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June 17, 2024

**VIA ELECTRONIC FILING**

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

Re: ISO New England Inc., Docket No. ES24-\_\_-000, Application of ISO New  
England Inc. under Section 204 of the Federal Power Act

Dear Secretary Bose:

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

ISO-NE requests that such authorization be granted by August 1, 2024. ISO-NE will file the reports required by Section 34.9 of the Commission's regulations within thirty days after it issues the debt securities for which authorization is sought in this application.

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

Very truly yours,

/s/ Patrick R. Gillard

Patrick R. Gillard  
Counsel for  
ISO New England Inc.

Enclosures

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

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**ISO New England Inc.**

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**Docket No. ES24-\_\_\_\_-000**

**APPLICATION OF ISO NEW ENGLAND INC.  
UNDER SECTION 204 OF THE FEDERAL POWER ACT FOR AN ORDER  
AUTHORIZING THE ISSUANCE OF DEBT 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 Federal Energy Regulatory Commission (“Commission”) authorization of the issuance of up to \$75,000,000 in senior unsecured notes (the “Notes”).

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 August 1, 2024.

**1. BACKGROUND AND SUMMARY OF REQUESTED AUTHORIZATION**

ISO-NE serves as the regional transmission organization (“RTO”) for New England.<sup>1</sup> ISO-NE operates the New England bulk power system and administers New England’s organized wholesale electricity market pursuant to the ISO-NE 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

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<sup>1</sup> Capitalized terms used but not defined in this filing are intended to have the meaning given to such terms in Section I of the ISO New England Inc. Transmission, Markets and Services Tariff (“ISO-NE Tariff”).

England Control Area conforms to proper standards of reliability as established by the Northeast Power Coordinating Council and the North American Electric Reliability Corporation.

Prior to 2012, ISO-NE's existing capital projects had been financed through the proceeds of \$39 million of private placement debt that was issued by ISO-NE in 2004 (the "2004 Capital Financing"), authorized by the Commission by delegated letter order issued in Docket No. ES04-39-000, 109 FERC ¶ 62,195 (2004). In 2012, ISO-NE obtained Commission approval for ISO-NE to raise an additional \$11 million in indebtedness in order to support a higher sustained level of capital expenditures (the "2012 Capital Financing"),<sup>2</sup> and in 2013, the Commission authorized ISO-NE to issue notes in order to refinance the \$39 million in aggregate principal amount of senior unsecured notes issued in the 2004 Capital Financing in order to reduce ISO-NE's interest costs (the "2013 Refinancing," and together with the 2004 Capital Financing and the 2012 Capital Financing, the "Existing Financings").<sup>3</sup>

The notes evidencing the Existing Financings will mature in November 2024. ISO-NE seeks Commission approval to issue the Notes to (i) refinance the Existing Financings and (ii) raise an additional \$25 million of indebtedness to support additional capital expenditures to support ISO-NE's market design objectives of moving toward clean energy, balancing resources, energy adequacy and robust transmission, 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 (2024), ISO-NE provides the following information:

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<sup>2</sup> The 2012 Capital Financing was authorized by the Commission by delegated letter order issued in Docket No. ES12-48-000, 140 FERC ¶ 62,173 (2012).

<sup>3</sup> The 2013 Refinancing was authorized by the Commission by delegated letter order issued in Docket No. ES13-34-000, 144 FERC ¶ 62,087 (2013).

**(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.

**(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, 51<sup>st</sup> Floor  
Philadelphia, PA 19103  
(215) 864-8536.

\*Persons designated for service

**(d) Requested action date.**

In order to provide ISO-NE the flexibility to obtain the most favorable terms possible, ISO-NE respectfully requests that the Commission act on this application by August 1, 2024.

**(e) Description of the securities to be issued.**

**(i) Type and nature of securities**

The Notes will be unsecured promissory notes evidencing borrowings under a note purchase agreement, which will contain standard representations and warranties typically found in agreements evidencing debt similar to the Notes.

**(ii) Amount of securities**

The principal amount of the Notes shall not exceed Seventy-Five Million Dollars (\$75,000,000).

**(iii) Interest or dividend rate**

The interest rate on the Notes will be the commercially available rate at the time that the Notes are issued. While ISO-NE seeks to obtain the most favorable terms possible, the precise terms available are not known at this time. Actual interest rates will depend upon market conditions at the time of issuance. However, ISO-NE expects that the interest rate for the Notes will not exceed the 10-year U.S. Treasury rate, as published in the Wall Street Journal at the time of issuance, plus up to 300 basis points.

**(iv) Dates of issuance and maturity**

ISO-NE proposes to issue the Notes within the two-year period in which the authorization sought here will be effective. The Notes will be long-term debt that is expected to mature in a minimum of ten years and a maximum of twelve years from the date of issuance.

**(v) Institutional rating of securities**

The Notes will not be rated.

**(vi) Stock Exchange on which security will be listed**

None.

**(f) Purpose for which the securities are issued.**

ISO-NE seeks approval for the proposed issuance of the Notes to (1) replace the notes issued in the Existing Financings, totaling \$50M, and (2) issue up to an additional \$25M in senior unsecured notes, for an aggregate principal amount of \$75M. The notes issued in the Existing Financings mature on November 8, 2024.

In recent years, ISO-NE's capital expenditures have been increasing.<sup>4</sup> ISO-NE's 2024 capital budget, which was approved by Commission by delegated letter order issued in Docket No. ER24-90-000 includes \$35M in capital expenditures, which ISO-NE anticipates will increase for its 2025 capital budget. In addition to increased spending, ISO-NE is experiencing longer lead times to complete capital projects, resulting in a greater period of time<sup>5</sup> between when the ISO spends capital funds to tariff recovery through depreciation expense.<sup>6</sup> Finally, the increased capital budget will support the ISO's market design objectives of moving toward clean energy, balancing resources, energy adequacy, and robust transmission. Specifically, market and reliability projects such as those related to next Generation Markets Management (nGem), Day-Ahead Ancillary Services Improvements Design, Transmission Line Ratings Enhancements, and FERC Order 2022, contribute to the increased funding. Each are complex efforts resulting in longer lead times to complete, and have dependencies of stakeholder and regulatory approval. Through ISO-NE's

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<sup>4</sup> At the time of filing for approval of the 2013 Refinancing, the ISO's capital program spending was approximately \$26-28M.

<sup>5</sup> The ISO estimates that at the time of the 2013 filing, the average capital project took approximately one to one and a half years to complete. With the complexity of the markets and projects that the capital program supports, the lead time is now approximately two and a half years in general, with some projects taking up to five years.

<sup>6</sup> ISO-NE funds the interest on the Capital Financings through recovery of depreciation under its annual operating expense budgets collected through the rates specified in Section IV.A of the ISO-NE Tariff. *See* [https://www.iso-ne.com/static-assets/documents/regulatory/tariff/sect\\_4/section\\_iva.pdf](https://www.iso-ne.com/static-assets/documents/regulatory/tariff/sect_4/section_iva.pdf).

cash flow analysis, it has determined that it will need to incur an additional \$25M in order to support such higher sustained level of capital expenditures.

**(g) State Applications.**

No applications with respect to the Notes 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 issue the Notes 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 issuance of the Notes is consistent with its corporate purposes and responsibilities, its operation as an RTO, and the public interest.

The Notes 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 issuance of the Notes or to enter into any agreements with respect to the issuance of the Notes.

**(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 Notes and other authorized borrowings.

**(k) Notice of filing.**

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

**3. REQUEST FOR EXEMPTION FROM COMPETITIVE BIDDING AND NEGOTIATED PLACEMENT REQUIREMENTS**

ISO-NE requests an exemption from the competitive bidding and negotiated placement requirements of Part 34.2(a) of the Commission's regulations. The Notes will be issued to qualified institutional investors. The Notes will bear interest at rates related to market conditions at the time of issuance. The nature of the Notes to be placed require specific agents or purchasers who are knowledgeable about ISO-NE, qualified to be involved in such a transaction,



and capable of maximizing ISO-NE's access to the capital markets so that costs may be minimized.

Further, imposition of a Section 34.2(a) requirement would not result in further cost advantages above those that will otherwise be achieved, and it may hinder ISO-NE's ability to move quickly and cost-effectively as favorable rates and terms are made available to it in the market. In all respects, the waiver sought by ISO-NE here is consistent with the waivers granted by the Commission in other Section 204 dockets for similar reasons.<sup>7</sup>

#### **4. SECTION 34.4 EXHIBITS**

Pursuant to §34.4 of the Commission's regulations, 18 C.F.R. §34.4 (2024), 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 authorizing ISO-NE to issue the Notes.

**(c) Exhibit C (Balance Sheet)**

Attached as Exhibit C is the Balance Sheet for ISO-NE as of the twelve months ended March 31, 2024 on an actual and pro forma basis showing adjustments including the Notes.

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<sup>7</sup> See e.g., *Southern Power Co.*, 129 FERC ¶ 62,231 (2009); *Ameren Energy Generation Co.*, 103 FERC ¶ 61,128 (2003).

**(d) Exhibit D (Income Statement)**

Attached as Exhibit D is the Income Statement for ISO-NE for the 12 months ended March 31, 2024 on an actual and pro forma basis showing adjustments including the Notes.

**(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 March 31, 2024 on an actual and pro forma basis showing adjustments including the Notes and a Computation of Interest Coverage. The Computation of Interest Coverage is based on an assumed interest rate for the Notes, which may vary based on market conditions at the time of issuance. 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 under the Notes.

**(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 issuance of the Notes.

Respectfully submitted,

\_\_\_\_\_  
/s/  
Patrick R. Gillard  
Ballard Spahr LLP  
1735 Market Street, 51<sup>st</sup> Floor  
Philadelphia, PA 19103  
(215) 864-8536

\_\_\_\_\_  
/s/  
Jennifer M. Recht  
Assistant General Counsel – Corporate  
ISO New England Inc.  
One Sullivan Road  
Holyoke, MA 01040-2841  
(413) 540-4479  
jrecht@iso-ne.com

Counsel for ISO New England Inc.

June 17, 2024

## **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**

**ISO NEW ENGLAND INC.**

**CERTIFICATE OF ASSISTANT SECRETARY**

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

Attached hereto as Exhibit A 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 May 16, 2024. 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 17<sup>th</sup> day of June, 2024.

Lorraine M. Brady

(CORPORATE SEAL)

**RESOLUTIONS OF THE MAY 16, 2024  
BOARD OF DIRECTORS MEETING**

RESOLVED, that, following consultation by management with the Audit and Finance Committee of the Board of Directors, the Company is hereby authorized to issue and sell up to \$75,000,000 aggregate principal amount of notes (the "Private Placement Notes") containing such terms as shall be approved by the officers of the Company, to one or more institutional investors (the "Purchasers") in a private placement not subject to registration under the United States Securities Act of 1933; and

FURTHER RESOLVED, that the Chief Executive Officer, Chief Financial Officer and any Vice President are hereby each severally authorized in the name of and on behalf of the Company to determine the principal amounts and the stated maturities of the Private Placement Notes; and

FURTHER RESOLVED, that, upon delivery of the Private Placement Notes against payment therefor, the Private Placement Notes shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with the terms thereof; and

FURTHER RESOLVED, that the Company is hereby authorized to enter into a Note Purchase Agreement with the Purchasers providing, among other things, for the sale of the Private Placement Notes by the Company, and the Chief Executive Officer, the Chief Financial Officer and any Vice President of the Company are hereby each severally authorized to execute and deliver the Note Purchase Agreement in the name of and on behalf of the Company with such changes as the officer executing the same shall approve, the execution of such agreement by any such officer to be conclusive evidence of such approval; and

FURTHER RESOLVED, that the officers of the Company are hereby authorized to make any 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 issue the Private Placement Notes and enter into the Note Purchase Agreement, and for any other related authorizations; and

FURTHER RESOLVED, that the appropriate officers of the Company are hereby each severally authorized in the name of and on behalf of the Company to perform any and all acts as may be necessary or desirable to execute, file and deliver all instruments and other documents contemplated by the foregoing resolutions and to take any and all further action which such officers may deem necessary or desirable to effectuate any action authorized by these resolutions and otherwise to carry out the purposes and intent of the foregoing resolutions; and the execution by any such officer of any such documents or the performance by any such officer of any such act in connection with the foregoing matters shall conclusively establish his or her authority therefor from the Company and the approval and ratification by the Company of the documents so executed and the actions so taken.



## **Exhibit C**

### **ISO-NE Balance Sheet for the 12 Months Ended March 31, 2024 and Pro Forma Adjustments**

**ISO New England Inc.**  
**Statements of Financial Position**  
**As of March 31, 2024**  
**(In thousands)**

	<u>Actual</u>	<u>Adjustments</u>	<u>Reference</u>	<u>Pro Forma</u>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 60,712	25,000 (5,588) 5,588	A B C	\$ 85,712
Restricted cash on deposit	3,695			3,695
Security deposits	241,788			241,788
Unbilled receivables, net	45,894			45,894
Prepaid expenses and other assets	5,224			5,224
Regulatory assets - current	1,211			1,211
Noncurrent assets:				
Property and equipment in-service, net	107,987			107,987
Right-of-use asset	1,123			1,123
Restricted cash on deposit	19,716			19,716
Other assets	3,620			3,620
Deferred charges	590			590
Regulatory assets	12,175			12,175
Total assets	<u>\$ 503,735</u>	<u>25,000</u>		<u>\$ 528,735</u>
<b>Liabilities and Net Assets</b>				
Current liabilities:				
Revolving Credit	\$ 16,000			\$ 16,000
Accounts payable:				
Settlement, net	43,788			43,788
Administration	10,319			10,319
Deposit payable	285,053			285,053
Interest payable	1,078			1,078
Accrued compensation, current	16,611			16,611
Regulatory liability, current	2,255			2,255
Lease liability, current	491			491
Restricted cash on deposit payable, current	3,695			3,695
Long-term debt, current	53,178	(50,000)	A	3,178
Long-term liabilities:				
Pension and other postretirement benefit liability	8,543			8,543
Accrued compensation, net of current portion	7,679			7,679
Lease liability, net of current portion	631			631
Restricted cash on deposit payable, net of current portion	19,716			19,716
Regulatory liability, net of current portion	2,107			2,107
Long-term debt	32,591	75,000	A	107,591
Total liabilities	<u>503,735</u>	<u>25,000</u>		<u>528,735</u>
Net assets without donor restrictions	<u>—</u>	<u>—</u>		<u>—</u>
Total liabilities and net assets	<u>\$ 503,735</u>	<u>25,000</u>		<u>\$ 528,735</u>

**Notes A through C are explained in Exhibit E.**

## **Exhibit D**

### **ISO-NE Income Statement for the 12 Months Ended March 31, 2024 and Pro Forma Adjustments**

**ISO New England Inc.**  
**Statements of Activities**  
**For twelve months ended March 31, 2024**  
**(In thousands)**

	<u>Actual</u>	<u>Adjustments</u>	<u>Reference</u>	<u>Pro Forma</u>
Changes in net assets without donor restrictions:				
Revenues:				
ISO tariff revenues	\$ 239,317	\$ 5,588	C	\$ 244,905
Under collection ISO tariff revenues	1,833			1,833
Interest income	1,563			1,563
Fees and services	162			162
Total revenues without donor restrictions	<u>242,875</u>	<u>5,588</u>		<u>248,463</u>
Expenses:				
Salaries and benefits	139,056			139,056
Depreciation and amortization expense	32,096			32,096
Computer services	21,714			21,714
Professional fees and consultants	21,465			21,465
NPCC/NERC dues and expenses	7,671			7,671
Communication expense	3,289			3,289
Insurance expense	3,011			3,011
Interest expense	2,488	5,588	C	8,076
Building services	1,813			1,813
Board of directors	1,547			1,547
Utilities	1,527			1,527
Information services and industry memberships	1,494			1,494
Rents and leases	644			644
Administrative and other	2,881			2,881
Other expense (income)	2,179			2,179
Total expenses	<u>242,875</u>	<u>5,588</u>		<u>248,463</u>
Change in net assets without donor restrictions	—	—		-
Net assets without donor restrictions, beginning of year	—	—		-
Net assets without donor restrictions, end of year	<u>\$ —</u>	<u>—</u>		<u>\$ -</u>

**Note C is explained in Exhibit E.**

## **Exhibit E**

### **ISO-NE Statement of Cash Flows for the 12 Months Ended March 31, 2024 and Pro Forma Adjustments**

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

**ISO New England Inc.**  
**Statements of Cash Flows**  
**For twelve months ended March 31, 2024**  
**(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	32,207			32,207
Amortization of right to use asset	(140)			(140)
Loss on disposal	22			22
Change in operating assets and liabilities that provide (use) cash:				-
Unbilled receivable, net	(5,688)			(5,688)
Prepaid expenses and other assets	694			694
Regulatory assets	(3,941)			(3,941)
Accounts payable:				-
Settlement	6,588			6,588
Administration	(499)			(499)
Accrued compensation	6,494			6,494
Lease liability	140			140
Interest payable	41			41
Regulatory liability	(9,600)			(9,600)
Net cash provided by operating activities	<u>26,318</u>	<u>-</u>		<u>26,318</u>
Cash flows from investing activities:				
Capital expenditures	(34,020)			(34,020)
Other assets	(1,048)			(1,048)
Net cash used in investing activities	<u>(35,068)</u>	<u>-</u>		<u>(35,068)</u>
Cash flows from financing activities:				
Security deposits	33,405			33,405
Restricted cash on deposit payable	(4,110)			(4,110)
Deposit payable	(28,245)			(28,245)
Borrowing on revolving credit	16,000	75,000	A	91,000
Repayment on long-term debt	(3,180)	(50,000)	A	(53,180)
Net cash provided by financing activities	<u>13,870</u>	<u>25,000</u>		<u>38,870</u>
Net change in cash, cash equivalents and restricted cash	5,120	25,000		30,120
Cash, cash equivalents and restricted cash at beginning of year	<u>79,003</u>			<u>79,003</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 84,123</u>	<u>\$ 25,000</u>		<u>\$ 109,123</u>
Supplemental data:				
Amounts included in Accounts Payable - Administration related to work in process	<u>\$ 3,137</u>	<u>\$ -</u>		<u>\$ 3,137</u>
Cash paid during the year for interest, net of interest capitalized	<u>\$ 2,354</u>	<u>\$ 5,588</u>	B	<u>\$ 7,941</u>
Non-cash activity - Change in pension liability is offset by regulatory assets	<u>\$ 17,684</u>	<u>\$ -</u>		<u>\$ 17,684</u>

**Notes A through B are explained in Exhibit E.**

ISO New England Inc.  
Exhibit E  
(in thousands)

NOTES:  
Debt assumes the current \$50m notes maturing in November 2024 will be paid and new \$75m note issuance requested

**Private Placement Debt**

<b>A Borrowing</b>	
Remaining	50,000
Payback	(50,000)
New Borrowing	<u>75,000</u>
Total	<u><u>75,000</u></u>

<b>B Interest Expense</b>	
Total Borrowing	75,000
Interest Rate	<u>7.450%</u>
Interest Expense	<u><u>5,588</u></u>

<b>C Interest Expense Non Capitalized</b>	
Total Interest	5,588
Expense Portion	5,588
Capital Portion	-

Federal Energy Regulatory Commission Worksheet for computation of Interest Coverage	Actual for the 12 month period ended 3/31/24 (in thousands)	OMB control No. 1902-0043, pro forma for the 12 month period ended 3/31/24 (in thousands)
Net Income	0	0
Add: Interest on Long-Term Debt, Interest on Short-Term Debt, Other Interest Expense	<u>2,488</u>	<u>8,076</u>
Federal and State Income Taxes	<u>0</u>	<u>0</u>
Income Before Interest and Income Taxes	<u>2,488</u>	<u>8,076</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

Robert C. Ludlow, under penalty of perjury, says that he is the Vice President, Chief Financial Officer and Compliance Officer of ISO New England Inc. ("ISO-NE"); that he 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.



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Robert C. Ludlow  
Vice President, Chief Financial Officer  
and Compliance Officer  
ISO New England Inc.

June 17, 2024