

Delaware

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The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "ISO NEW ENGLAND INC.", FILED IN THIS OFFICE ON THE FIRST DAY OF FEBRUARY, A.D. 2005, AT 8:17 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



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Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 3656767

DATE: 02-02-05

**SECOND RESTATED CERTIFICATE OF INCORPORATION
OF
ISO NEW ENGLAND INC.**

ISO New England Inc., a non-stock, non-profit corporation organized and existing under the laws of the State of Delaware, does hereby certify as follows:

FIRST: That the Certificate of Incorporation of the Corporation was filed with the Delaware Secretary of State on May 29, 1997, and a Restated Certificate of Incorporation was filed with the Delaware Secretary of State on March 31, 2004.

SECOND: That this Restated Certificate of Incorporation was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law, as amended, of the State of Delaware (the "Delaware General Corporation Law"), by resolutions duly adopted by the Board of Directors and the Members of the Corporation.

THIRD: That the Restated Certificate of Incorporation of the Corporation is hereby amended and restated, so that the same shall read in its entirety as follows:

1. **NAME.** The name of the corporation is ISO New England Inc. (the "Corporation").

2. **REGISTERED OFFICE AND AGENT.** The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, the City of Wilmington, County of New Castle 19801. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

3. **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.

4. **NON-PROFIT STATUS.**

(a) Notwithstanding any other provision of this Restated Certificate of Incorporation, the Corporation shall not carry on any activities not permitted to be carried

on by an organization exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code, or by an organization contributions to which are deductible under Section 170(c)(2) of the Code.

(b) The net earnings of the Corporation or any part thereof may not be distributed to or inure to the benefit of any private individual or a director or officer of the Corporation. However, nothing herein shall restrict the right of the Corporation to reasonably compensate any officer or director for services rendered to the Corporation or to reimburse any officer or director for expenses, disbursements or liabilities properly made or incurred, on account of that officer's or director's service to the Corporation.

(c) A substantial part of the activities of the Corporation shall not consist of carrying on propaganda or attempting to influence legislation except as permitted by the Code, including but not limited to Section 501(h) of the Code. The Corporation may not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

(d) Until dissolution, the net earnings, if any, of the Corporation shall be applied by the Corporation to the performance of its activities as described in Section 3 of this Restated Certificate of Incorporation. Upon dissolution of the Corporation, the Board of Directors shall dispose of and distribute the assets remaining, after payment of all liabilities, exclusively for the purposes of the Corporation, to one or more organizations in any way related to the generation or transmission of electric energy which are organized exclusively for charitable, educational, religious or scientific purposes which shall be then exempt from federal taxation as an organization or organizations described in Section 501(c)(3) of the Code, in such proportions and amounts and in such manner as the Board of Directors shall determine. No part of the Corporation's assets shall ever be distributed to its directors or officers, or inure to the benefit of any private individual.

5. **NON-STOCK.** The Corporation shall be a non-stock corporation without authority to issue capital stock.

6. **MEMBERS.** The sole Members of the Corporation at any time shall be the persons serving at such time as directors of the Corporation, except for the Chief Executive Officer. The rights of a director as a Member shall not be assignable and shall terminate at the end of the term of office of such director or upon resignation, removal or death. If at any time subsequent to the election of the initial directors the Corporation shall have no directors, the Participants Committee established under the Participants Agreement between the Corporation and its participants may petition a Court of Chancery of Delaware to appoint directors.

7. **BOARD OF DIRECTORS.**

(a) The governing body of the Corporation shall be its Board of Directors. The business and affairs of the Corporation shall be managed under the direction of its Board of Directors.

(b) The number of directors shall be ten (10).

(c) The person elected and serving as the President and Chief Executive Officer of the Corporation shall, by virtue of such position, be a non-voting director of the Corporation with a term coincident with his or her term as President and Chief Executive Officer of the Corporation.

(d) Except for the person elected and serving as the President and Chief Executive Officer of the Corporation, no employee, consultant or advisor of the Corporation shall be a director of the Corporation.

(e) Except for the person elected and serving as the President and Chief Executive Officer of the Corporation, all other directors shall be classified with respect to the time during which they shall severally hold office by dividing them into three classes, each to consist of three directors. At each annual meeting of the Board of Directors, the successors to the class of directors whose term shall expire in that year shall be elected to hold office for the term of three years, so that the term of one class of directors shall expire in each year. Subsequent directors shall be elected by a majority of the directors then in office in their capacity as the Members of the Corporation.

(f) Elections of directors need not be by written ballot unless the By-Laws of the Corporation shall so provide.

(g) Any director may be removed, with or without cause, by resolution passed by two-thirds of the directors then in office. Notwithstanding the foregoing, the person elected and serving as the President and Chief Executive Officer of the Corporation may be removed, with or without cause, as President, Chief Executive Officer and a director by resolution passed by a majority of the directors then in office, excluding the President and Chief Executive Officer.

8. **NON-AFFILIATION.** The Board of Directors of the Corporation shall adopt a Code of Conduct which prohibits affiliation with the Corporation's participants and their affiliates, and establishes appropriate criteria to determine whether or not any director of the Corporation is affiliated with a participant or its affiliates.

9. **BY-LAWS.** Pursuant to Section 109 of the Delaware General Corporation Law, the Board of Directors is expressly authorized to adopt, alter or repeal the By-Laws of the Corporation.

10. **AMENDMENT OF CERTIFICATE OF INCORPORATION.** The Certificate of Incorporation of the Corporation may be amended by a vote of two-thirds (2/3) of the directors then in office in their capacity as Members then in office.

11. **DURATION.** The Corporation shall have perpetual existence.

12. INDEMNIFICATION.

(a) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b), or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(d) Any indemnification under subsections (a) and (b) (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set

forth in subsections (a) and (b). Such determination shall be made (1) by a majority vote of directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion.

(e) Expenses (including attorneys' fees) incurred by a director or officer in defending a civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such director or officer is not entitled to be indemnified by the Corporation as authorized in this Section. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, this Section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

(g) The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Section.

(h) The invalidity or unenforceability of any provision hereof shall not in any way affect the remaining portions hereof, which shall continue in full force and effect.

13. PERSONAL LIABILITY. No director shall be personally liable to the Corporation or its Members for monetary damages for any breach of fiduciary duty by such director as a director. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law (i) for breach of the director's duty of loyalty to the Corporation or its Members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law or (iii) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of directors, then the liability of the directors of the Corporation, in addition to the limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended Delaware General Corporation Law. No amendment to or repeal of this Section shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

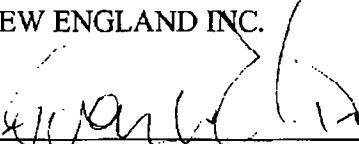
14. **BOOKS.** In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the books of the Corporation may be kept at such place within or without the State of Delaware as the By-Laws of the Corporation may provide or as may be designated from time to time by the Board of Directors of the Corporation.

15. **CODE REFERENCES.** References in this Restated Certificate of Incorporation to a Section of the Code shall be construed to refer both to such Section and to the regulations promulgated thereunder, as they now exist or may hereafter be amended.

IN WITNESS WHEREOF, the Corporation has caused this Restated Certificate of Incorporation to be signed by its President this 4th day of January, 2005.

ISO NEW ENGLAND INC.

By: _____


Gordon van Welic
Its President