | | | |
| 92 | 2007 Items: | | | | | | | | |
| 93 | Facilities Project | \$ 2,169,379 | \$ - | \$ 2,169,379 | | \$ 2,169,379 | \$ 467,501 | \$ 1,122,654 | \$ 579,224 |
| 94 | Non-Market Systems and Enhancement Projects | 973,290 | - | 973,290 | | 973,290 | 209,744 | 503,678 | 259,868 |
| 95 | Total 2007 Items - \$ | \$ 3,142,669 | \$ - | \$ 3,142,669 | | \$ 3,142,669 | \$ 677,245 | \$ 1,626,331 | \$ 839,093 |
| 96 | Total 2007 Items - % | | | | | 100.00% | 21.55% | 51.75% | 26.70% |
| 97 | | | | | | | | | |
| 98 | 2006 Items: | | | | | | | | |
| 99 | Facilities Project | \$ 7,678,864 | \$ - | \$ 7,678,864 | | \$ 7,678,864 | \$ 1,654,795 | \$ 3,973,812 | \$ 2,050,257 |
| 100 | Total 2006 Items - \$ | \$ 7,678,864 | \$ - | \$ 7,678,864 | | \$ 7,678,864 | \$ 1,654,795 | \$ 3,973,812 | \$ 2,050,257 |
| 101 | Total 2006 Items - % | | | | | 100.00% | 21.55% | 51.75% | 26.70% |
| 102 | | | | | | | | | |
| 103 | 2005 Items: | | | | | | | | |
| 104 | Building/property improv. (Renov. workspace, network & voice rewiring) | \$ 10,176,507 | \$ - | \$ 10,176,507 | | \$ 10,176,507 | \$ 2,193,037 | \$ 5,266,343 | \$ 2,717,127 |
| 105 | Capital Interest/Fees | 192,519 | - | 192,519 | | 192,519 | - | 126,100 | 66,419 |
| 106 | Total 2005 Items - \$ | \$ 10,369,026 | \$ - | \$ 10,369,026 | | \$ 10,369,026 | \$ 2,193,037 | \$ 5,392,442 | \$ 2,783,546 |
| 107 | Total 2005 Items - % | | | | | 100.00% | 21.15% | 52.01% | 26.84% |
| 108 | | | | | | | | | |
| 109 | 2004 Items: | | | | | | | | |
| 110 | Building/property improv. (Renov. workspace, network & voice rewiring) | \$ 549,171 | \$ - | \$ 549,171 | | \$ 549,171 | \$ 118,346 | \$ 284,196 | \$ 146,629 |
| 111 | Capital Interest/Fees | 19,106 | - | 19,106 | | 19,106 | - | 12,514 | 6,591 |
| 112 | Total 2004 Items - \$ | \$ 568,277 | \$ - | \$ 568,277 | | \$ 568,277 | \$ 118,346 | \$ 296,710 | \$ 153,220 |

ISO NEW ENGLAND INC.

FERC COMPLIANCE FILING - 03/31/18

ALLOCATION ON UNRECOVERED PLANT IN SERVICE/UNAMORTIZED COST OF PLANT

| Line No. | Description | Unrecovered Basis | | | Self-Funding Tariff | | | | |
|----------|--|-------------------|-------------|----------------|---------------------|----------------|---------------|---------------|---------------|
| | | Total | Adjustments | Adj. Total | Total | Schedule 1 | Schedule 2 | Schedule 3 | |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| 113 | Total 2004 Items - % | | | | | 100.00% | 20.83% | 52.21% | 26.96% |
| 114 | | | | | | | | | |
| 115 | Total Unrecovered Plant in Service - \$ | \$ 102,325,747 | \$ - | \$ 102,325,747 | | \$ 102,325,747 | \$ 19,271,023 | \$ 53,453,817 | \$ 29,600,907 |
| 116 | - % | | | | | 100.00% | 18.83% | 52.24% | 28.93% |

Attachment 2

New England Governors, State Utility Regulators and Related Agencies*

Connecticut

The Honorable Dannel P. Malloy
Office of the Governor
State Capitol
210 Capitol Ave.
Hartford, CT 06106
Liz.Donohue@ct.gov

Connecticut Public Utilities Regulatory
Authority
10 Franklin Square
New Britain, CT 06051-2605
robert.luysterborghs@ct.gov
michael.coyle@ct.gov
clare.kindall@ct.gov
steven.cadwallader@ct.gov

Maine

The Honorable Paul LePage
One State House Station
Office of the Governor
Augusta, ME 04333-0001
Kathleen.Newman@maine.gov

Maine Public Utilities Commission
18 State House Station
Augusta, ME 04333-0018
Maine.puc@maine.gov

Massachusetts

Massachusetts Attorney General Office
One Ashburton Place
Boston, MA 02108
rebecca.tepper@state.ma.us

Massachusetts Department of Public Utilities
One South Station
Boston, MA 02110
Nancy.Stevens@state.ma.us
morgane.treanton@state.ma.us
Lindsay.griffin@state.ma.us

New Hampshire

The Honorable Chris Sununu
Office of the Governor
26 Capital Street
Concord NH 03301
Jared.chicoine@nh.gov

New Hampshire Public Utilities Commission
21 South Fruit Street, Ste. 10
Concord, NH 03301-2429
tom.frantz@puc.nh.gov
george.mccluskey@puc.nh.gov
F.Ross@puc.nh.gov
David.goyette@puc.nh.gov
RegionalEnergy@puc.nh.gov
kate.bailey@puc.nh.gov
amanda.noonan@puc.nh.gov

Rhode Island

The Honorable Gina Raimondo
Office of the Governor
82 Smith Street
Providence, RI 02903
eric.beane@governor.ri.gov
carol.grant@energy.ri.gov
christopher.kearns@energy.ri.gov
Danny.Musher@energy.ri.gov
nicholas.ucci@energy.ri.gov

Rhode Island Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888
Margaret.curran@puc.ri.gov
todd.bianco@puc.ri.gov
Marion.Gold@puc.ri.gov

Vermont

The Honorable Phil Scott
Office of the Governor
109 State Street, Pavilion
Montpelier, VT 05609
jgibbs@vermont.gov

New England Governors, State Utility Regulators and Related Agencies*

Vermont Public Utility Commission
112 State Street
Montpelier, VT 05620-2701
mary-jo.krolewski@vermont.gov
sarah.hofmann@vermont.gov

Vermont Department of Public Service
112 State Street, Drawer 20
Montpelier, VT 05620-2601
bill.jordan@vermont.gov
june.tierney@vermont.gov
Ed.McNamara@vermont.gov

New England Governors, Utility Regulatory and Related Agencies

Jay Lucey
Coalition of Northeastern Governors
400 North Capitol Street, NW
Washington, DC 20001
coneg@sso.org

Heather Hunt, Executive Director
New England States Committee on Electricity
655 Longmeadow Street
Longmeadow, MA 01106
HeatherHunt@nescoe.com
JasonMarshall@nescoe.com

Rachel Goldwasser, Executive Director
New England Conference of Public Utilities
Commissioners
72 N. Main Street
Concord, NH 03301
rgoldwasser@necpuc.org

Martin Honigberg, President
New England Conference of Public Utilities
Commissioners
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429
martin.honigberg@puc.nh.gov