

COMPANIES INTENDING JOINING QUADRANTS AND SENDING LETTERS OF INTENT

Retail Electric Quadrant:

Ameren Services Company	Distributor Segment
Baltimore Gas & Electric Company	Distributor Segment
Consumers Energy Company	Distributor Segment
Detroit Edison	Distributor Segment
Dominion Retail	Supplier Segment
Dominion Virginia Power	Distributor Segment
Dynegy	No Segment Indicated
Entergy	No Segment Indicated
Exelon Energy Delivery	Distributor Segment
Office of Public Advocate, State of Maine	End User Segment
Ohio Consumers' Counsel	End User Segment
PanCanadian Energy Services Inc.	Supplier Segment
PanCanadian MidStream Limited	End User Segment
PPLSolutions	Services Segment
Public Service Electric & Gas Company	Distributor Segment
Pennsylvania Office of Consumer Advocate	End User Segment
Reliant Energy Retail Services, LLC	Supplier Segment
SCT Global Energy, Utilities and Communications	Services Segment
Southern California Edison	Distributor Segment
Southern Company – Georgia Power	Distributor Segment
Telrx	Services Segment
Wisconsin Electric-Wisconsin Gas	Distributor Segment
Wisconsin Public Service Corporation	Distributor Segment

Retail Gas Quadrant:

Consumers Energy Company	Distributor Segment
Dominion Delivery	Distributor Segment
KeySpan Energy Delivery	Distributor Segment
Office of Public Advocate, State of Maine	End User Segment
Ohio Consumers' Counsel	End User Segment
PanCanadian Energy Services Inc.	Supplier Segment
PanCanadian MidStream Limited	End User Segment
Pennsylvania Office of Consumer Advocate	End User Segment
Public Service Electric & Gas Company	Distributor Segment
Wisconsin Public Service Corporation	Distributor Segment

COMPANIES INTENDING JOINING QUADRANTS AND SENDING LETTERS OF INTENT

Wholesale Electric Quadrant:

Calpine Corporation	No Segment Indicated
Calpine Energy Services, L.P.	No Segment Indicated
Cinergy	No Segment Indicated
Consolidated Edison	No Segment Indicated
Duke Energy North America	No Segment Indicated
Dynegy	No Segment Indicated
Exelon	No Segment Indicated
IDACORP Energy	No Segment Indicated
PanCanadian	No Segment Indicated
PG&E National Energy Group	No Segment Indicated
Reliant Energy Services, Inc.	Marketer Segment

NORTH AMERICAN ENERGY STANDARDS BOARD

**Resolution Regarding Approval of Procedures
for Retail Gas Quadrant as Exhibit to Bylaws**

WHEREAS, the North American Energy Standards Board (“NAESB”) commenced operations in January 2002, and is now organizing Quadrants for the Retail Gas and Retail Electric sectors; and

WHEREAS, the Retail Gas Quadrant is now organizing and has adopted Quadrant Procedures, attached hereto as Exhibit A, which it proposes be added to the Bylaws of NAESB as an Exhibit;

NOW, THEREFORE, BE IT:

RESOLVED, that the Board of Directors of NAESB approves the Quadrant Procedures for the Retail Gas Quadrant of NAESB attached hereto as Exhibit A, which shall be appended to the Bylaws of NAESB as an Exhibit, provided that by May 7, 2002, the Retail Gas Quadrant satisfies the membership requirements set forth in Section 2.3 of the Bylaws.

March 7, 2002

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NORTH AMERICAN ENERGY STANDARDS BOARD

BYLAWS ADDENDUM

EXHIBIT 3

RETAIL GAS QUADRANT PROCEDURES

Note: *This version of the RGQ Procedures incorporates the comments received during the Retail Quadrants meetings of January 17 and 29 and February 20 and the conference calls of January 22 and February 26, and 28.*

15 **1 - DEFINITIONS**

16 **Section 1.1 Definitions Included in the NAESB Bylaws**

17 All capitalized terms, if not defined in Section 1.2, shall have the same definitions as specified in
18 the NAESB Bylaws and Certificate of Incorporation.

19 **Section 1.2 Definitions for the Purposes of this Exhibit**

20 The following terms have not been defined in Section 1.1 of the NAESB Bylaws and when used
21 in this Exhibit, shall have the meanings set forth below:

- 22 A. “NAESB Office” means the administrative office of the Secretary of NAESB.
- 23 B. “RGQ” means the Retail Gas Quadrant of NAESB.
- 24 C. “RGQ Designated Alternate” is defined as a person named by a Segment of the Retail Gas
25 Quadrant Segment, submitted to the NAESB office, to serve in place of a RGQ EC Member
26 who is unable to attend an EC meeting.
- 27 D. “RGQ EC” means the Executive Committee of the Retail Gas Quadrant of NAESB.
- 28 E. “RGQ EC Subcommittee” means a subcommittee established by the Executive Committee of
29 the Retail Gas Quadrant of NAESB.
- 30 F. “RGQ Members” means Voting Members of the Retail Gas Quadrant of NAESB that satisfy
31 the requirements of membership set forth in Section 5.1 and, if applicable, in the respective
32 Segment Procedures in this Exhibit.
- 33 G. “RGQ Segment” means one of the four co-equal Segments of the Retail Gas Quadrant of
34 NAESB.
- 35 H. “Segment Procedures” means the procedures attached to this document as exhibits for each
36 of the Segments, as amended.

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2 – PURPOSES, SCOPE, ACTIVITIES, AND POLICIES

Section 2.1 Purposes, Scope and Activities

A. Purpose

The purpose of the RGQ of NAESB is to propose and adopt voluntary model business practices or standards to promote more competitive, efficient and reliable service in the retail natural gas industry.

B. Scope & Activities

The RGQ is concerned with and tasked to handle natural gas related issues and practices that are within the scope of NAESB and typically addressed at the retail natural gas distribution level. The RGQ shall work closely with other NAESB Quadrants to mitigate inconsistencies where proposed standards and model business practices affect those other Quadrants.

Section 2.2 Policies

The RGQ shall comply with the policies and procedures laid out in the bylaws and the certificate of incorporation of NAESB. Further, the RGQ intends to operate in conformance with the principles of the umbrella organization, as established in Section 2.2 (b) of the NAESB Bylaws and in compliance with ANSI guidelines. As such, the RGQ encourages a widely based membership and has identified Segments, which reflect this principle of inclusiveness. Also consistent with this approach, the RGQ shall ensure that all meetings, including those of its Members, Executive Committee (EC), and Subcommittees and Task Forces, shall be open to all persons and that all minutes thereof shall be available to the public.

58 **Section 2.3 RGQ Segment Organization**

59 What follows is a description of the RGQ organizational structure, including a listing of RGQ
60 Segments.

Suppliers: Persons engaged in competitive retail sales of natural gas and/or capacity, including marketers, aggregators, producers, asset managers and pipelines.

Distributors: Persons engaged in the local distribution of natural gas.

End Users: Persons that consume natural gas or represent consumers of natural gas.

Service Providers: Persons that provide services to the participants in the retail natural gas industry, including equipment manufacturers, equipment and service vendors, software providers, energy consultants, and other companies not otherwise declared in any other Segment.

61 Each RGQ Segment shall have the flexibility to determine its own Segment rules and procedures
62 and to elect or select its own representatives to the NAESB Board and to the RGQ EC, as long as those
63 rules and procedures conform to NAESB Bylaws and the RGQ procedures in this Exhibit.

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65 **3 - RESERVED**

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67 **4 - RESERVED**

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69 **5 – RGQ MEMBERS**

70 **Section 5. 1 RGQ Voting Members**

71 The definition of Membership applies to all RGQ Segments. RGQ Members are persons with
72 legitimate business interest¹ in the retail natural gas market and which meet the definitions of one of the
73 four RGQ Segments. Upon applying for Voting Membership (as described in NAESB Bylaws Sections

¹ “Legitimate business interest” in this section specifically includes the interests of statutorily appointed consumer advocates.

74 1.1 and 5.1), each prospective RGQ Member shall declare the RGQ Segment with which they are to be
75 identified. Voting Membership in the RGQ of NAESB shall be open to all persons that meet all of the
76 following requirements:

- 77 1. The person has a legitimate business interest in the retail natural gas market (or is a
78 representative or Agent of such person), as determined by a simple majority of the Quadrant
79 Membership, if challenged;
- 80 2. The person meets the description of one of the co-equal industry Segments identified by the
81 RGQ of NAESB, as determined by a simple majority of the Segment Membership, if
82 challenged;
- 83 3. The person has designated a representative who has the authority and willingness to
84 represent its interests; and
- 85 4. The person has declared its affiliation to one, and only one, of the RGQ Segments.

86 The RGQ Member may be a trade association or an advocacy group representing a group of
87 prospective members, provided that the trade association or advocacy group meets the requirements
88 defined by the Segment Procedures of its declared Segment. Only RGQ EC Members shall have the right
89 to vote to adopt model business practices or standards affecting only the RGQ.

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91 **6 – RESERVED**

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93 **7 – BOARD**

94 **Section 7.1 Board Representation**

95 The RGQ shall have representatives on the NAESB Board of Directors, with each RGQ Segment
96 electing or selecting an equal number of these representatives, pursuant to the procedures specified by the

97 respective RGQ Segment in this Exhibit.

98 **Section 7.2 Qualifications of RGQ Directors**

99 **A. Eligibility**

100 To be eligible to serve as representative on the NAESB Board of Directors:

- 101 1. The person must be a Member of the RGQ;
- 102 2. The person should have broad understanding of the natural gas industry and have sufficient
103 authority to make decisions on behalf of the organization represented; for example, a
104 representative of a corporate entity should ideally be an executive of that corporation;
- 105 3. The person must have a working knowledge of the NAESB process;
- 106 4. The person must be willing to commit the time and resources necessary to fulfill their
107 obligations as a NAESB Director and to meet the minimum threshold of participation and
108 attendance established in the NAESB Bylaws [Section 9.7 (f)]; and
- 109 5. The person should disclose their interest, or their employer's interest, in the natural gas
110 industry and the relationship with other entities with which the employer may be affiliated.

111 **B. One Member, One Seat Per Quadrant**

112 Once elected to serve as Director on the NAESB Board, the individual may hold not more than
113 one directorship, representing only one Segment within the RGQ.

114 **Section 7.3 Number and Election of Directors**

115 **A. Number of Directors**

116 The RGQ of NAESB shall be represented on the NAESB Board of Directors by twenty-four (24)
117 persons who shall be elected, from time to time, as required by Article 7 of the NAESB Bylaws and in
118 this Exhibit to those Bylaws. The NAESB office shall coordinate the election process for the RGQ
119 representatives to the NAESB Board during the second week of November of each year.

120 **B. Election of Directors**

121 The elections of RGQ representatives to the NAESB Board shall be subject to the following
122 provisions:

- 123 1. Any RGQ Member who is current in the payment of its dues is eligible to vote; and
- 124 2. The candidates receiving the greatest numbers of votes shall be elected.

125 **Section 7.4 Term of Office**

126 The initial RGQ Directors on the NAESB Board shall be divided into three groups within each
127 RGQ Segment whose terms shall expire as follows: Group A, consisting of two Board seats, on
128 December 31, 2004; Group B, consisting of three Board seats, on December 31, 2003; and Group C,
129 consisting of one Board seat, on December 31, 2002. Upon the completion of those initial terms, all
130 succeeding Directors shall thereafter be elected for a two-year term, consistent with the NAESB Bylaws.

131 **Section 7.5 Reserved**

132 **Section 7.6 Removal of Directors**

133 Each RGQ Segment shall have the authority to remove a Director for cause. Prior to voting on
134 such resolution to remove a Director for cause, the RGQ Segment shall give the Director at least 30-day
135 notice of the proposed action and an opportunity to respond. A simple majority of the RGQ Segment
136 Membership shall be required to remove a Director.

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138 **8 – RESERVED**

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140 **9 – RESERVED**

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10 - EXECUTIVE COMMITTEE

Section 10.1 EC Representation

The RGQ shall have an Executive Committee (EC), which shall also participate in the larger NAESB EC body, consisting of representatives from each RGQ Segment, with each RGQ Segment electing an equal number of these RGQ EC Members, pursuant to procedures specified by the respective Segment in this Exhibit. Only Voting Members of the RGQ have the right to ratify model business practices and standards that were adopted by the RGQ EC and that affect only the RGQ.

Section 10.2 Qualifications of RGQ EC Members

A. Eligibility

To be eligible to serve as a RGQ EC Member:

1. The person should have broad understanding and practical experience within the natural gas industry;
2. The person should typically be a manager or be at a level of responsibility within the organization represented to act on its behalf;
3. The person should have a working knowledge of the NAESB process;
4. The person must be willing to commit the time and resources necessary to fulfill their obligations as a RGQ EC Member and to meet the minimum threshold of participation and attendance established in the NAESB Bylaws [Section 9.7 (f)]; and
5. The person should disclose their interest, or their employer's interest, in the natural gas industry and the relationship with other entities with which the employer may be affiliated.

B. One Member, One Seat Per Quadrant

Once elected to serve as RGQ EC Member, the individual may hold not more than one EC seat, representing only one Segment within the RGQ.

165 **Section 10.3 Number and Election of RGQ EC Members**

166 **A. Number of EC Members**

167 The RGQ of NAESB shall be represented on the RGQ EC by twenty-four (24) persons who shall
168 be elected, from time to time, as required by Article 10 of the NAESB Bylaws and in this Exhibit to those
169 Bylaws.

170 **B. Election of EC Members**

171 The elections of RGQ EC Members shall be subject to the following provisions:

- 172 1. Any RGQ Member who is current in the payment of its dues is eligible to vote; and
- 173 2. The candidates receiving the greatest numbers of votes shall be elected.

174 **C. Timing of Elections**

175 The NAESB office shall coordinate the election process for RGQ EC Members during the
176 second week of November of each year.

177 **Section 10.4 Term of Office**

178 The initial RGQ EC Members shall be divided into three groups within each RGQ Segment
179 whose terms shall expire as follows: Group A, consisting of two EC seats, on December 31, 2004; Group
180 B, consisting of three EC seats, on December 31, 2003; and Group C, consisting of one EC seat, on
181 December 31, 2002. Upon the completion of those initial terms, all succeeding EC Members shall
182 thereafter be elected for a two-year term, consistent with the NAESB Bylaws.

183 **Section 10.5 Removal of RGQ EC Members**

184 Each RGQ Segment shall have the authority to remove an RGQ EC Member for cause. Prior to
185 voting on such resolution to remove an RGQ EC Member for cause, the RGQ Segment shall give the
186 RGQ EC Member at least 30-day notice of the proposed action and the opportunity to respond. A simple
187 majority of the RGQ Segment Membership shall be required to remove an RGQ EC Member.

188 **Section 10.6 RGQ EC Subcommittees**

189 While there may be Subcommittees and Task Forces established by the NAESB EC, to be

190 comprised of NAESB Members and other interested parties, the RGQ shall set up its own Subcommittees
191 and Task Forces to deal with RGQ-specific issues. Each RGQ EC Subcommittee shall report to the RGQ
192 EC and each shall:

- 193 1. Elect a chair who shall be an RGQ EC Member and who shall serve until he or she resigns or
194 is removed by the RGQ Subcommittee’s membership;
- 195 2. Carry out its work in accordance with procedures adopted by the NAESB EC for EC
196 Subcommittees;
- 197 3. Provide notice of meetings and agendas;
- 198 4. Practice balanced voting and record voting results; and
- 199 5. Keep regular minutes of its proceedings and provide copies of these minutes promptly to the
200 NAESB office.

201 Any task force established by RGQ EC Subcommittees shall be open to all NAESB Members
202 and other interested parties. At NAESB joint Subcommittee or joint Task Force meetings, the same
203 individual may represent different Segments from different NAESB Quadrants, as long as that individual
204 declares prior to the joint meeting the NAESB Quadrant and Segment for which he or she is casting a
205 vote. At RGQ Subcommittee or Task Force meetings, the same individual may represent different RGQ
206 Segments, as long as that individual declares prior to the meeting the RGQ Segment for which he or she
207 is casting a vote.

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209 **11 – RESERVED**

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211 **12 – RESERVED**

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213 **13 – RESERVED**

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18 - AMENDMENTS

Section 18.1 Amendments

In order for RGQ Procedures to be amended, upon petition of at least five (5) RGQ Members, the Vice Chair of the EC for the RGQ shall announce an RGQ meeting. Such announcement shall provide for at least a 30-day notice. In order to transact business at the RGQ meeting, there shall be a quorum consisting of at least 33% of the RGQ Membership. Following such meeting, the proposed resolution adopted at the meeting shall be sent out for comment, and the comments shall be distributed to all RGQ Members in advance of a notational vote. Any RGQ Member not choosing to vote shall be considered to have voted in favor of the proposed change. In order for a proposed change to take effect, it must be approved by at least 67% of RGQ Members and 40% of each RGQ Segment’s Membership.

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19 – TRANSITION PROCEDURES

235 During the initial startup of the RGQ, the Quadrant and Segments may operate with vacant Board
236 and EC seats in a transitional period in accordance with the following provisions. This transitional
237 voting period will be sunset on June 30, 2003, unless the RGQ EC decides to extend the period prior to
238 its expiration. In the event one or more Segments does not populate the maximum number of NAESB
239 Board seats or RGQ EC seats, the number of seats per Segment will be reduced from six to five on
240 January 1, 2003, unless the RGQ EC decides otherwise during its December 2002 meeting.

Section 19.1 Initial Election of RGQ Directors

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242 The founding membership of the RGQ will elect no less than three (3) Directors of their
243 choosing per Segment by means that are consistent with NAESB Bylaws and the requirements of Section
244 7 of these Procedures. Selection of candidates and their election will be by procedures agreed to by
245 consensus or voting methods adopted by the founding group. Such elected representatives will be
246 presented to the NAESB Board for acceptance as Directors of the RGQ, and acceptance by the Board
247 will place all the requirements and restrictions of the Bylaws, including these Procedures, upon those
248 individuals. Subsequent elections to fill vacant seats, as necessary, will be held each month until all seats
249 are filled.
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Section 19.2 Initial Election of RGQ Executive Committee

251
252 The founding membership of the RGQ will elect no less than three (3) EC representatives of their
253 choosing per Segment by means that are consistent with NAESB Bylaws and the requirements of Section
254 10 of these Procedures. Selection of candidates and their election will be by procedures agreed to by
255 consensus or voting methods adopted by the founding group. Such elected representatives will be
256 presented to the NAESB Board for acceptance as representatives of the RGQ, and acceptance by the
257 Board will place all the requirements and restrictions of these Procedures upon those individuals.
258 Subsequent elections to fill vacant seats, as necessary, will be held each month until all seats are filled.
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260 **Section 19.3 Balanced Voting During the Transition Period**

261 **A. Transitional Voting Multiplier**

262 Recognizing that the RGQ Segments might fill their allotted Board and EC seats at varying rates,
263 a Transitional Voting Multiplier mechanism will be used to ensure balanced voting between Segments
264 until all Board and EC seats are filled.

265 1. The Transitional Voting Multiplier shall be calculated for each RGQ Segment by dividing
266 the number of populated seats in the largest RGQ Segment by the greater of the number of
267 seats populated in each of the other RGQ Segments.

268 The following example is used to illustrate this: A given RGQ Segment populates three seats,
269 while the largest RGQ Segment in this case populates six. To determine the Transitional
270 Voting Multiplier for the smaller RGQ Segment in this example, the number of seats in the
271 largest RGQ Segment (which in this case is 6) would be divided by the number of seats
272 populated in the smaller Segment (which is 3 in this case) to arrive at 2.00 as the Transitional
273 Voting Multiplier for the smaller RGQ Segment in this case.

274 2. The Transitional Voting Multiplier for each Segment will be recalculated as each additional
275 vacant seat is filled by the Quadrant on the Board or the EC.

276 3. Once each of a Segment's seats on the Board or the EC has been populated at least once, the
277 Transitional Voting Multiplier will no longer be needed or used for either the Board or EC
278 (whichever applies). Subsequent vacancies on the Board or the EC will not re-institute use
279 of the Transitional Voting Multiplier mechanism.

280 **B. Application**

281 When non-procedural votes are tallied at NAESB Board or EC meetings, each of the voters
282 present will have their votes weighted by the Transitional Voting Multiplier applicable to that voter's
283 RGQ Segment. Where applicable, NAESB balanced voting rules will be applied after votes have been

284 weighted. Thus in the example given in Section 19.3(A), if all three representatives from the smaller
285 RGQ Segment vote, the tally of their votes would be 6.

286 **C. Limitation on Transitional Voting Multiplier**

287 To the extent that the number of individuals identifying with a RGQ Segment at a sub-committee
288 or task force meeting is less than or equal to the number of RGQ EC seats populated by the Segment, the
289 Transitional Voting Multiplier may be used to weight votes prior to the application of balanced voting
290 rules.

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292 **RGQ SUPPLIERS SEGMENT PROCEDURES**

293 *[To be provided by the RGQ Suppliers Segment]*

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295 **RGQ DISTRIBUTORS SEGMENT PROCEDURES**

296 *[To be provided by the RGQ Distributors Segment]*

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298 **RGQ END USER SEGMENTS PROCEDURES**

299 *[To be provided by the RGQ End Users Segment]*

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301 **RGQ SERVICE PROVIDERS SEGMENT PROCEDURES**

302 *[To be provided by the RGQ Service Providers Segment]*

NORTH AMERICAN ENERGY STANDARDS BOARD

**Resolution Regarding Approval of Procedures
for Retail Electric Quadrant as Exhibit to Bylaws**

WHEREAS, the North American Energy Standards Board (“NAESB”) commenced operations in January 2002, and is now organizing Quadrants for the Retail Gas and Retail Electric sectors; and

WHEREAS, the Retail Electric Quadrant is now organizing and has adopted Quadrant Procedures, attached hereto as Exhibit A, which it proposes be added to the Bylaws of NAESB as an Exhibit;

NOW, THEREFORE, BE IT:

RESOLVED, that the Board of Directors of NAESB approves the Quadrant Procedures for the Retail Electric Quadrant of NAESB attached hereto as Exhibit A, which shall be appended to the Bylaws of NAESB as an Exhibit, provided that by May 7, 2002, the Retail Electric Quadrant satisfies the membership requirements set forth in Section 2.3 of the Bylaws.

March 7, 2002

North American Energy Standards Board
Bylaws Addendum

Exhibit 4

Retail Electric Quadrant Procedures

Section 1 Definitions

1.1 Definitions Included In NAESB Bylaws

All capitalized terms, if not defined in Section 1.2, shall have the same definitions as specified in the Bylaws or Certificate of Incorporation of NAESB.

1.2 Definitions for the Purposes of this Exhibit

- A.** "EC Member" means a Member's representative serving on the EC.
- B.** "NAESB Office" means the administrative office of the Secretary of NAESB.
- C.** "REQ" means the Retail Electric Quadrant.
- D.** "REQ Designated Alternates" mean the group of individuals selected by each REQ Segment Membership to serve in the stead of REQ EC representatives who are unable to attend EC meetings.
- E.** "REQ EC" means the Executive Committee of the REQ.
- F.** "REQ Membership" means the Voting Members of the REQ collectively.
- G.** "REQ Segment" means one of the co-equal membership Segments of the NAESB Retail Electric Quadrant representing the following four (4) segments

of the retail electric industry: Distributors, End Users, Services, and Suppliers.

- H. "Segment Membership" means the Segment Members collectively.
- I. "Segment Procedures" means the procedures attached to this document as exhibits for each of the Segments, as amended.

Section 2 Purposes, Scope, Activities & Policies

2.1 Purposes , Scope & Activities

A. Purpose

The purpose of the REQ of the North American Energy Standards Board (NAESB) is to propose, evaluate and adopt voluntary standards and model business practices to promote competitive, efficient and reliable service in the retail electric industry.

B. Scope & Activities

The REQ is to address issues and practices that are within the scope of NAESB and appropriate to electric usage at the individual consumer level; that is, usage by an individual, partnership, corporation, or other entity consuming electricity at one or more facilities served by an electric distributor.

The REQ shall work closely with other NAESB Quadrants to strive for consistency where proposed Standards and Model Business Practices affect those other Quadrants.

2.2 Policies

The Retail Electric Quadrant shall comply with the policies and procedures laid out in the Bylaws and the Certificate of Incorporation of NAESB.

2.3 Segment Organization & Membership Requirements

Each prospective Member shall declare the Segment with which they are to be identified.

1. Distributors
Persons engaged in the local distribution of electricity.
2. End Users

Persons that consume electricity, or who represent consumers of electricity.

3. Services
Persons that provide services to participants in the retail electric industry, including equipment manufacturers, equipment vendors, software providers, consultants, and other companies or individuals not otherwise eligible for membership in another Segment.
4. Suppliers
Persons engaged in the competitive sale of electricity to end users.

[There are no additional requirements in these procedures to those stated in Sections 3 & 4 of the NAESB Bylaws]

Section 5 Members

5.1 Voting Members

Membership and voting rights in the REQ of NAESB shall be open to any person that meets the following requirements:

- A. The person has a significant business interest¹ in the retail electric market (or is a representative or Agent of such person), as determined by a simple majority of the Segment Membership, if challenged.
- B. Representatives designated by any person in any Segment should have the authority to represent the interests of the person seeking to be a Segment Member.
- C. Memberships in multiple Segments of the REQ are permissible for any person provided each membership is filed and declared with NAESB, the person meets the membership requirements of each Segment joined, and membership dues are paid for each Segment.
- D. Only one membership per Segment is permissible for any person.
- E. Multiple companies under common control within a corporate organization that desire to become Members must join individually. Members cannot extend their membership to their parent company, affiliates, or subsidiaries.
- F. The person may be a trade association or an advocacy group representing a group of prospective members, provided that the trade association or advocacy group meets the requirements defined by its declared Segment in Segment Procedures.

[There are no additional requirements in these procedures other than those stated for Sections 5.2 through 5.4 of the NAESB Bylaws]

¹ As used in this section, "significant business interest" specifically includes the interests of statutorily appointed consumer advocates.

5.5 Removal of Members

Segment Members who do not have a significant business interest pertaining to the descriptions contained in Section 2.3 may be removed from Segment Membership by a simple majority vote of their declared Segment Membership.

Section 6 Meetings of the Members

All meetings held in association with the NAESB organization or the REQ are open to any interested person. From time to time, there may be joint meetings of the REQ with other Quadrants within NAESB, and Segments may meet jointly to transact Quadrant business.

Section 7 Board

7.1 Board Representation

The REQ shall elect Directors to the Board from each Segment in accordance with Segment Procedures.

7.2 Qualifications of Directors

A. Eligibility

To be eligible to serve as a representative on the NAESB Board of Directors, the Member's representative must

- 1) be willing to commit the time and resources necessary,
- 2) have the authority to fulfill the obligations as a REQ Director, and
- 3) be willing to meet the minimum threshold of participation and attendance established in the NAESB Bylaws, Section 9.7(f), and any other applicable provisions, as set forth in the NAESB Bylaws.

B. One Member, One Seat Per Quadrant

No two Directors elected by the REQ may be employees of the same Member holding membership in multiple Segments within the Quadrant. This restriction does not prohibit election of two Directors from two affiliated companies within a holding company having individual Member status, or from two companies with a parent-subsidiary relationship, provided that the two Directors from companies with such a relationship represent Members of differing Segments.

C. One Office Per Member Representative

Directors elected from the REQ may not hold both a Board seat and a seat on the REQ EC at any point in time. If an REQ EC Member is elected as a Director from the REQ, the REQ EC seat is vacated when the Board seats the EC Member as a Director.

7.3 Number and Election of Directors**A. Number of Directors**

The REQ shall elect sixteen (16) NAESB Directors, subject to the provisions of Section 19 of these Procedures. Each Segment of the Quadrant will elect four (4) Directors, subject to the provisions of Section 19 of these Procedures.

B. Election of Directors

Nominations for and election of all Directors will be in accordance with Segment Procedures, as follows:

In preparation for any election of NAESB Directors (other than initial Directors, as provided for in Section 19),

1. A nominating committee of five EC Members of the REQ consisting of one Member from each Segment plus the REQ EC Vice-Chair, shall identify a slate of potential candidates from the Segment Membership.
2. Other nominations may be made at or prior to the close of the REQ nomination period by any Segment Member eligible to serve on the Board of Directors by submitting the candidate names to the NAESB Office in a form as specified in NAESB Operating Procedures, if such requirements exist.
3. All nominations must be made and conveyed in writing to the NAESB Office no less than 31 days prior to the election date.

7.4 Term of Office**A. Terms**

Directors shall be elected for two-year terms, with half of the terms expiring in alternating years.

1. Two Directors will be elected from each Segment each year to fill expiring terms.
2. Group A Director terms will expire in odd numbered years.
3. Group B Director terms will expire in even numbered years.
4. Term expiration will be in conjunction with the end of the operating year of NAESB or as otherwise defined by the Board, Certificate of Incorporation or Bylaws, as amended.

B. Limit on Number of Terms of Office

Directors elected from the REQ may run for re-election without restriction on the number of terms held.

C. Change of Affiliation

In the event that the Director

1. changes affiliation to another Member within the same industry Segment, the Director's term will continue until its natural expiration, provided that there is no other Director already representing the Director's new affiliation, in which case the Director changing affiliation will vacate the seat for election of a new Director;
2. is no longer affiliated with the electing industry Segment, the Director will vacate the seat for election of a new Director.

7.5 Vacancies

In the event that a Director resigns or otherwise vacates the Board seat, and more than 120 days remain in the term of office, the Segment will hold an election within 60 days to fill the vacant seat.

7.6 Removal of Directors

In addition to being subject to removal from office by the NAESB Board of Directors, Directors may also be removed from office for cause. The REQ Segment shall give the Director at least a 30-day notice of the proposed action and an opportunity to respond. A 67% majority of the applicable REQ Segment Membership shall be required to remove a Director. The vacant seat is to be refilled in accordance with the requirements of Section 7.5.

[There are no additional requirements in these procedures other than those stated in Sections 8 & 9 of the NAESB Bylaws]

SECTION 10 EXECUTIVE COMMITTEE**10.1 EC Representation**

The REQ shall elect representatives to the EC from each Segment in accordance with Segment Procedures.

10.2 Qualifications of EC Members**A. Eligibility**

To be eligible to serve as an EC Member, the Member's representative must

- 1) be willing to commit the time and resources necessary,
- 2) have the authority to fulfill the obligations as an EC representative, and

- 3) be willing to meet the minimum threshold of participation and attendance established in the NAESB Bylaws, Section 10.4(j), and any other applicable provisions, as set forth in the NAESB Bylaws.

B. One Member, One Seat Per Quadrant

No two EC Members elected by the REQ may be employees of the same Member holding membership in multiple Segments within the Quadrant. This restriction does not prohibit election of two EC Members from two affiliated companies within a holding company having individual Member status, or from two companies with a parent-subsidiary relationship, provided that the two EC Members from companies with such a relationship represent Members of differing Segments.

C. One Office Per Member Representative

Directors elected from the REQ may not hold both a Board seat and a seat on the REQ EC at any point in time. If an REQ EC Member is elected as a Director from the REQ, the REQ EC seat is vacated when the Board seats the EC Member as a Director.

10.3 Number and Election of EC Members

A. Number of EC Members

The REQ shall elect sixteen (16) EC Members, subject to the provisions of Section 19 of these Procedures. Each Segment of the Quadrant will elect four (4) EC Members, subject to the provisions of Section 19 of these Procedures.

B. Election of EC Members

Nominations for and election of all EC Members will be in accordance with Segment Procedures, as follows:

In preparation for any election of EC Members, other than initial EC Members as provided for in Section 19),

1. A nominating committee of five EC Members of the REQ consisting of one Member from each Segment plus the EC Vice-Chair, shall identify a slate of potential candidates from the Segment Membership.
2. Other nominations may be made at or prior to the close of the REQ nomination period by any Segment Member eligible to serve on the EC by submitting the candidate names to the NAESB Office in a form as specified in NAESB Operating Procedures, if such requirements exist.
3. All nominations must be made and conveyed in writing to the NAESB Office no less than 31 days prior to the election date.

C. Timing of Elections

Subject to the provisions of Section 19, election of EC Members shall occur in the same month for all Segments of the REQ, and shall be coordinated by the NAESB Office.

D. Chair Rotation

The REQ EC shall elevate the prior year Vice Chair of the REQ EC to Chair of the REQ EC at its first meeting in the new operating year and elect a new Vice Chair. If the Vice Chair is vacant at the time of the first meeting of a new operating year, both a Chair and Vice-Chair will be elected.

E. Meeting Minutes

In the event that an individual from the NAESB Office is unavailable to take minutes, the Chair of any REQ EC meeting will designate an individual to take minutes and forward them to the NAESB Office.

10.4 Term of Office**A. Terms**

EC Members shall be elected for two-year terms, with half of the terms expiring in alternating years.

1. Subject to the provisions of Section 19, two EC Members will be elected from each Segment each year to fill expiring terms.
2. Group A EC Member terms will expire in odd numbered years.
3. Group B EC Member terms will expire in even number years.
4. Terms of office will end in conjunction with end of the operating year of NAESB or as otherwise defined by the Board of Directors, Certificate of Incorporation or Bylaws, as amended.

B. Limit on Number of Terms of Office

EC Members from the REQ may run for re-election without restriction on the number of terms held.

C. Change of Affiliation

In the event that the EC Member

1. changes affiliation to another Member within the same industry Segment, the EC Member's term will continue until its natural expiration, provided that there is no other EC Member already representing the EC Member's new affiliation, in which case the EC Member changing affiliation will vacate the seat for election of a new EC Member.
2. is no longer affiliated with the electing industry Segment, the EC Member will vacate the seat for election of a new EC Member.

10.5 Vacancies

In the event that an EC Member resigns or otherwise vacates the seat, and more than 120 days remain in the term of office, the Segment will hold an election within 60 days to fill the vacant seat, and a Designated Alternate will serve until a new EC Member is elected.

10.6 - Removal of EC Members

In addition to being subject to removal from office by the NAESB Board of Directors, EC Members may also be removed from office for cause. The REQ Segment shall give the EC Member at least a 30-day notice of the proposed action and an opportunity to respond. A 67% majority of the applicable REQ Segment Membership shall be required to remove an EC Member. The vacant seat is to be refilled in accordance with the requirements of Section 10.5.

10.7 Designated Alternates

A. Authority

Any person presenting themselves at an EC meeting as a Designated Alternate will be accepted as a participant provided that:

1. An EC Member from that Segment either indicates to the NAESB Office, EC Chair or Vice-Chair that they will be absent, or is in fact absent and remains absent, and
2. The name of the Designated Alternate is on a list of approved Designated Alternates selected by the appropriate Segment Membership according to Segment Procedures, and on file with the NAESB Office.

B. Election of Designated Alternates

Each Segment will annually select Designated Alternates according to Segment Procedures.

10.8 EC Meetings

A. REQ EC Meetings

REQ EC meetings shall be held at times and locations determined by the Chair or Vice-Chair of the REQ EC. EC Members may participate and vote by means of tele-conference or other electronic means unless in-person attendance is required of all EC Members by both the Chair and Vice-Chair of the EC, and subject to the attendance requirements of Article 10, Section 10.4(j) of the Bylaws.

B. Joint EC Meetings

In the event that the EC of the REQ meets jointly with an EC of another NAESB Quadrant, the choice of Quadrant EC Chair presiding over the joint meeting will be determined by the precedence established in the order of rotation of EC Vice-Chairs as specified in the NAESB Bylaws.

10.9 EC Subcommittees

A. Establishing Subcommittees & Task Forces

The EC of the REQ shall set up its own subcommittees and task forces to deal with REQ-specific issues.

The EC may establish voluntary standing subcommittees or special purpose task forces to perform various functions required of the organization.

1. The Executive Committee will prepare a written statement of the purpose of the subcommittee or task force and the tasks to be performed, name the subcommittee or task force, and appoint a temporary chair.
2. The Temporary Chair will be a Member of the EC willing to perform the required startup tasks and to continue chairing the subcommittee / task force if elected by the Members after its first meeting.
3. The Temporary Chair shall
 - a) set up the first meeting of the subcommittee or task force.
 - b) prepare a meeting notice that:
 - (i) states the name and purpose of the subcommittee / task force,
 - (ii) solicits participation in the subcommittee / task force,and
 - (iii) announces the agenda for the first meeting.
 - c) post the meeting notice to all Members and non-members via the NAESB website.
 - d) post the notice at least two weeks prior to the meeting date. Shorter time periods for notices of subsequent meetings will be permitted by a 75% vote of the participants attending a duly scheduled meeting.
4. All meeting notices shall be posted on the NAESB website and transmitted in writing, facsimile, or other electronic means to parties who have indicated an interest in the duly scheduled meeting.

B. Meeting Minutes

In the event that an individual from the NAESB Office is unavailable to take minutes, the Chair of any subcommittee / task force meeting will designate an individual to take minutes and forward them to the NAESB Office.

C. Reporting

Each EC subcommittee or task force will report to the EC at no less than quarterly intervals, on a schedule to be defined by the EC for as long as the subcommittee or task force continues to exist.

[There are no additional requirements in these procedures other than those stated in Sections 11-17 of the NAESB Bylaws]

SECTION 18 AMENDMENTS

In order for these REQ Procedures to be amended, upon petition of at least five (5) REQ Members, the Vice Chair of the EC for the REQ shall announce an REQ meeting. Such announcement shall provide for at least a 30-day notice. In order to transact business at the REQ meeting, there shall be a quorum consisting of at least 33% of the REQ Membership. Following such meeting, the proposed resolution adopted at the meeting shall be sent out for comment, and the comments shall be distributed to all REQ Members in advance of a notational vote. Any REQ Member not choosing to vote shall be considered to have voted in favor of the proposed resolution. In order for a proposed resolution to take effect, it must be approved by at least 67% majority of REQ Members and 40% of each REQ Segment's Membership.

SECTION 19 TRANSITION PROCEDURES

During the initial startup of the REQ, the Quadrant and Segments may operate with vacant Board and EC seats in a transitional period in accordance with the following provisions.

19.1 Initial Election of Directors

The founding membership of the REQ will elect no less than three (3) Directors per Segment by means that are consistent, to the extent practical, with NAESB Bylaws and the requirements of Section 7 of these Procedures. Selection of candidates and their election will be by procedures agreed to by consensus or voting methods adopted by the founding group. Such elected representatives will be presented to the NAESB Board for acceptance as Directors of the REQ. Acceptance by the Board will place all the requirements and restrictions of the Bylaws, including these Procedures, upon those individuals. Elections will be held as needed by any Segment to fill any vacant seats until all four Segment seats are filled for the first time.

19.2 Initial Election of Executive Committee

The founding membership of the REQ will elect no less than three (3) EC Members per Segment by means that are consistent with NAESB Bylaws and the requirements of Section 10 of these Procedures to the extent practical. Selection of candidates and their election will be by procedures agreed to by consensus or voting methods adopted by the founding group. Such elected representatives will be presented to the NAESB Board for acceptance as representatives of the REQ. Acceptance by the Board will place all the requirements and restrictions of these Procedures upon those individuals.

Elections will be held as needed by any Segment to fill any vacant seats until all four Segment seats are filled for the first time.

19.3 Balanced Voting During the Transition Period

A. Transitional Voting Multiplier

Recognizing that the REQ Segments might fill their allotted Board and EC seats at varying rates, a Transitional Voting Multiplier mechanism will be used to ensure balanced voting between Segments until all Board and EC seats are filled.

1. During the period when a Segment is initially operating with three seats filled rather than four, each Director or EC Member from the Segment shall be allocated 1.33 votes, so that the weighted votes total four and are equal to the votes of all other REQ Segments.
2. Once all four of a Segment's seats on the Board or the EC have been populated at least once, the Transitional Voting Multiplier will no longer be needed or used for either the Board or EC (whichever applies). Subsequent vacancies on the Board or the EC will not re-institute use of the Transitional Voting Multiplier mechanism.

B. Application

When non-procedural votes are tallied at NAESB Board or EC meetings, each of the voters present will have their votes weighted by the Transitional Voting Multiplier applicable to that voter's REQ Segment. Where applicable, NAESB balanced voting rules will be applied after votes have been weighted. Thus in the example given in Section 19.3(A), if all three representatives from the smaller REQ Segment vote, the tally of their votes would be 4.