



North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

via email and posting

TO: NAESB Members and Interested Industry Participants
FROM: Rae McQuade, Executive Director
RE: Wholesale Electric Quadrant Meeting Announcement – April 5, 2002
DATE: March 20, 2002

NAESB will hold a meeting in Houston on Friday, April 5, to discuss the segment identification and definitions for the wholesale electric quadrant. To populate the wholesale electric quadrant, the NAESB Board of Directors will vote to adopt wholesale electric quadrant procedures, which at a minimum require segment identification and definitions, and procedures for election of Board of Directors and Executive Committee representatives. The procedures can be further defined and changed as the quadrant determines.

The meeting specifics are:

WHERE: Hyatt Regency Hotel
1200 Louisiana Street
Houston, Texas 77002
Reservations Phone Number: (713) 654-1234

MEETING ROOM: Cottonwood A&B

WHEN: Friday, April 5
8:00 a.m. to 9:00 a.m. Continental Breakfast
9:00 a.m. to Noon Meeting Session
Noon to 1:00 p.m. Lunch
1:00 p.m. to 5:00 p.m. Meeting Session

The Hyatt Regency is holding a group of rooms for the evening of April 4. The room rate for these rooms is \$149.00 per night. To reserve one of these rooms, please note that you are attending the NAESB meeting. Reservations should be made as soon as possible; availability is limited.

If you are unable to attend the meeting, but would like to monitor the discussions, conference calling will be available and the office can provide instructions. If you would like to provide comments in lieu of attendance or in addition to attendance, please forward such comments to the NAESB office in electronic form by April 1, 2002 (naesb@aol.com). The meeting will be transcribed and the transcripts available for purchase, and antitrust counsel will be present throughout the meeting.

If you intend to attend, please notify the office by April 1, 2002 and provide the following information:

- Name
- Organization
- Email address

We look forward to your attendance,

Best Regards,
Rae McQuade



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Draft Agenda For Wholesale Electric Quadrant Segment Identification Meeting

Houston, Texas

Friday, April 5, 2002

1. Welcome and Opening Remarks
 - Welcome
 - Introductions
 - Antitrust Guidance
2. Identification of Segments for the NAESB Wholesale Electric Quadrant (WEQ)
 - General Principles¹
 - Review of Segments Identified for Wholesale Gas (WGQ), Retail Gas (RGQ) and Retail Electric (REQ) Quadrants²
 - Identification of Segments for the WEQ³
 - Verification against principles
3. How to Populate the NAESB WEQ
4. Preparation of the Initial Procedures for the NAESB WEQ
 - Segment Definitions
 - Board and EC members nominations and elections
 - Plan to Present to the NAESB Board of Directors
5. Items for further development of the NAESB WEQ Procedures
6. Next Steps Needed for the Formation of the NAESB WEQ
7. Adjourn

¹ The principles as defined in the NAESB Certificate and Bylaws will be presented as work papers for the meeting.

² The definitions of the WGQ, RGQ and REQ segments definitions will be presented as work papers for the meeting.

³ A strawman of possible WEQ segments will be presented as work papers for the meeting.

North American Energy Standards Board
 Registrants for the Wholesale Electric Quadrant Meeting -- April 5, 2002
 Hyatt Regency Hotel, Houston, Texas

Sorted By Company

	Name	Company	Phone?
1	Buccigross, Jim	8760 Inc.	
2	Cox, Phil	AEP	
3	Smith, William	Allegheny Power	
4	Pasternack, Bernie	American Electric Power Service Corp	
5	Radous, Barbara	American Electric Power Service Corp	
6	Voeck, Julie	American Transmission Company	Yes
7	Butrus, Greg	Balch & Bingham	
8	McCoy, Steve	California Independent System Operator	
9	McMillan, Dave	Calpine	
10	Smith, Matthew	Cinergy Corp.	
11	Comeaux, Keith	CLECO	
12	Ogenyi, Gloria	Conectiv	
13	Burnham, Andy	Consumers Energy	
14	Robert, Lisa	Defense Energy Support Center- Electricity Branch	Yes
15	Boswell, Bill	Dominion	
16	Ross, Glenn	Dominion	Yes
17	Gildea, Mike	Duke Energy North America, LLC	
18	Puckett, J.D.	Duke Energy North America, LLC	
19	Knight, Richard	Duke Power	
20	Scheel, Mark	Dynegy	
21	Dworzak, Dave	Edison Electric Institute	
22	Lum, Susan	El Paso Merchant Energy	
23	Anderson, John	Electricity Consumers Resource Council	
24	Davis, Ed	Energy Services	
25	Clarke, Linda	Exelon Power Team	
26	Rosenberg, Marvin	Federal Energy Regulatory Commission	
27	Simonelli, John	ISO New England, Inc.	
28	Dixon, Duane	MidAmerican Energy Company	Yes
29	Garcia, JoAnn	NAESB	
30	McQuade, Rae	NAESB	
31	Morris, Sheila	NAESB	
32	Thomason, Veronica	NAESB	
33	Acquard, Charlie	NASUCA	
34	Goodman, Craig	National Energy Marketers Association	Yes
35	Rantala, Stacey	National Energy Marketers Association	Yes
36	Nasir, Jamil	National Grid USA	
37	Rossignoli, Joe	National Grid USA	
38	Lawson, Barry	National Rural Electric Cooperatives Association	
39	Cook, David	NERC	
40	Barney, Diane	New York State Department of Public Service	
41	Hartwell, Jim	Northeast Power Coordinating Council	
42	Murphy, Martha	Occidental Energy Marketing, Inc.	
43	Rodriguez, Andy	Oxygen Consulting, LLC	
44	Hicks, Jim	Pacificorp	
45	Sappenfield, Keith	PanCanadian Energy	
46	Hawks, Jack	PG&E National Energy Group	Yes
47	Glazer, Craig	PJM Interconnection, L.L.C.	
48	Brown, Ken	Public Service Electric and Gas	
49	Hebson, Jim	Public Service Enterprise Group Energy Resources and Trading	
50	Tippitt, Kalim	Reliant Energy	
51	Yeung, Charles	Reliant Energy	
52	Dison, Joel	Southern Company	
53	Reed, Tony	Southern Company Services	
54	Ulch, Dean	Southern Company Services	
55	Lentz, Rick	Tatum CIO	
56	Merring, Robert	US Tennessee Valley Authority	
57	Ogg, Joelle	Williams Mullen Clark & Dobbin	
58	Denison, Anne	Williams	
59	Anthony, Jeff	Wisconsin Electric - Wisconsin Gas	Yes
60	Miller, Sharon	Xcel Energy	
61	Dayney, Steve	Xcel Energy Inc.	

North American Energy Standards Board
 Registrants for the Wholesale Electric Quadrant Meeting -- April 5, 2002
 Hyatt Regency Hotel, Houston, Texas

Sorted By Name

Name	Company	Phone?
1 Acquard, Charlie	NASUCA	
2 Anderson, John	Electricity Consumers Resource Council	
3 Anthony, Jeff	Wisconsin Electric - Wisconsin Gas	Yes
4 Barney, Diane	New York State Department of Public Service	
5 Boswell, Bill	Dominion	
6 Brown, Ken	Public Service Electric and Gas	
7 Buccigross, Jim	8760 Inc.	
8 Burnham, Andy	Consumers Energy	
9 Butrus, Greg	Balch & Bingham	
10 Clarke, Linda	Exelon Power Team	
11 Comeaux, Keith	CLECO	
12 Cook, David	NERC	
13 Cox, Phil	AEP	
14 Davis, Ed	Entergy Services	
15 Dayney, Steve	Xcel Energy Inc.	
16 Denison, Anne	Williams	
17 Dison, Joel	Southern Company	
18 Dixon, Duane	MidAmerican Energy Company	Yes
19 Dworzak, Dave	Edison Electric Institute	
20 Garcia, JoAnn	NAESB	
21 Gildea, Mike	Duke Energy North America, LLC	
22 Glazer, Craig	PJM Interconnection, L.L.C.	
23 Goodman, Craig	National Energy Marketers Association	Yes
24 Hartwell, Jim	Northeast Power Coordinating Council	
25 Hawks, Jack	PG&E National Energy Group	Yes
26 Hebson, Jim	Public Service Enterprise Group Energy Resources and Trading	
27 Hicks, Jim	Pacificorp	
28 Knight, Richard	Duke Power	
29 Lawson, Barry	National Rural Electric Cooperatives Association	
30 Lentz, Rick	Tatum CIO	
31 Lum, Susan	El Paso Merchant Energy	
32 McCoy, Steve	California Independent System Operator	
33 McMillan, Dave	Calpine	
34 McQuade, Rae	NAESB	
35 Merring, Robert	US Tennessee Valley Authority	
36 Miller, Sharon	Xcel Energy	
37 Morris, Sheila	NAESB	
38 Murphy, Martha	Occidental Energy Marketing, Inc.	
39 Nasir, Jamil	National Grid USA	
40 Ogenyi, Gloria	Conectiv	
41 Ogg, Joelle	Willams Mullen Clark & Dobbin	
42 Pasternack, Bernie	American Electric Power Service Corp	
43 Puckett, J.D.	Duke Energy North America, LLC	
44 Radous, Barbara	American Electric Power Service Corp	
45 Rantala, Stacey	National Energy Marketers Association	Yes
46 Reed, Tony	Southern Company Services	
47 Robert, Lisa	Defense Energy Support Center- Electricity Branch	Yes
48 Rodriguez, Andy	Oxygen Consulting, LLC	
49 Rosenberg, Marvin	Federal Energy Regulatory Commission	
50 Ross, Glenn	Dominion	Yes
51 Rossignoli, Joe	National Grid USA	
52 Sappenfield, Keith	PanCanadian Energy	
53 Scheel, Mark	Dynegy	
54 Simonelli, John	ISO New England, Inc.	
55 Smith, Matthew	Cinergy Corp.	
56 Smith, William	Allegheny Power	
57 Thomason, Veronica	NAESB	
58 Tippitt, Kalim	Reliant Energy	
59 Ulich, Dean	Southern Company Services	
60 Voeck,Julie	American Transmission Company	Yes
61 Yeung, Charles	Reliant Energy	

**NORTH AMERICAN ENERGY STANDARDS BOARD
COMPANIES INTENDING JOINING QUADRANTS AND SENDING
LETTERS OF INTENT**

The quadrant procedures for both the retail electric (REQ) and retail gas quadrants (RGQ) were accepted by the NAESB Board on March 7, 2002. For the quadrants to become active, they must have a minimum of 40 members per quadrant, and a minimum of five members per segment. Once the membership threshold is met, the quadrants can seat their Board members and Executive Committee members. Both the REQ and the RGQ quadrants have four segments: distributors, suppliers, end users and services.

While the wholesale electric quadrant (WEQ) has not yet prepared its procedures, nor identified its segments, several companies have forwarded letters of intent, which are included in this report.

Retail Electric Quadrant Letters of Intent:

Company		Segment Specified				
		Dist	Sup	End	Svc	None
1	American Electric Power	Y				
2	Alabama Power Company	Y				
3	Allegheny Power	Y				
4	Ameren Services Company	Y				
5	Baltimore Gas & Electric Company	Y				
6	Calpine Energy Services, L.P.					Y
7	Consolidated Edison Co, of New York, Inc.	Y				
8	Consumers Energy Company	Y				
9	Detroit Edison Company	Y				
10	Dominion Retail		Y			
11	Dominion Virginia Power	Y				
12	Dynegy		Y			
13	Entergy					Y
14	Exelon Energy Delivery	Y				
15	Georgia Power Company	Y				
16	Gulf Power Company	Y				

**NORTH AMERICAN ENERGY STANDARDS BOARD
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Retail Electric Quadrant Letters of Intent:

Company		Segment Specified				
		Dist	Sup	End	Svc	None
17	Mississippi Power Company	Y				
18	Office of Public Advocate, State of Maine			Y		
19	Ohio Consumers' Counsel			Y		
20	PanCanadian Energy Services Inc		Y			
21	PanCanadian MidStream Limited			Y		
22	Pennsylvania Office of Consumer Advocate			Y		
23	PPLSolutions, LLC				Y	
24	Public Service Electric & Gas Company	Y				
25	Reliant Energy Retail Services, LLC		Y			
26	Savannah Electric and Power Company	Y				
27	SCT Global Energy, Utilities and Communications				Y	
28	Schlumberger Sema North America				Y	
29	Southern California Edison	Y				
30	Southern Company Services, Inc.				Y	
31	Telerox				Y	
32	The Boeing Company			Y		
33	The Structure Group				Y	
34	TXU Energy Retail		Y			
35	Wisconsin Electric-Wisconsin Gas	Y				
36	Wisconsin Public Service Corporation	Y				
TOTAL		18	5	5	6	2

**NORTH AMERICAN ENERGY STANDARDS BOARD
COMPANIES INTENDING JOINING QUADRANTS AND SENDING
LETTERS OF INTENT**

Retail Gas Quadrant Letters of Intent:

Company		Segment Specified				
		Dist	Sup	End	Svc	None
1	AGL Resources Inc.	Y				
2	Amerada Hess Corporation		Y			
3	Baltimore Gas & Electric Company	Y				
4	Consolidated Edison Co, of New York, Inc.	Y				
5	Consumers Energy Company	Y				
6	Dominion Delivery	Y				
7	Dominion Resources	Y				
8	Dynegy		Y			
9	KeySpan Energy Delivery	Y				
10	Michigan Consolidated Gas Company	Y				
11	National Fuel Gas Distribution Corporation	Y				
12	Niagara Mohawk	Y				
13	NiSource Energy Distribution Group	Y				
14	Office of Public Advocate, State of Maine			Y		
15	Ohio Consumers' Counsel			Y		
16	Orange and Rockland	Y				
17	PanCanadian Energy Services Inc.		Y			
18	PanCanadian MidStream Limited			Y		
19	Peco Energy Company	Y				
20	Pennsylvania Office of Consumer Advocate			Y		
21	Peoples Gas System	Y				
22	Public Service Electric & Gas Company	Y				

**NORTH AMERICAN ENERGY STANDARDS BOARD
COMPANIES INTENDING JOINING QUADRANTS AND SENDING
LETTERS OF INTENT**

Retail Gas Quadrant Letters of Intent:

Company		Segment Specified				
		Dist	Sup	End	Svc	None
23	Questar Gas Company	Y				
24	The Boeing Company			Y		
25	TXU Energy Retail		Y			
26	Vectren Source					Y
27	Washington Gas Light Company	Y				
28	Wisconsin Public Service Corporation	Y				
29	Wisconsin Electric Wisconsin Gas ¹	Y				
TOTAL		19	4	5	0	1

Wholesale Electric Quadrant Letters of Intent:

Company		Segment Specified
1	Calpine Corporation	None
2	Calpine Energy Services, L.P.	None
3	Cinergy	None
4	Consolidated Edison Co, of New York, Inc.	None
5	Duke Energy North America	None
6	Dynegy	None
7	Exelon	None
8	IDACORP Energy	None
9	PanCanadian	None
10	PG&E National Energy Group	None

¹ Transferring membership from Wholesale Gas Quadrant of NAESB to Retail Gas Quadrant.

**NORTH AMERICAN ENERGY STANDARDS BOARD
COMPANIES INTENDING JOINING QUADRANTS AND SENDING
LETTERS OF INTENT**

Wholesale Electric Quadrant Letters of Intent:

	Company	Segment Specified
11	Public Service Electric and Gas Company	None
12	Reliant Energy Services, Inc.	Marketing
13	Southern Company Services – Generation and Energy Marketing	Load Serving Entity
14	Southern Company Services – Generation and Energy Marketing	Generation
15	Southern Company Services – Generation and Energy Marketing	Marketing
16	Southern Company Services, Inc.	Transmission
17	The Boeing Company	End User

North American Energy Standards Board

Wholesale Electric Quadrant Organization Meeting

Friday April 5, 2002

Hyatt Regency - Houston, Texas

Objective: Successfully create and activate the Wholesale Electric Quadrant (WEQ) of NAESB by completing the following:

- 1) Establish quadrant segments
- 2) Populate quadrant with a minimum of 40 members, and a minimum of 5 members per segment
- 3) Develop WEQ Procedures as addendum to NAESB bylaws
- 4) Develop individual Segment procedures
- 5) Elect representatives to NAESB Executive Committee and Board of Directors

Timeline: Step 1 to be completed on April 5, 2002. Steps 2 through 5 above to be completed and documented in time for consideration and adoption by the NAESB Board of Directors at their June, 2002 meeting.

April 5, 2002 Agenda: Final vote and agreement on establishing WEQ segments. Voting for adoption of segments and segment definitions will be based upon a two-thirds majority of those present and voting. Each entity represented will receive one vote regardless of the number of individuals from the entity who may be present. Any challenges to an entity's representation and voting will be decided by simple majority of all persons present and voting.

NAESB General Principles: Certificate of Incorporation, Article 2, Section 2.2, paragraph (b).

Other Quadrant Segments & Definitions :

1. Wholesale Gas Quadrant:

- a. Producers – Those companies primarily engaged in the production of natural gas for sale to others.
- b. Pipelines – Those companies primarily engaged in the transmission of natural gas.
- c. Distributors – Those companies primarily engaged in the local distribution of natural gas
- d. End-users – Those companies that consume natural gas.
- e. Services – Providers of services to participants in the wholesale natural gas industry, which would include marketers, software providers, consultants and other companies not otherwise considered to be a producer, pipeline, distributor or end user.

2. Retail Gas Quadrant:

- a. Suppliers – Persons engaged in competitive retail sales of natural gas and/or capacity, including marketers, aggregators, producers, asset managers and pipelines.
- b. Distributors – Persons engaged in the local distribution of natural gas.
- c. End Users – Persons that consume natural gas or represent consumers of natural gas.
- d. 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.

3. Retail Electric Quadrant:

- a. Distributors – Persons engaged in the local distribution of electricity.
- b. End Users – Persons that consume electricity, or who represent consumers of electricity.
- c. Services – Person 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.
- d. Suppliers – Persons engaged in the competitive sale of electricity to end users.

Segment Straw Man

Desired Characteristics :

1. Voting segment structure should support a reasonably efficient standards development process that includes appropriate opportunities for appeal by parties aggrieved by WEQ decisions;¹
2. Every stakeholder group with a distinct interest in wholesale electric standards should have the opportunity to provide input to and vote in the standards development process, and protect itself from undue harm stemming from this process;²
3. The number of segments should be no more than those necessary to equitably represent significant functions within the wholesale electric industry;
4. Segment definitions should be based upon the functions various entities perform in the wholesale electric market, rather than business interests.³

Proposed Segmentation: Consistent with the characteristics above, as well as in recognition of the requirement that each segment be populated with at least five (5) members each, it is proposed that the WEQ establish five (5) segments as follows:

1. **Transmission:** Any entity primarily engaged in the activity of owning, operating, and/or providing transmission service to customers of the North American Bulk Power Grid.
2. **Generation:** Any entity primarily engaged in the activity of owning and/or operating electric generation facilities and, has no operational control over significant transmission facilities on the North American Bulk Power Grid.
3. **Marketers/Brokers:** Any entity primarily engaged in the activity of buying and selling electric energy at wholesale, and has no operational control over significant transmission facilities on the North American Bulk Power Grid.
4. **Distribution/LSE:** Any entity primarily engaged in the activity of delivering electric energy to wholesale and/or end use customers.
5. **Customers:** Any entity that is eligible to receive electric energy at wholesale; and entities that represent customer interests including trade organizations, local, state,

¹ Joint Filing to FERC of the Industry Collaborative, March 15, 2002, p.13

² Id.

³ EPSA Filing to FERC, March 15, 2002, p.18-19

federal, provincial, etc. regulators⁴, and other companies or individuals not otherwise eligible for membership in another segment.

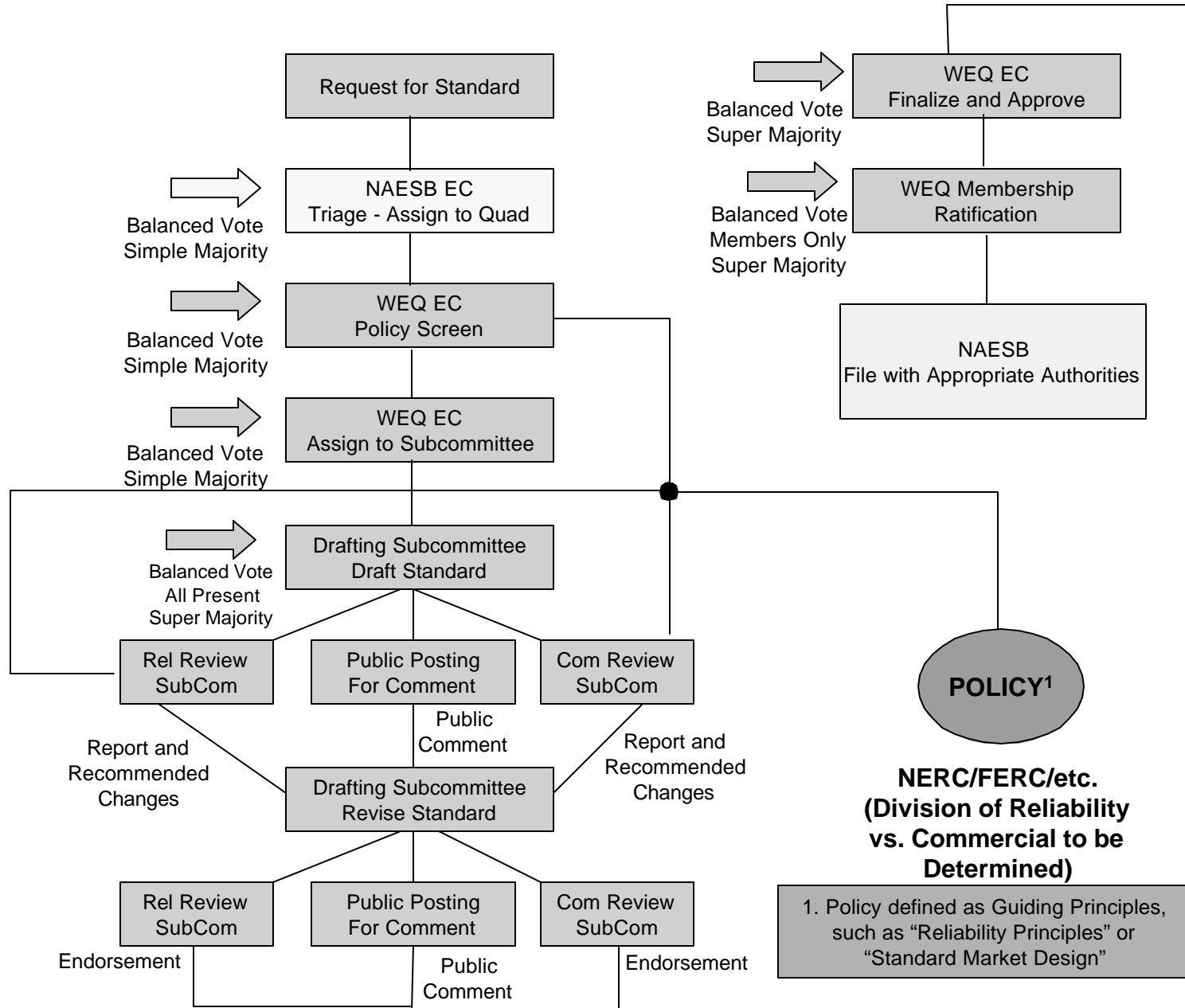
Additional Segment-related Issues for Consideration:

1. Additional segment configurations
2. Sub-segment possibilities
3. Segment and sub-segment criteria for membership
4. Proposals for any changes in voting practices

Segment Procedure Development: There seems to be wide industry consensus for the use of the “life of a standard” flow chart first articulated during the Atlanta meeting of the EEI sponsored Joint Collaborative. For information and use in developing Segment procedures, the chart as subsequently amended by the Joint Collaborative is included on the following page.

⁴ NAESB Bylaws, Article 5, Section 5.2 Non-Voting Members: “As provided in Article IV, Section 3 of the Certificate, Non-voting Members shall include, but not be limited to, federal, state and local agencies; non-profit research organizations; and similar entities”. NAESB Certificate, Article IV, Section 3: “Non-voting members shall include, but not be limited to, federal, state and local agencies; non-profit research organizations, trade and industry organizations; consumer advocate groups; and similar entities.”

Wholesale Electric Standards Proposed Consensus Process Diagram



AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF THE
NORTH AMERICAN ENERGY STANDARDS BOARD, INC.

Article I

Name, Duration and Registered Agent

Section 1. The name of the corporation is the **NORTH AMERICAN ENERGY STANDARDS BOARD, INC.** (hereinafter referred to as "NAESB"). NAESB is a non-stock corporation.

Section 2. The period of duration of NAESB is PERPETUAL. NAESB may be dissolved at any time in the manner provided in the Statute; provided, however, that no later than December 31, 2004, NAESB's Board of Directors shall submit to the members a resolution recommending whether NAESB shall continue. An affirmative vote of both the Board of Directors and the members, as defined in Article V of this Certificate, shall be required to continue NAESB.

Section 3. Reserved

Section 4. No later than October 1, 1996, the Board of Directors shall submit to the membership a proposal on whether to consolidate the functions of the Board of Directors and the Executive Committee. An affirmative vote of both the Board of Directors and the members, as defined in Article V of this Certificate, shall be required to consolidate the functions of the Board of Directors and the Executive Committee. If the functions of the Board of Directors and the Executive Committee are consolidated, the surviving entity shall become the Board of Directors.

Section 5. NAESB is not organized for pecuniary profit or for the pecuniary profit of its members, or to engage in a regular business ordinarily carried on for profit. No part of the net earnings of NAESB shall inure to the benefit of any member or members or other private persons. During its functioning life, and in the event of its dissolution, all net earnings of NAESB and its assets shall be devoted solely to the objects and purposes stated in this Certificate. Upon dissolution of NAESB, its assets may be distributed in any manner consistent with this Section and with the applicable provisions of law.

Section 6. The registered office and registered agent of NAESB is The Prentice-Hall Corporation System, Inc., 2711 Centerville Road, Wilmington, New Castle County, Delaware, 19808.

Article II

Purposes and Scope

Section 1. The objects and purposes of NAESB are to propose and adopt voluntary standards and model business practices designed to promote more competitive and efficient natural gas and electric service, as such standards apply to electronic data interchange ("EDI") record formats and communications protocols and related business practices that streamline the transactional processes of the natural gas and electric industries.

Section 2. NAESB shall engage in any lawful activities necessary or desirable to achieve the objectives and purposes of NAESB set forth in Section 1 of this Article II to the extent consistent with the provisions of Section 501(c)(6) of the Internal Revenue Code of 1986 (or any corresponding provision of any future revenue law) and the regulations promulgated thereunder (as they now exist or as they may be amended in the future, the "Code").

Section 3. NAESB shall be a non-profit organization qualifying under Section 501 (c) (6) of the Code and shall not have the authority to issue capital stock.

Section 4. NAESB shall not have any formal relationship with any regulatory agency. NAESB shall not have an advocacy role regarding its standards before the FERC or any other regulatory agency.

Article III

Organization and Management

Section 1. The business and affairs of NAESB shall be managed by the Board of Directors except to the extent that specific powers and duties are conferred upon the Executive Committee by this Certificate. The Board of Directors may delegate additional powers to the Executive Committee, provided that the Board of Directors may not delegate its power to approve an amendment of the Certificate of Incorporation, a merger or consolidation, a sale of substantially all the assets or dissolution of NAESB, or amendment of the By-Laws.

Section 2. The Board of Directors and Executive Committee members shall be elected for such terms as provided in the By-Laws. The number of members of the Board of Directors and Executive Committee shall as provided in the By-Laws. There may be as many as four Quadrants and each Quadrant shall be composed of industry Segments.. The members of each Segment shall vote separately for the election of

Directors and Executive Committee members for such Segment pursuant to procedures set forth in the By-Laws.

Section 3. Each representative of the Board of Directors and the Executive Committee shall have one vote. Neither the Board of Directors nor the Executive Committee shall allow substitutes for any member thereof at their respective meetings; provided, however, that, as provided in the By-Laws, the Executive Committee may have designated alternates as selected by their segment. The Board of Directors and Executive Committee shall further establish procedures for notational voting, attendance by telephone or video conferencing, and determination of quorums. These procedures shall be included in, or attached to, the By-Laws. The Board of Directors and the Executive Committee shall each elect a chairman from among their own members. The Chairman of the Board of Directors may request that any vote or action be taken by the Board of Directors without a meeting and without unanimous consent, and such action may be taken if approved by the appropriate voting levels specified in Article V. The Chairman of the Executive Committee may request that any vote or action be taken by the Executive Committee without a meeting and without unanimous consent, and such action may be taken if approved by the appropriate voting levels specified in Article V.

Section 4. The Board of Directors shall be responsible for approving the budget, initiating and recommending charter changes, maintaining contacts within the natural gas and electric industries and with government agencies, and selecting counsel and the external auditor for NAESB. The Board of Directors shall also have the authority to adopt and amend the By-Laws pursuant to Section 5 of Article V.

Section 5. (a) The Executive Committee, which shall also exercise general supervision of NAESB's affairs, shall establish NAESB's policies. The Executive Committee shall be responsible for establishment of procedures which will: (1) facilitate the formation of NAESB technical standards that are based upon broad industry consensus and recognize the particular needs of each Segment, (2) consider the work of existing standards-setting organizations and standards already developed, and (3) establish an accessible library of transactions developed by members of NAESB for future consideration by NAESB in the standards development process.

(b) In addition, the Executive Committee shall be responsible for: (1) recommending the initiation, maintenance, and approval of standards-related activities; (2) establishing working committees as it deems necessary to perform NAESB's functions pursuant to procedures set forth in the By-Laws; (3) preparing the budget; (4) setting priorities for standards to be developed or modified; (5) overseeing the NAESB

staff; and (6) directing activities for reviewing standards interpretation pursuant to the appropriate voting levels specified in Article V.

Section 6. The personal liability of the members of the Board of Directors and the Executive Committee, and such other persons acting for NAESB, to the extent applicable under the Statute, is hereby eliminated to the fullest extent permitted by Section 102(b)(7) of the Statute, as the same may be amended and supplemented.

Any person who is or was a director, officer, agent, or employee of NAESB, or is or was serving, at the request of NAESB, as a director, officer, agent, or employee of another corporation, trust, or enterprise, shall be entitled to be indemnified by NAESB to the fullest extent now or hereafter permitted by the Statute in connection with any actual or threatened action or proceeding (including civil, criminal, administrative or investigative proceedings) arising out of their service to such entity. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which an indemnified person may be entitled under any by-law, agreement, insurance policy, or otherwise.

Section 7. The Chairman of the Board of Directors shall be the Chief Executive Officer of NAESB. An Executive Director shall be selected by the Board of Directors and shall exercise the duties of the chief operating officer of NAESB.

Section 8. Advisory Committee. The Board of Directors shall establish a permanent, standing advisory committee to be composed of representatives of federal, state, and local agencies; public interest groups; non-profit research organizations; and similar organizations, selected pursuant to procedures set forth in the By-Laws. The Board of Directors and the Executive Committee shall seek the advice of this committee as either deems appropriate.

Section 9. NAESB shall have no standing relationships with any technical or trade association; provided, however, NAESB may establish an appropriate relationship with the American National Standards Institute (ANSI) for the purpose of seeking ANSI adoption of its standards, and further provided, however, that any Board-approved arrangement for financial support of NAESB by any technical or trade association shall not be deemed to create a prohibited standing relationship. NAESB may work with such associations on an ad hoc basis. Furthermore, any such association may become a non-voting member of NAESB.

Article IV

Membership

Section 1. NAESB shall have two classes of members, voting members and non-voting members. The requirements for becoming a member of NAESB shall facilitate to the greatest extent possible a wide based membership consistent with NAESB's fiscal requirements and shall be consistent with all applicable law. Membership criteria for each Segment shall be established separately and set forth in or attached to the By-Laws; provided that the adoption of the requirements for membership in any Segment and any amendment thereof must first be approved by a majority of the Directors representing such Segment.

Section 2. Voting members. The voting members of NAESB shall be individuals, partnerships, firms or corporations, which shall apply for membership in one or more Segments and are in good standing in accordance with the procedures of their Segment(s). As a condition of membership, each voting member will be required to execute a revocable appointment, in a form approved by the Board of Directors, authorizing a designated proxy to vote in support of any of the proposals adopted by the Board of Directors described in Article V, Section 3 of this Certificate of Incorporation which may be submitted to a vote of the general membership. Any voting member may resign from NAESB by written notice to the Executive Director, whereupon that member's participation in all NAESB activities shall cease.

A voting member which is delinquent in the payment of its dues shall continue as a member, but shall not be allowed to vote until it is current in the payment of its dues.

Section 3. Non-voting members. Non-voting members shall include, but not be limited to, federal, state, and local agencies; non-profit research organizations, trade and industry organizations; consumer advocate groups; and similar entities.

Article V

Voting

Section 1. All actions within the respective responsibilities of the Board and the Executive Committee, as the case may be, shall be by majority vote, except as otherwise provided in this Certificate of Incorporation. A quorum shall be a majority of the Board or Executive Committee, respectively.

Section 2. Voting members shall be entitled to one vote each at meetings of members, except that procedures attached to the By-Laws may provide for weighted or limited voting for members of any Segment, if such By-Law provision is first approved by a majority of the Directors representing such Segment. The quorum for meetings of members shall be one-third of the total number of votes eligible to be cast unless a different number is established by this Certificate.

Section 3. An affirmative vote of at least seventy-five percent (75%) from the Board, including an affirmative vote of at least forty percent (40%) from Directors representing each Segment within each Quadrant, which vote must be ratified by a ninety percent (90%) affirmative vote of the general membership, shall be required to approve an amendment of this Certificate, including NAESB's scope and purposes described in Article II, to continue NAESB pursuant to Section 2 of Article I, to expand or contract the activities of NAESB pursuant to Section 3 of Article I and to consolidate the functions of the Board of Directors and the Executive Committee pursuant to Section 4 of Article I. No quorum of the members shall be required for such votes.

Section 4. An affirmative vote of at least sixty-seven percent (67%) from each of the applicable Quadrant(s) of the Executive Committee, including an affirmative vote of at least forty percent (40%) from representatives of each Segment within each of the applicable Quadrant(s), which vote must be ratified by a sixty-seven percent (67%) affirmative vote of those members of the applicable Quadrants of the general membership voting, shall be required to adopt, promulgate, amend, revise, modify, interpret, or rescind a standard. No quorum of the members shall be required for such vote.

Section 5. The By-Laws may be adopted or amended by the Board on an affirmative vote of at least seventy-five percent (75%) from the Board, including an affirmative vote of at least forty percent (40%) from Directors representing each Segment within each Quadrant, provided that procedures pertaining to any Segment separately that are attached to the By-Laws must first be approved by a majority of the Directors representing such Segment.

Section 6. A vote of at least seventy-five percent (75%) from the Board, including an affirmative vote of at least forty percent (40%) from the Directors representing each Segment within each Quadrant, shall be required to determine how to fund a budget deficit or to establish or modify a promotional dues program.

Article VI

Meetings

Section 1. The Board of Directors and Executive Committee shall meet as often as necessary to consider matters within their respective responsibilities. Notice of such meetings, which shall be appropriate under the circumstances and comply with all applicable statutory requirements, shall be given.

Section 2. The Board of Directors shall instruct the Executive Director to call such meetings of the general membership of NAESB as are required by statute or are necessary to transact the business of NAESB. Meetings of NAESB may also be called by a majority of the members of NAESB or by a majority of the members of the Board of Directors. Between meetings of NAESB, votes of the membership may be taken by written ballot.

Section 3. Written notice of the annual meeting of NAESB shall be given in such manner as is prescribed by Statute, but not less than ten (10) nor more than sixty (60) days prior to the date of the annual meeting. Notice of other meetings shall be given in a manner as may reasonably permit attendance at such meeting, but in any event in a time and manner sufficient to satisfy any statutory requirements.

Article VII

Funding

Section 1. The funds necessary to conduct the business of NAESB shall be determined by the NAESB Board of Directors. The NAESB Board of Directors shall determine the amount of the membership fee to be assessed to each member on the year prior to its assessment, provided that except for promotional dues, the dues shall be the same for all voting members. NAESB may elect to receive funds from non-dues sources to the extent authorized by the Board of Directors and permitted by law and NAESB's bylaws. The Executive Director of NAESB shall ensure that NAESB expenditures in any year shall not exceed the sum of: (x) the aggregate amount of membership fees received (or projected to be collected) during the year to which such annual budget relates and (y) all other monies or income received (or projected to be received) by NAESB from whatever source during such year.

Article VIII

Amendment of Certificate of Incorporation

Section 1. The provisions contained in this Certificate of Incorporation may be amended by the adoption of a resolution pursuant to the voting procedures set forth at Article V.

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4. This Amended and Restated Certificate of Incorporation has been duly adopted by vote of the members in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Gas Industry Standard Board Inc., has caused this Certificate to be signed by James M. Costan, its General Counsel, this 4th day of January, 2002.

GAS INDUSTRY STANDARDS BOARD INC.

By: /s/ James M. Costan
James M. Costan
General Counsel

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BYLAWS
Of
NORTH AMERICAN ENERGY STANDARDS BOARD, INC. (NAESB)
A Delaware Non-Stock, Non-Profit Corporation

ARTICLE 1 - DEFINITIONS

Section 1.1 Definitions

The following terms used in these Bylaws shall have the meanings set forth below.

- A. "Act" means the Delaware General Corporation Law, as amended.
- B. "Agent" means an individual, partnership, firm, corporation or other entity representing the interests of a member of NAESB, but who, itself, is not necessarily a member of NAESB.
- C. "Balanced Voting" means that, in the context of EC Subcommittees and task forces, with respect to Standards/Model Business Practices development, voting is governed by rules and procedures that provide for balance of interests among industry Segments and Quadrants participating in NAESB so as to avoid having any one interest exert undue influence over any decision.
- D. "Board" means the Board of Directors of NAESB.
- E. "Certificate" means the Certificate of Incorporation, as amended from time to time, of the NAESB.

- 23 F. "Director" means an individual serving on the Board.
- 24 G. "EC" means the Executive Committee of NAESB, Inc. (in whole, as a Quadrant EC, or
25 any combination of the Quadrant EC(s)).
- 26 H. "EC Subcommittee" means a subcommittee established by the EC pursuant to Section
27 10.5 of these Bylaws.
- 28 I. "Exhibit" means an attachment to these Bylaws.
- 29 J. "Majority" means a simple majority of each of the applicable Quadrants for the
30 purposes of voting.
- 31 K. "Members" means individuals and entities that satisfy the requirements for membership
32 set forth in Article 5 of the Bylaws, and includes Voting Members and Non-Voting
33 Members.
- 34 L. "Model Business Practice" means a protocol or procedure for the conduct of specified
35 acts or transactions. The term "Model Business Practice" does not imply enforceability
36 by NAESB.
- 37 M. "NAESB" means the North American Energy Standards Board, Inc.
- 38 N. "Operating Procedures" means the policies and rules that govern the behavior and
39 operation of committees, subcommittees and task forces of NAESB, as established and
40 maintained by the Parliamentary Committee of the Board, (as established in Section
41 7.8(b)). They apply equally to all Quadrants and Segments.
- 42 O. "Quadrant" means any one of the following industry sectors that make up NAESB: gas
43 wholesale, electric wholesale, gas retail, and electric retail. A particular Quadrant may
44 be referred to as the "Wholesale Gas Quadrant," "Wholesale Electric Quadrant,"
45 "Retail Gas Quadrant," or "Retail Electric Quadrant."
- 46 P. "Reconsideration" means a review of a proposed Standard or proposed Model
47 Business Practice subsequent to adoption by the EC and prior to ratification, as
48 described in Section 10.3(h) of these Bylaws.

- 49 . Q. "Segment" means one of the co-equal member groupings of a given Quadrant, as
50 defined by that Quadrant and approved by the Board as an Exhibit to these Bylaws.
- 51 R. "Standard" means a protocol or procedure for the conduct of specified acts or
52 transactions. The term "Standard" does not imply enforceability by NAESB.
- 53 S. "Triage Process" refers to the actions taken from the time a request for a proposed
54 Standard or a proposed Model Business Practice is received by the NAESB office,
55 through consideration by the Triage Subcommittee, and until such time as the EC
56 assigns the request for consideration.
- 57 T. "Voting Member" means an individual, partnership, firm, corporation or other entity
58 whose NAESB dues are current and who meets the requirements for membership of a
59 given Segment(s) within a Quadrant(s), and who has joined such Quadrant(s) and
60 Segment(s). A Voting Member may only be a member of multiple Quadrants and
61 Segments if it has paid dues in each such Quadrant and Segment.

62 63 64 **ARTICLE 2 - PURPOSES, SCOPE, ACTIVITIES AND POLICIES**

65 **Section 2.1 Purposes, Scope and Activities**

66 The purposes, scope and activities of NAESB are set forth in Article II of the Certificate.

67 **Section 2.2 Policies**

- 68 (a) As expressed in Article IV, Section 1 of the Certificate, NAESB's policy is to encourage
69 a widely-based membership of diverse stakeholders whose business interests are
70 directly affected by the adoption of Standards and Model Business Practices for their
71 commercial activities. Consistent with this approach, NAESB's policy is that all
72 meetings of NAESB, including those of its Members, Board, EC, Advisory Council (as
73 established in Section 7.9), Board committees, EC Subcommittees and task forces,

74 shall be open to any member of the public and the minutes thereof shall be available to
75 the public, except as provided in Section 9.1 of these Bylaws.

76 (b) The principles governing NAESB are:

77 **Independence** – NAESB should be an independent body. While it may have informal
78 liaisons to trade associations, other standards organizations and government agencies, it
79 should be a separately incorporated, fully independent, organization.

80 **Openness** -- NAESB should conduct its activities in the open. Openness should
81 apply to all aspects of its organizational governance, elections and Standards or Model
82 Business Practices development processes, including work products and related
83 meetings. The meetings, agendas and items set for discussion and/or possible vote
84 should be publicly noticed, and interested parties, regardless of membership should
85 have the opportunity to participate.

86 **Voluntary** -- Participation in NAESB should be voluntary and adherence to its
87 Standards and Model Business Practices should, from NAESB's perspective, also be
88 voluntary. Membership should not be dependent upon whether the company seeking
89 membership implements the Standards and Model Business Practices. NAESB will not
90 maintain any type of enforcement activity.

91 **Balance of Interests** – The voting with respect to governance, Standards, Model
92 Business Practices, and Operating Procedures should provide for balance among
93 industry Segments and Quadrants participating in NAESB so as to avoid any one
94 interest group or group of interests having the ability to exert undue influence over any
95 decision.

96 **Inclusivity** – All interested parties have the opportunity to participate in the activities of
97 the standards organization and to join NAESB. All participants should be identified and
98 associated with a Segment and Quadrant.

99 **Consensus-Based Decisions** -- The voting rules should be constructed so that
100 decisions based upon consensus are encouraged. In addition, with respect to voting

101 upon the Standards or Model Business Practices issued or to be issued by NAESB,
102 energy Quadrants and their Segments should be assured that each energy Quadrant and
103 its Segments can protect its interests by requiring both super-majorities and a minimum
104 per Segment, and that a per Quadrant threshold be achieved for passage of such
105 Standards and Model Business Practices by NAESB.

106 **No Advocacy** – NAESB should be prohibited from taking advocacy positions on its
107 Standards or Model Business Practices as a party to any proceeding before a
108 governmental agency. This is not intended to preclude NAESB’s duly authorized
109 representatives from educating or communicating with any group as to NAESB’s
110 procedures and/or work product(s).

111 **Membership Driven** – NAESB should be membership driven. The paid staff should
112 perform administrative functions to support NAESB’s activities. Requests for
113 Standard(s) or Model Business Practices should be proposed by identified persons and
114 not by NAESB or its committees and subcommittees. NAESB’s staff should neither
115 have a vote nor a role with respect to conducting the affairs of NAESB other than to
116 provide ministerial functions.

117 **Develop Practices, Not Policy** – The committees, subcommittees and task forces of
118 NAESB should endeavor not to create policy in their Standards or Model Business
119 Practices development activities absent being requested to do so by the Board.

120 **Incorporate Best Practices** – To the extent reasonable, the Standards and Model
121 Business Practices to be established should reflect standardization and streamlining of
122 activities chosen as best practices from among existing and reasonably anticipated
123 policies and practices.

124 **Broad Applicability** – To the extent reasonable, the Standards and Model Business
125 Practices to be established should be structured such that they can be applicable to both
126 the electric and natural gas industries. The two industries should work together to
127 develop Standards and Model Business Practices when joint Standards and Model

128 Business Practices are appropriate. However, where operating requirements dictate the
129 need for different approaches, discrete Standards and Model Business Practices will be
130 established separately by Quadrant(s).

131 **ANSI Accreditation** – NAESB will actively seek to transfer to itself the current Gas
132 Industry Standards Board accreditation as an American National Standards Institute
133 Standards Development Organization.

134 (c) It is the policy of NAESB to comply to the fullest extent possible with both the letter
135 and spirit of all applicable federal and state laws and regulations, including the antitrust
136 laws. The purpose of the antitrust laws is to preserve and promote competition. Any
137 conduct that violates Federal or State antitrust laws is detrimental to the best interests of
138 NAESB and its Members, and is, therefore, contrary to NAESB policy. No officer,
139 employee or member of NAESB is authorized by NAESB to act contrary to this policy.

140 **Section 2.3 Quadrants and Segments**

141 The procedures of each Quadrant and Segment, respectively, shall conform to the policies of
142 NAESB as stated in the Certificate and these Bylaws. The Board shall have authority to enforce these
143 NAESB policies with regard to the procedures of the Quadrants and Segments.

144 In order to have representation on the Board or the EC, a Quadrant shall have at least forty
145 Voting Members and at least four Segments. Each Segment shall have at least five Voting Members.
146 This minimum representation requirement shall be reconsidered by the Board prior to March 31, 2003
147 and biannually thereafter.

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149 **ARTICLE 3 - OFFICES**

150 **Section 3.1 Offices**

151 The registered office of NAESB shall be located in Delaware. NAESB may have any number
152 of other offices at such places as the Board may determine.

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ARTICLE 4 - SEAL

Section 4.1 Seal

NAESB may use a Corporate Seal. The Corporate Seal shall bear the name of NAESB, the year of its incorporation and the words "Corporate Seal, Delaware."

ARTICLE 5 - MEMBERS

Section 5.1 Voting Members

- (a) The general requirements for Voting Membership are set forth in Article IV, Section 1 and 2 of the Certificate. Individuals, partnerships, firms or corporations shall join as Members through application for Voting Membership in one or more Quadrants and Segments. The membership requirements for each Quadrant and Segment are set forth in Exhibits 1 through 4.
 - (i) Each Voting Member shall be entitled to one (1) vote in person or by proxy, and shall designate in writing the individual authorized to cast that vote.
 - (ii) Each Voting Member may vote by proxy. Every proxy shall be executed in writing by the Voting Member or by such Voting Member's duly authorized attorney in fact and filed with the Secretary of NAESB. A proxy shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary. The revocation of a proxy shall not be effective until notice thereof has been given to the Secretary of NAESB. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, written notice of such death or incapacity is given to the Secretary of NAESB. No proxy shall be valid after three (3) years from the date of its execution unless otherwise provided in the proxy.
 - (iii) As described in Article IV, Section 2 of the Certificate, each Voting Member is required, as a condition of membership, to execute a revocable appointment, in a proxy form approved by the Board, authorizing a designated proxy to vote in

181 favor of any of the proposals described in Article V, Section 3 of the Certificate;
182 provided, however, that any Voting Member shall have the right to cast its vote,
183 in lieu of such revocable proxy, either in favor of or in opposition to any such
184 proposal. This proxy shall not expire until revoked by the Voting Member.

185 (iv) A trade association may join as a non-voting member. A trade association may
186 become a Voting Member only if there are no other Voting Members of
187 NAESB that can represent the interests of the trade association's membership,
188 or if the Quadrant determines that the trade association's membership is
189 otherwise under-represented by Voting Members. A trade association shall not
190 be eligible to hold a seat on either the Board or the EC, except as an Agent of
191 an eligible Voting Member.

192 (b) The Board may, by resolution, determine (a) the amount of the membership fee
193 described in Article VII, Section 1 of the Certificate to be assessed to each Voting
194 Member, and (b) the time and method of payment. Delinquency in payment of
195 membership fees has the effect on voting rights specified in Article IV, Section 2 of the
196 Certificate.

197 (c) Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any
198 action required or permitted to be taken by the members at any annual or special
199 meeting may be taken without a meeting, without prior notice and without a vote, if a
200 consent or consents in writing, setting forth the action so taken, shall be signed by the
201 members having not less than the minimum number of votes that would be necessary to
202 authorize or take such action at a meeting at which all members having a right to vote
203 thereon were present and voted. Such written consents shall be delivered to NAESB
204 by delivery to its registered office in the State of Delaware, its principal place of
205 business, or an officer or agent of NAESB having custody of the book in which
206 proceedings of meetings of members are recorded. Delivery made to NAESB's
207 registered office shall be by hand or by certified or registered mail, return receipt
208 requested. Every written consent shall bear the date of signature of each member who

209 signs the consent, and no written consent shall be effective to take the corporate action
210 referred to therein unless, within sixty days of the earliest dated consent delivered to
211 NAESB in the manner required by this Section 5.1(f), written consents signed by a
212 sufficient number of members to take action are delivered to NAESB by delivery to its
213 registered office in the State of Delaware, its principal place of business, or an officer or
214 agent of the Corporation having custody of the book in which proceedings of meetings
215 of members are recorded. Delivery made to NAESB's registered office shall be by
216 hand or by certified or registered mail, return receipt requested. Prompt notice of the
217 taking of the corporate action without a meeting by less than unanimous written consent
218 shall be given to those members who have not consented in writing. In the event that
219 the action which is consented to is such as would have required the filing of a certificate
220 by law, if such action had been voted on by members at a meeting thereof, the
221 certificate filed shall state, in lieu of any statement required by law concerning any vote
222 of members, that written consent has been given in accordance with the Delaware
223 General Corporation Law, and that written notice has been given.

224 **Section 5.2 Non-Voting Members**

225 As provided in Article IV, Section 3 of the Certificate, Non-Voting Members shall include, but
226 not be limited to, federal, state and local agencies; non-profit research organizations; and similar entities.

227 **Section 5.3 Nontransferable**

228 Membership in NAESB is not transferable to another corporation or entity, although member
229 organizations may transfer representation from one individual to another upon written notice to the
230 Secretary. Such transfer of representation shall not extend to transfer of Board or EC seats.

231 **Section 5.4 Resignation**

232 Any Member may resign from membership by written notice to the Secretary, whereupon that
233 Member's NAESB voting rights and member benefits shall cease.

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236 **ARTICLE 6 - MEETINGS OF MEMBERS**

237 **Section 6.1 Place of Meetings**

238 Meetings of the Members shall be held at such place as may be fixed by the Board. If no place
239 is fixed by the Board, meetings of the Members shall be held at the registered office of NAESB.

240 **Section 6.2 Annual Meeting**

241 Unless the Board provides by resolution for a different time, the Annual Meeting of the
242 Members shall be held in September, October, November or December of each year on the date
243 specified by the Board in the notice of annual meeting.

244 **Section 6.3 Special Meetings of Members**

245 Special meetings of the Members may be called at any time by the Board Chair, by a Majority
246 of the Board or by a Majority of Voting Members. Upon written request of any person entitled to call a
247 special meeting, the Secretary shall (a) fix the date and time of the meeting, which shall be held not less
248 than ten (10) days nor more than sixty (60) days after receipt of the request, and (b) give notice thereof
249 in accordance with Article 11. If the Secretary neglects or refuses to fix the meeting date or give notice,
250 the person or persons calling the meeting may do so.

251 **Section 6.4 Determination of Members of Record**

252 The Board may fix a time, not more than sixty (60) days prior to the date of any meeting of the
253 Members or any adjournment thereof, as a record date for the determination of the Members entitled to
254 notice of, or to vote at, such meeting. The Board may similarly fix a record date for the determination of
255 the Members of record for any other purpose. When a determination of the Members of record has
256 been made for purposes of a meeting, the determination shall apply to any adjournment thereof unless
257 the Board fixes a new record date for the adjourned meeting.

258 **Section 6.5 Notice of Meetings of Members**

259 Notice of meetings of Members and meetings of Quadrants and Segments to elect or remove
260 Directors or EC Members, or to amend their Exhibits, shall be given in the manner described in Article
261 11 of the Bylaws. When a meeting of the Members is adjourned, it shall not be necessary to give any

262 notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than
263 by announcement at the meeting at which such adjournment is taken, unless the Board fixes a new
264 record date for the adjourned meeting or the Act requires notice of the business to be transacted and
265 such notice has not previously been given.

266 **Section 6.6 Quorum**

267 The quorums for meetings of Voting Members shall be as described in Article V, Section 2 of
268 the Certificate. The quorums may be determined by counting attendance in person or by proxy. The
269 Voting Members present at a duly organized meeting can continue to do business until adjournment,
270 notwithstanding the withdrawal of enough Members to leave less than a quorum. If a meeting cannot be
271 organized because a quorum has not attended, those present may, except as otherwise provided in the
272 Act, adjourn the meeting to such time and place as they may determine.

273 **Section 6.7 Adjournment**

274 Adjournments of any meeting of the Members may be taken.

275 **Section 6.8 Organization**

276 At every meeting of the Members, the Board Chair, or in his or her absence, the Board Vice
277 Chair, or in the absence of the Board Chair and the Board Vice Chair, the Board Second Vice Chair or
278 the Board Third Vice Chair, respectively, together representing each of the Quadrants within the Board,
279 or a chair chosen by the Members, shall act as chair. The Secretary, or in his or her absence, a person
280 appointed by the chair, shall act as secretary.

281 **Section 6.9 Voting on Particular Issues**

282 Article V, Sections 3 and 4 of the Certificate describe the voting procedures and the number of
283 votes required for adoption and approval for particular issues with respect to NAESB.

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ARTICLE 7 - BOARD

286 **Section 7.1 Board**

287 The business and affairs of NAESB shall be managed by the Board. The powers of NAESB
288 shall be exercised by, or under the authority of, the Board except as otherwise provided by statute, the
289 Certificate or these Bylaws. Specific powers and duties are delegated to the EC by Article III, Section
290 5 of the Certificate. The Board may delegate such other powers to the EC, as it deems appropriate if
291 such delegation is consistent with the Certificate.

292 **Section 7.2 Qualifications of Directors**

293 Each Director shall be a natural person at least eighteen (18) years of age who need not be a
294 resident of Delaware and who shall be a Voting Member, or a partner in, or an officer, employee or
295 agent of, a Voting Member.

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

297 The Board shall consist of representatives of the Quadrants, each Quadrant determining the
298 number of Directors who shall occupy seats on the Board, except that every Segment of a Quadrant
299 shall be represented by at least one Director. Regardless of the number of Directors elected from each
300 Quadrant, no Quadrant shall be entitled to cast a vote greater than the percentage that its Quadrant
301 represents in relation to the total number of Quadrants represented on the Board at a given time. Each
302 Segment within a Quadrant shall be represented by an equal number of Directors, to be determined by
303 that Quadrant. The procedures for electing the Directors shall be as specified in each Quadrant's
304 Exhibit. Each Quadrant shall communicate the timing of its election of Directors.

305 **Section 7.4 Term of Office**

- 306 (a) The term of office of a Director shall be for a period set by the Quadrant, not less than
307 1 year, not to exceed three years. Quadrants may elect Directors for varying terms.
308 Directors may be reelected to subsequent terms.
- 309 (b) Each Director shall hold office during his or her term until the earliest of: (i) the
310 expiration of the term for which he or she was elected and until his or her successor has

311 been elected and qualified, (ii) the Director's resignation of his or her Voting
312 Membership (if the Director is the Voting Member as an individual) or the lapse of the
313 Director's Voting Membership for delinquency in membership fee payment, (iii) the
314 resignation or lapse (through delinquency in membership fee payment) of Voting
315 Membership of the entity of which the Director is a partner, officer, employee or agent,
316 or (iv) the Director's death, resignation, or removal.

317 **Section 7.5 Vacancies**

318 Vacancies in the Board resulting from the circumstances described in Subsections 7.4(b)(ii), (iii)
319 or (iv) above shall be filled by the Quadrant and Segment in which the vacancy occurs, in accordance
320 with the procedures specified in that Quadrant's Exhibit.

321 **Section 7.6 Removal of Directors**

322 Procedures for removal of Directors representing a Quadrant and Segment are contained in the
323 pertinent Exhibit.

324 **Section 7.7 Resignations**

325 Any Director may resign at any time by giving written notice to the Secretary. The resignation
326 shall be effective upon receipt by NAESB or at such subsequent time as may be specified in the notice
327 of resignation.

328 **Section 7.8 Board Committees**

329 (a) The Board, by Majority vote of the entire Board, may establish, by means of resolutions
330 to be attached hereto, committees of the Directors. The resolutions shall describe the
331 powers and authorities of each committee, require each committee to adopt
332 procedures, and provide opportunity for Directors from each Quadrant and Segment to
333 participate in the committee's work.

334 (b) There shall be a Parliamentary Committee, consisting of members of the Board with at
335 least two Directors from each Quadrant. The function of the Parliamentary Committee
336 is to address issues related to corporate governance, including, but not limited to, the

337 Certificate of Incorporation, the Bylaws and the Operating Procedures. Members of
338 the Parliamentary Committee shall be appointed by the Chair of the Board, who shall
339 serve as the chair of this committee.

340 **Section 7.9 Advisory Council**

341 The Board shall establish a standing Advisory Council, to be known as the "NAESB Advisory
342 Council." The Advisory Council shall be composed of not more than twenty-five (25) persons who
343 shall be knowledgeable about the issues involved in carrying out the purposes, scope and activities of
344 NAESB. The membership of the Advisory Council should be rotated from time to time, and should
345 reflect participation by federal, state and local agencies; public interest groups; non-profit research
346 organizations; and similar organizations. The Advisory Council shall develop its own procedures
347 consistent with the general guidance of the Board and not inconsistent with the Certificate. The
348 Advisory Council shall advise both the Board and EC.

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350 **ARTICLE 8 - OFFICERS**

351 **Section 8.1 Number**

352 The officers of NAESB shall include a Chair, and up to three Vice Chairs (each representing a
353 different Quadrant within the Board), a Secretary, a Treasurer, an Assistant Treasurer, and an Executive
354 Director. The officers may include one or more Assistant Secretaries, other Assistant Treasurers, and
355 such other officers as the Board may determine by resolution. Any number of offices may be held by
356 the same person.

357 **Section 8.2 Qualifications of Officers of NAESB**

358 The officers shall be natural persons at least eighteen (18) years of age who are Directors,
359 except that the Executive Director, Secretary, Assistant Secretaries and Assistant Treasurers need not
360 be Directors.

361 **Section 8.3 Election and Term of Office**

362 The officers of NAESB shall be elected by the Board at any meeting of the Board. Each officer
363 except for the Executive Director, Assistant Secretaries and Assistant Treasurers shall serve for a term
364 of one (1) year and until his or her successor begins his or her term, or until his or her earlier death,
365 resignation, or removal, or lapse of Director status pursuant to Subsections 7.4(b)(ii),(iii) or (iv) or
366 Section 7.6. On expiration of the terms of the officers of NAESB, the Vice Chair shall become the
367 Chair, the Second Vice Chair shall become the Vice Chair, the Third Vice Chair shall become the
368 Second Vice Chair, and the Board shall elect a new Third Vice Chair. The new Third Vice Chair shall
369 be elected in the following order of rotation, which shall be repeated indefinitely: Gas Wholesale,
370 Electric Retail, Electric Wholesale, and Gas Retail. If no Director representing a Quadrant is willing to
371 serve as Third Vice Chair when the rotation turns to that Quadrant, the Board shall elect a Third Vice
372 Chair from among its remaining Directors, and the rotation shall continue thereafter as though a Director
373 representing the Quadrant had in fact served as Third Vice Chair.

374 **Section 8.4 Removal of Officers**

375 Any officer may be removed by action of a Majority of the Directors whenever in their
376 judgment the best interests of NAESB will be served. Such removal shall be without prejudice to the
377 contract rights, if any, of any person so removed.

378 **Section 8.5 Resignations**

379 Any officer may resign at any time by giving written notice to the Secretary. The resignation
380 shall be effective upon receipt by the Secretary or at such subsequent time as may be specified in the
381 notice of resignation.

382 **Section 8.6 The Chair**

383 The Chair shall be the chief executive officer of NAESB and shall have general supervision over
384 the business and operations of NAESB, subject to the control of the Board. The Chair shall chair all
385 meetings of the Board and the Members. The Chair shall execute in the name of NAESB, deeds,
386 mortgages, bonds, contracts, and other instruments to the extent authorized by the Board, except in
387 cases where the execution thereof shall be expressly delegated by the Board to some other officer or

388 agent of NAESB. In general, the Chair shall perform all duties incident to the office of Chair and such
389 other duties as may be assigned by the Board.

390 **Section 8.7 The Vice Chairs**

391 There shall be not more than three Vice Chairs. In the absence or disability of the Chair or
392 when so directed by the Chair, a Vice Chair (in order of precedence) may perform all the duties of the
393 Chair, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the
394 Chair. The Vice Chairs shall perform such other duties as may be assigned by the Board or the Chair.

395 **Section 8.8 The Secretary**

396 (a) Unless the Board directs otherwise, the Executive Director shall be the Secretary of
397 NAESB.

398 (b) The Secretary shall attend all meetings of the Board and of the Members. The
399 Secretary shall record all votes of the Board, EC and the Voting Members and the
400 minutes of the meetings of the Board, EC and of the Members in a book or books
401 belonging to NAESB to be kept for that purpose. The Secretary shall see that required
402 notices of meetings of the Board and of the Members are given and that all records and
403 reports are properly kept and filed by NAESB. The Secretary shall be the custodian of
404 the seal of NAESB and shall see that it is affixed to all documents to be executed on
405 behalf of NAESB under its seal. In general, the Secretary shall perform all duties
406 incident to the office of Secretary and such other duties as may be assigned by the
407 Board or the Chair.

408 (c) In the absence or disability of the Secretary or when so directed by the Secretary, any
409 Assistant Secretary may perform all the duties of the Secretary, and, when so acting,
410 shall have all the powers of, and be subject to all the restrictions upon, the Secretary.
411 Each Assistant Secretary shall perform such other duties as may be assigned by the
412 Board, the Chair, or the Secretary.

413 (d) To the extent not provided for by the EC, the Secretary shall appoint persons to take
414 minutes of EC Meetings and EC Subcommittee meetings.

415 **Section 8.9 The Treasurer**

416 (a) Unless the Board directs otherwise, the Second Vice Chair shall be the Treasurer. The
417 Executive Director shall be an Assistant Treasurer.

418 (b) The Treasurer shall be responsible for corporate funds and securities and shall keep full
419 and accurate accounts of receipts and disbursements in books belonging to NAESB.
420 The Treasurer shall have full authority to receive and give receipts for all money due and
421 payable to NAESB, and to endorse checks, drafts, and warrants in its name and on its
422 behalf and to give full discharge for the same. The Treasurer shall deposit all funds of
423 NAESB, except such as may be required for current use, in such banks or other places
424 of deposit as the Board may designate. In general, the Treasurer shall perform all duties
425 incident to the office of Treasurer and such other duties as may be assigned by the
426 Board or the Chair.

427 (c) In the absence or disability of the Treasurer or when so directed by the Treasurer, any
428 Assistant Treasurer may perform all the duties of the Treasurer, and, when so acting,
429 shall have all the powers of, and be subject to all the restrictions upon, the Treasurer.
430 Each Assistant Treasurer shall perform such other duties as may be assigned by the
431 Board, the Chair, or the Treasurer.

432 **Section 8.10 The Executive Director**

433 The Executive Director shall be the chief operating officer of NAESB, and be subject to the
434 control of the Board. The Executive Director shall have all powers and duties necessary for managing
435 the day-to-day operating and business affairs of NAESB and directing all activities of NAESB as
436 prescribed by the Board. Unless the Board directs otherwise, the Executive Director shall be the
437 Secretary of NAESB. The compensation of the Executive Director shall be fixed by the Board.

438

439 **ARTICLE 9 - MEETINGS OF DIRECTORS**

440 **Section 9.1 Place of Meetings**

441 The Board may hold its meetings at such places as the Board may appoint or as may be
442 designated in the notice of the meeting. Meetings or portions of meetings may be closed to the public
443 only (and the pertinent minutes withheld from the public) for discussion of paid NAESB employees or
444 their compensation and for litigation matters involving NAESB as a corporate entity.

445 **Section 9.2 Organization**

446 Every meeting of the Board shall be presided over by the Chair, or in the absence of the Chair,
447 a Vice Chair in order of precedence, or in the absence of the Chair and the Vice Chairs, a chair chosen
448 by a majority of the Directors present. The Secretary, or in his or her absence, a person appointed by
449 the chair, shall act as secretary.

450 **Section 9.3 Annual Meeting**

451 Unless the Board provides by resolution for a different time, the annual meeting of the Board
452 shall take place immediately after the annual meeting of the Members. The newly constituted Board
453 shall meet without prior notice at the place where the meeting of the Members was held, or at any other
454 place and time designated in a notice given as provided in Article 11, for the purposes of organization,
455 election of officers, and the transaction of other business.

456 **Section 9.4 Regular Meetings**

457 The Board may hold its regular meetings at such place and time as shall be designated by
458 resolution of the Board. If the date fixed for any regular meeting is a legal holiday under the laws of the
459 state in which the meeting will be held, the meeting shall be held on the next succeeding business day or
460 at such other time as may be determined by resolution of the Board. The Board shall transact such
461 business as may properly be brought before its meetings.

462 **Section 9.5 Special Meetings of the Board**

463 The Chair or at least one-third of the Directors may call special meetings of the Board, which
464 shall be held at such time and place as shall be designated in the call for the meeting. Ten (10) days'

465 notice of any special meeting shall be given to each Director pursuant to Article 11 or by telephone.
466 Such notice shall state the time and place of such special meeting and state the matters to be discussed
467 at the special meeting. Action taken at special meetings shall be limited to the matters described in the
468 meeting notice.

469 **Section 9.6 Quorum**

470 The quorum necessary for a meeting of the Board is a majority of the Directors, as described in
471 Article V, Section 1 of the Certificate.

472 **Section 9.7 Participation and Voting in Meetings**

473 (a) One (1) or more Directors may participate in a meeting of the Board or a committee
474 thereof by means of conference telephone or similar communications equipment by
475 means of which all persons participating in the meeting can hear each other.

476 (b) Each Director shall be entitled to one (1) vote.

477 (c) Article V, Sections 1 and 3 of the Certificate describe the voting procedures and the
478 number of votes required for adoption or approval for particular issues with respect to
479 NAESB.

480 (d) No substitutes shall be permitted to vote at Board meetings.

481 (e) Notational voting by Directors is proper in the following circumstances and pursuant to
482 the following procedures:

483 (i) In lieu of meeting: The Chair may request that any vote or action be taken by
484 the Board without a meeting and without unanimous consent, and such action
485 may be taken if approved by the appropriate voting levels specified in Article V
486 of the Certificate. Notice of the Chair's request shall be given to all Directors in
487 the manner specified in Article II of the Bylaws.

488 (ii) During meetings: Notational votes from a Director not in attendance shall be
489 accepted and counted at a Board meeting with respect to any resolutions
490 circulated in writing in advance of a Board meeting; provided, however, that if

491 substantive changes are made in a resolution at the Board meeting such advance
492 notational votes shall not be counted with respect to that resolution, but the
493 procedures specified in (iii) below should be used.

494 (iii) Following a meeting: The Board shall indicate whether, and if so for how long,
495 notational votes will be accepted after a meeting relating to particular issues
496 voted on at that meeting.

497 (f) While Board Members may participate and vote by means of teleconference or other
498 electronic means, eligibility to continue serving as a Board member is dependent upon
499 in-person attendance at no less than 25% of scheduled Board Meetings and
500 participation in at least 75% of such meetings. Such attendance/participation threshold
501 shall be reviewed at March 31 and September 30 of each year for the preceding twelve
502 months.

503

504 **ARTICLE 10 - EXECUTIVE COMMITTEE**

505 **Section 10.1 Duties and Responsibilities**

506 The EC shall have the duties and responsibilities described in Article III, Section 5 of the
507 Certificate.

508 **Section 10.2 EC Members**

509 (a) The EC shall consist of representatives of the Quadrants, with each Quadrant
510 determining the number of EC Members representing that Quadrant. Regardless of the
511 number of EC members elected from each Quadrant, no Quadrant shall be entitled to
512 cast a vote greater than the percentage that its Quadrant represents in relation to the
513 total number of Quadrants represented on the EC. Each Segment within a Quadrant
514 shall be represented by an equal number of EC Members, to be determined by that
515 Quadrant. The procedures followed for electing the EC members shall be those
516 specified in that Quadrant's Exhibit.

- 517 (b) The term of office of an EC member shall be for a period set by the Quadrant, not less
518 than 1 year, not to exceed three years. Each Quadrant will determine the terms for their
519 EC members. EC member terms may vary between Quadrants. EC members may be
520 reelected to subsequent terms. Each EC Member shall hold office during his or her
521 term until the earliest of: (i) the expiration of the term for which he or she was elected
522 and until his or her successor has been elected and qualified, (ii) the EC Member's
523 resignation of his or her Voting Membership (if the EC Member is the Voting Member
524 as an individual) or the lapse of the EC Member's Voting Membership for delinquency
525 in membership fee payment, (iii) the resignation or lapse (through delinquency in
526 membership fee payment) of Voting Membership of the entity of which the EC Member
527 is a partner, officer, employee or agent, or (iv) the EC Member's death, resignation, or
528 removal.
- 529 (c) Each EC Member shall be a natural person at least eighteen (18) years of age who need
530 not be a resident of Delaware and who shall be a Voting Member, or a partner in, or an
531 officer, employee or agent of, a Voting Member.
- 532 (d) Vacancies in the EC resulting from the circumstances described in Subsections 10.2
533 (b)(ii), (iii), or (iv) above or described in Section 10.2(d) below shall be filled by the
534 Segment in which the vacancy occurs, in accordance with the procedures specified in
535 that Quadrant's Exhibit.
- 536 (e) Procedures for removal of EC Members representing a Segment are contained in the
537 pertinent Quadrant's Exhibit.
- 538 (f) Any EC Member may resign at any time by giving written notice to NAESB. The
539 resignation shall be effective upon receipt by the Secretary or at such subsequent time
540 as may be specified in the notice of resignation.

541 **Section 10.3 EC Organization**

- 542 (a) The EC shall elect from among its members an EC Chair, and up to three vice-chairs
543 (each representing a different Quadrant within the EC). Each of these officers shall

- 544 serve for a term of one (1) year and until his or her successor has been elected and
545 qualified, or until his or her earlier death, resignation, or removal. The EC may appoint
546 a secretary.
- 547 (b) Every meeting of the EC shall be presided over by the EC Chair, an EC Vice Chair (in
548 order of precedence) or, in the absence of the EC Chair and EC Vice Chairs, a chair
549 chosen by a Majority of the EC Members present.
- 550 (c) A majority of the EC may remove the EC Chair or an EC Vice Chair from his or her
551 position whenever in its judgment the best interests of the EC or NAESB will be served
552 thereby.
- 553 (d) The EC Chair and EC Vice Chairs may resign at any time by giving written notice to the
554 NAESB Secretary. The resignation shall be effective upon receipt by the NAESB
555 Secretary or at such subsequent time as may be specified in the notice of resignation.
- 556 (e) The EC shall divide itself into Quadrants to consider Standards and Model Business
557 Practices. The number of Quadrants considering a particular Standard or a particular
558 Model Business Practice shall be determined by the EC as a whole, acting upon
559 requests presented to it through the Triage Process.
- 560 (f) By a Majority vote, the EC shall assign responsibility to one or more Quadrants to
561 address each request for a proposed Standard or a proposed Model Business Practice,
562 at the conclusion of the Triage Process. The Quadrant(s) assigned such responsibility
563 shall process the request and vote on the ultimate recommendation. Only the members
564 of the Quadrant(s) to which the request has been assigned may vote to ratify actions
565 taken to approve a Standard or a Model Business Practice. Any Standard or Model
566 Business Practice adopted by a Quadrant(s) shall apply only to the activities of the
567 energy sector covered by that Quadrant(s).
- 568 (g) As part of the Triage Process, the EC may direct that two or more Quadrants jointly
569 consider a request for proposed Standards or proposed Model Business Practices. In
570 such event, the indicated Quadrants of the EC shall jointly act on the recommendation

571 (and in so doing, may appoint joint subcommittees or task forces to assist in such
572 consideration) and, if applicable, the members of the affected Quadrants shall act on
573 ratification of the Standards or Model Business Practices. To the extent that multiple
574 Quadrants, having jointly considered Standards or Model Business Practices, cannot
575 reach agreement on such Standards or Model Business Practices, the EC
576 representatives of any of the participating Quadrants may, by a Majority vote, instruct
577 the subcommittee to provide a status report. After receiving the status report, the EC
578 representatives from any of the participating Quadrants may request the EC to re-triage
579 the request for a proposed Standard or proposed Model Business Practice to allow a
580 Quadrant(s) to proceed independently.

581 (h) Any Quadrant(s) that believes that it is affected by a Standard or Model Business
582 Practice adopted by any other Quadrant(s) of the EC may seek Reconsideration of the
583 assignment of such proposed Standard or Model Business Practice.

584 (i) Within 30 days after the publication of the meeting minutes recording the EC
585 vote to approve a proposed Standard or Model Business Practice, any
586 Quadrant(s) that believes itself to be affected by such action shall so indicate in
587 a resolution adopted by a Majority vote of the EC of such Quadrant(s), which
588 shall be forwarded by the NAESB office to the EC Chair and the entire EC.

589 (ii) Within 30 days of notice to the EC of such affirmative vote, the EC shall enter a
590 Reconsideration action on the agenda for its next meeting. A Reconsideration
591 action shall pass if a Majority of each Quadrant of the EC that did not vote to
592 adopt the recommended Standard or Model Business Practice now votes in
593 favor of Reconsideration.

594 (iii) In the event the Reconsideration action passes, an affected Quadrant and any
595 other Quadrants that were assigned the request for a proposed Standard or
596 proposed Model Business Practice as a result of the initial Triage Process shall
597 jointly consider such request for a proposed Standard or a proposed Model
598 Business Practice as described in Section 103 (g) of these Bylaws.

599 (iv) If the Reconsideration action fails, the Quadrant(s) that adopted the
600 recommendation for a proposed Standard or a proposed Model Business
601 Practice shall proceed with ratification of such proposals by the members of
602 such Quadrant(s).

603 (i) The ratification of a Standard or Model Business Practice requires a 67% approval of
604 the members of each of the applicable Quadrant(s) returning ballots.

605 (j) Minutes shall be kept of all EC and EC Subcommittee meetings and forwarded to the
606 NAESB Secretary.

607 **Section 10.4 Meetings**

608 (a) The EC as a whole, or the EC for individual Quadrant(s), may hold regular meetings at
609 such place and time as shall be designated by resolution of the EC as a whole or the EC
610 for individual Quadrants, as applicable.

611 (b) Quadrant ECs will make all reasonable efforts to coordinate the times and locations of
612 their meetings such that meetings which occur on concurrent or consecutive days will be
613 in close physical proximity, facilitating attendance of multiple meetings by EC members,
614 individual NAESB members of any Quadrant, or other interested parties.

615 (c) The EC Chair or at least one-third of the EC members may call special meetings of the
616 EC which shall be held at such time and place as shall be designated in the call for the
617 meeting. At least five (5) days' notice of any special meeting shall be given to each EC
618 Member pursuant to Section 11.1 or by telephone. Such notice shall state the time and
619 place of such special meeting and state the matters to be discussed at the special
620 meeting. Action taken at special meetings shall be limited to the matters described in the
621 meeting notice.

622 (d) The quorum necessary for EC meetings is a majority, as set forth in Article V of the
623 Certificate.

624 (e) Each EC Member shall be entitled to one (1) vote.

- 625 (f) Article V, Section 4 of the Certificate describes the EC voting procedures and number
626 of votes required for adoption or approval for particular issues with respect to NAESB.
- 627 (g) Each EC Member may participate and vote in EC meetings by proxy. Every proxy
628 shall be executed in writing by the EC Member or by his or her duly authorized attorney
629 in fact and filed with the Secretary of NAESB. A proxy shall be revocable at will,
630 notwithstanding any other agreement or any provision in the proxy to the contrary. The
631 revocation of a proxy shall not be effective until notice thereof has been given to the
632 Secretary of NAESB. A proxy shall not be revoked by the death or incapacity of the
633 maker unless, before the vote is counted or the authority is exercised, written notice of
634 such death or incapacity is given to the Secretary of NAESB. Proxies may be limited in
635 scope to the specific matters described in the agenda for the meeting. The voting
636 directions contained in a proxy shall be read by the EC Chair at the beginning of the
637 meeting.
- 638 (h) One (1) or more EC Members may participate in a meeting of the EC or a committee
639 thereof by means of conference telephone or similar communications equipment by
640 means of which all persons participating in the meeting can hear each other.
- 641 (i) No substitutes shall be permitted to vote at EC meetings. However, a Designated
642 Alternate may vote at meetings of the EC in place of an absent EC Member from a
643 given Segment. A Designated Alternate is defined as a person named in a list by the
644 Segment that is received by the EC Secretary at least five (5) days prior to the pertinent
645 meeting of the EC. Each Segment's list shall be developed, amended and structured in
646 the manner described in that Quadrant's Exhibit. A Designated Alternate has all voting
647 rights of the EC Member in whose place he or she serves, except for those matters on
648 which the EC Member has already voted by proxy prior to the beginning of a meeting.
- 649 (j) While EC Members may participate and vote by means of teleconference or other
650 electronic means, eligibility to continue serving as an EC member is dependent upon in-
651 person attendance at no less than 25% of scheduled EC Meetings and participation in at

652 least 75% of such meetings. Such attendance/participation threshold shall be reviewed
653 at March 31 and September 30 of each year for the preceding twelve months..

654 (k) Notational voting by EC Members is proper in the following circumstances and
655 pursuant to the following procedures:

656 (i) In lieu of meeting: The EC Chair may request that any vote or action be taken
657 by the EC without a meeting and without unanimous consent, and such action
658 may be taken if approved by the appropriate voting levels specified in Article V
659 of the Certificate. Notice of the EC Chair's request shall be given to all EC
660 Members in the manner specified in Article II of these Bylaws.

661 (ii) During meetings: Notational votes from an EC Member that is not present shall
662 be accepted and counted at an EC meeting with respect to any resolutions
663 circulated in writing in advance of an EC meeting; provided, however, that if
664 substantive changes are made in a resolution at the EC meeting such advance
665 notational votes shall not be counted with respect to that resolution, but the
666 procedures specified in (iii) below should be used.

667 (iii) Following a meeting: The EC shall indicate whether, and if so for how long,
668 notational votes will be accepted after a meeting relating to particular issues
669 voted on at that meeting.

670 **Section 10.5 EC Subcommittees**

671 (a) The EC may establish subcommittees to be comprised of Members and other interested
672 parties who have the opportunity to participate. Each EC Subcommittee shall employ
673 Balanced Voting. Each EC Subcommittee shall report to, and serve at the pleasure of,
674 the EC. EC Subcommittees shall each:

675 (i) elect a chair or co-chair, which shall be an EC Member and will serve until
676 removed by the subcommittee's membership;

677 (ii) carry out its work in accordance with the procedures adopted by the EC for
678 EC Subcommittees; and

679 (iii) keep regular minutes of its proceedings and provide copies of these minutes
680 promptly to the Secretary.

681 Any task forces established by EC Subcommittees shall be comprised of Members and
682 other interested parties.

683 (b) There shall be a Triage Subcommittee of the EC with one representative from each
684 Segment within each Quadrant. The Triage Subcommittee shall review and recommend
685 disposition of each request received by NAESB for a Standard, or Model Business
686 Practice. Disposition shall mean scope, priority consistent with the Annual Plan, and
687 assignment to a Quadrant(s) and subcommittee(s) for action. The Chair of the EC shall
688 consult with individual Segments to appoint the members of the Triage Subcommittee
689 and shall as also appoint its chair.

690

691

ARTICLE 11 - NOTICE

692 **Section 11.1 Written Notice**

693 (a) Whenever written notice is required to be given to any person, it may be given to the
694 person, either personally or by sending a copy by first class or express mail, postage
695 prepaid, or courier service, charges prepaid, or by telegram (with messenger service
696 specified), telex or TWX (with answer back received), electronic mail (or its
697 equivalent), or by facsimile transmission, to his or her address or to his or her telex,
698 TWX, electronic mail address or facsimile number appearing on the books of NAESB,
699 in the case of Directors or EC Members, supplied by him or her to NAESB for the
700 purpose of notice. If the notice is sent by mail, telegraph or courier service, it shall be
701 deemed to have been given when deposited in the United States mail or with a telegraph
702 office or courier service for delivery to that person or, in the case of telex or TWX,
703 when dispatched. A notice of meeting shall specify the place, day and hour of the
704 meeting and any other information required by the Act. Except as otherwise provided
705 by the Act or these Bylaws, when a meeting is adjourned, it shall not be necessary to

706 give any notice of the adjourned meeting, or of the business to be transacted at an
707 adjourned meeting, other than by announcement at the meeting at which such
708 adjournment is taken.

709 (b) Notices given shall comply with the provisions of Article VI, Sections 1 and 3 of the
710 Certificate.

711 **Section 11.2 Waiver by Writing**

712 Whenever any written notice is required to be given, a waiver in writing, signed by the person or
713 persons entitled to the notice, whether before or after the time stated, shall be deemed equivalent to the
714 giving of the notice.

715 **Section 11.3 Waiver by Attendance**

716 Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except
717 where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting,
718 to the transaction of any business because the meeting was not lawfully called or convened.

719

720 **ARTICLE 12 - CONFLICTS OF INTEREST**

721 **Section 12.1 Interested Directors and Officers**

722 No contract or transaction between NAESB and one (1) or more of its Members, Directors, or
723 officers or between NAESB and any other corporation, partnership, association, or other organization
724 in which one (1) or more of its Directors or officers are directors or officers, or have a financial interest,
725 shall be void or voidable solely for such reason, or solely because the Member, Director, or officer is
726 present at or participates in the meeting of the Board or committee thereof which authorizes the contract
727 or transaction, or solely because his, her, or their votes are counted for that purpose, if:

728 (a) the material facts as to the relationship or interest and as to the contract or transaction
729 are disclosed or are known to the Board or the committee thereof and the Board or
730 committee thereof in good faith authorizes the contract or transaction by the affirmative

731 votes of a majority of the disinterested Directors even though the disinterested Directors
732 are less than a quorum;

733 (b) the material facts as to his or her relationship or interest and as to the contract or
734 transaction are disclosed or are known to the Members entitled to vote thereon, if any,
735 and the contract or transaction is specifically approved in good faith by vote of such
736 Members; or

737 (c) the contract or transaction is fair as to NAESB as of the time it is authorized, approved,
738 or ratified by the Board or the Members.

739 Common or interested Directors may be counted in determining the presence of a quorum at a
740 meeting of the Board or of a committee thereof, which authorizes the contract or transaction. NAESB's
741 adoption of a Standard shall not constitute a "contract or transaction" within the meaning of this section.

742

743 **ARTICLE 13 - LIMITATION OF LIABILITY; INSURANCE**

744 **Section 13.1 Limitation of Liability**

745 Article III, Section 6 of the Certificate contains limits on personal liability of Directors, EC
746 Members and other persons acting for NAESB, and these limitations are incorporated herein by
747 reference. Any repeal or amendment of Section 13.1 shall be prospective only and shall not increase,
748 but may decrease, a Director's liability with respect to actions or failures to act occurring prior to such
749 change.

750 **Section 13.2 Insurance**

751 NAESB shall purchase and maintain insurance on behalf of any person who is or was a
752 NAESB Director or NAESB Officer and, to the extent approved by the Board, on behalf of EC
753 Members, employees or agents of NAESB or on behalf of persons now or previously serving at the
754 request of NAESB as a director, officer, employee or agent of another domestic or foreign corporation
755 for profit or not-for-profit, partnership, joint venture, trust, or other enterprise against any liability
756 asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her

757 status as such, whether or not NAESB would have the power to indemnify him or her against that
758 liability under the Act.

759

760 **ARTICLE 14 - INDEMNIFICATION**

761 **Section 14.1 Representative Defined**

762 For purposes of Article 14, "representative" means any Director, officer, employee, or agent of
763 NAESB.

764 **Section 14.2 Third-Party Actions**

765 NAESB shall indemnify, to the full extent not prohibited by law, any person who was or is a
766 party or is threatened to be made a party to any threatened, pending or completed action, suit or
767 proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right
768 of NAESB), by reason of the fact that he or she is or was a representative of NAESB, or is or was
769 serving at the request of NAESB as a representative of another domestic or foreign corporation for
770 profit or not-for-profit, partnership, joint venture, trust, or other enterprise, against expenses (including
771 attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by
772 him or her in connection with the action, suit or proceeding if he or she acted in good faith and in a
773 manner he or she reasonably believed to be in, or not opposed to, the best interests of NAESB and,
774 with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct
775 was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, or
776 conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption
777 that the person did not act in good faith and in a manner that he or she reasonably believed to be in, or
778 not opposed to, the best interests of NAESB and, with respect to any criminal action or proceeding,
779 had reasonable cause to believe that his or her conduct was unlawful.

780 **Section 14.3 Derivative and Corporate Actions**

781 NAESB shall indemnify, to the full extent not prohibited by law, any person who was or is a
782 party, or is threatened to be made a party, to any threatened, pending or completed action or suit by or
783 in the right of NAESB to procure a judgment in its favor by reason of the fact that he or she is or was a

784 representative of NAESB or is or was serving at the request of NAESB as a representative of another
785 domestic or foreign corporation for profit or not-for profit, partnership, joint venture, trust, or other
786 enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him or her in
787 connection with the defense or settlement of the action or suit if he or she acted in good faith and in a
788 manner he or she reasonably believed to be in, or not opposed to, the best interests of NAESB.
789 Indemnification shall not be made under Section 14.3 in respect of any claim, issue or matter as to
790 which the person has been adjudged to be liable to NAESB unless and only to the extent that the Court
791 of Chancery or the court in which the action or suit was brought determines upon application that,
792 despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly
793 and reasonably entitled to indemnity for such expenses that the Court of Chancery or other court shall
794 deem proper.

795 **Section 14.4 Procedure for Effecting Indemnification**

796 Unless ordered by a court, any indemnification under Section 14.2 or Section 14.3 shall be
797 made by NAESB only as authorized in the specific case upon a determination that indemnification of the
798 representative is proper in the circumstances because he or she has met the applicable standard of
799 conduct set forth in those Sections. The determination shall be made:

- 800 (a) by the Board by a majority vote of a quorum consisting of Directors who were not
801 parties to the action, suit or proceeding; or
- 802 (b) if such a quorum is not obtainable or if obtainable a quorum of disinterested Directors
803 so directs, by independent legal counsel in a written opinion.

804 **Section 14.5 Advancing Expenses**

805 Expenses (including attorneys' fees) incurred in defending any action, suit or proceeding referred
806 to in Article 14 may be paid by NAESB in advance of the final disposition of the action, suit or
807 proceeding upon receipt of an undertaking by or on behalf of the representative to repay the amount if it
808 is ultimately determined that he or she is not entitled to be indemnified by NAESB as authorized in this
809 Article or otherwise.

810 **Section 14.6 Supplementary Coverage**

811 The indemnification and advancement of expenses provided by or granted pursuant to Article
812 14 shall not be deemed exclusive of any other rights to which a person seeking indemnification or
813 advancement of expenses may be entitled under any bylaw, agreement, vote of the Members or
814 disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in
815 another capacity while holding that office. Section 12.1 (relating to interested Directors or officers) shall
816 be applicable to any bylaw, contract, or transaction authorized by the Directors under this Section 14.6.

817 **Section 14.7 Duration and Extent of Coverage**

818 The indemnification and advancement of expenses provided by or granted pursuant to Article
819 14 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased
820 to be a representative of NAESB and shall inure to the benefit of the heirs and personal representatives
821 of that person.

822 **Section 14.8 Reliance and Modification**

823 Each person who shall act as a representative of NAESB shall be deemed to be doing so in
824 reliance upon the rights provided by Article 14. The duties of NAESB to indemnify and to advance
825 expenses to a representative provided in Article 14 shall be in the nature of a contract between NAESB
826 and the representative. No amendment or repeal of any provision of this Article shall alter, to the
827 detriment of the representative, his or her right to the advance of expenses or indemnification related to
828 a claim based on an act or failure to act which took place prior to such amendment or repeal.

829

830 **ARTICLE 15 - ANNUAL REPORT**

831 **Section 15.1 Annual Report**

832 The Board shall present annually to the Members a report, verified by the Board Chair and
833 Treasurer or by a majority of the Board, describing the activities and accomplishments of NAESB and
834 containing a financial report addressing at least the following matters:

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ARTICLE 17 - CORPORATE RECORDS

Section 17.1 Corporate Records

863 NAESB shall keep at its registered office or at its principal place of business: (a) a copy of the
864 Certificate, including all amendments thereto; (b) the original or a copy of its Bylaws, including all
865 amendments thereto to date, certified by the Secretary of NAESB; (c) an original or duplicate record of
866 the proceedings of the Board; (d) an original or duplicate record of the proceedings of the EC; (e) an
867 original or a duplicate membership register showing the names of the Members, their respective
868 addresses, and other details of membership, and (f) appropriate, complete, and accurate books or
869 records of account.

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ARTICLE 18 - AMENDMENTS

Section 18.1 Amendments

873 The Bylaws of NAESB may be amended by the Board in the manner described in the
874 Certificate; provided, however, that each Quadrant's Exhibit may be adopted or amended by majority
875 vote of the Directors representing that Quadrant or as may be specified under the procedures contained
876 in that Quadrant's Exhibit.

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ARTICLE 19 – TRANSITION PROCEDURES

Section 19.1 Officers of the Board

880 NAESB will be going through a transition process during the period immediately after adoption
881 of these Bylaws. To ease such transition, executive authority shall be exercised by the existing officers
882 of NAESB until such time as the newly constituted Board shall meet and determine upon a different
883 organization, consistent with these Bylaws. In the absence of affirmative action on the part of a fully
884 constituted Board (consisting of at least three Quadrants), the existing officers shall remain in their
885 positions until new officers are installed following the next scheduled election.

886 **Section 19.2 Officers of the EC**

887 EC authority shall be exercised by the existing EC officers until such time as the newly
888 constituted EC shall meet and elect a different slate of officers in accordance with these Bylaws. In the
889 absence of a change of officers by a fully constituted EC (consisting of at least three Quadrants), the
890 existing officers shall remain in their positions until new officers are installed following the next scheduled
891 election.

892 **Section 19.3 Procedures to Constitute Board & EC Representation**

893 Both the Board and the EC will be expanded to include the elected representatives of new
894 Quadrants within 30 days of the completion of the following Quadrant formation activities:

- 895 (a) Approval of Quadrant and Segment By-laws or procedures by the existing Board.
- 896 (b) Completion of a minimum of 30 day recruiting period to solicit and enroll new members.
- 897 (c) An initial meeting of the membership of a Quadrant.
- 898 (d) Election of Board and EC representatives by the Quadrant.

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EXHIBIT 1

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WHOLESALE GAS QUADRANT PROCEDURES

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EXHIBIT 2

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WHOLESALE ELECTRIC QUADRANT PROCEDURES

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EXHIBIT 3

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RETAIL GAS QUADRANT PROCEDURES

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EXHIBIT 4

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RETAIL ELECTRIC QUADRANT PROCEDURES

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EXHIBIT 1

WHOLESALE GAS QUADRANT PROCEDURES

9 **WHOLESALE GAS QUADRANT**

10 There are four market interests in NAESB – wholesale gas, wholesale electric, retail gas and retail
11 electric. Each market interest is considered a quadrant, within each quadrant, the market participants
12 are identified by segment. Below is a description of segments of the wholesale gas quadrant. The
13 wholesale gas quadrant is concerned with and generally tasked to handle natural gas related issues and
14 practices which are within scope and typically addressed on either an interstate basis or are generally
15 subject to the pre-emptive jurisdiction of the federal government. GISB’s original work can be thought
16 of as being work conducted within this quadrant.

17 For the wholesale gas quadrant, the segments are described as:

Segments	Description
Producers	Those companies primarily engaged in the production of natural gas for sale to others.
Pipelines	Those companies primarily engaged in the transmission of natural gas.
Distributors	Those companies primarily engaged in the local distribution of natural gas.
End-users	Those companies that consume natural gas.
Services	Providers of services to participants in the wholesale natural gas industry, which would include marketers, software providers, consultants and other companies not otherwise considered to be a producer, pipeline, distributor or end user.

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ENERGY INDUSTRY STANDARDS BOARD
BYLAWS ADDENDUM
END-USER SEGMENT PROCEDURES

August 18,1997

1.0 MEMBERSHIP REQUIREMENTS

Membership in the End-User segment of the Wholesale Gas Quadrant of the Energy Industry Standards Board ("NAESB") shall be open to any person or legal entity that meets the following requirements:

- 1.1 The person or entity has a substantial interest as the ultimate consumer of natural gas (or as a representative or agent of an ultimate consumer of natural gas), and
- 1.2 The person or entity must have paid its membership dues.

2.0 SELECTING DIRECTORS

The End-User segment of the Wholesale Gas Quadrant of NAESB shall be represented on the NAESB Board of Directors by five persons who shall be designated, from time to time, as required in Article 7 of these Bylaws. To be eligible to serve as an end-user representative on the NAESB Board of Directors:

- The person must be a member of the End-User segment of the Wholesale Gas

- 40 Quadrant;
- 41 - The person must have substantial experience in the natural gas industry;
- 42 - The person must have a working knowledge of the NAESB process;
- 43 - The person must be willing to commit the time and resources necessary to fulfill his or
- 44 her obligations as a NAESB Board member; and
- 45 - The person must disclose his or her interest, or his or her employer's interest, in the
- 46 natural gas industry and relationship with other entities with which the employer may be
- 47 affiliated.

48 End-User segment representatives to the Wholesale Gas Quadrant of the NAESB Board of

49 Directors shall be selected via an election process conducted by the NAESB Office. Any End

50 User Segment member of the Wholesale Gas Quadrant with dues current is eligible to vote.

51 The selection of Wholesale Gas Quadrant End-User Segment Board of Directors representative

52 shall be subject to the follow provisions:

53 2.1 Wholesale Gas Quadrant End-User segment members eligible to serve on the Board of

54 Directors shall submit their names for consideration to the NAESB Office as specified

55 on the election notice.

56 2.2 Wholesale Gas Quadrant End-User segment members eligible to serve on the Board of

57 Directors shall not have representation on the Wholesale Gas Quadrant End-User

58 segment of the Executive Committee.

59

60 3.0 **SELECTING PRIMARY AND ALTERNATE EXECUTIVE COMMITTEE**

61 **MEMBERS**

62 The End-User segment of the Wholesale Gas Quadrant shall be represented on the NAESB
63 Executive Committee by five (5) persons who shall be designated, from time to time, as
64 required in Article 10 of these Bylaws. To be eligible to serve as a Wholesale Gas Quadrant
65 End-User representative on the NAESB Executive Committee:

- 66 - The person must be a member of the End User Segment of the Wholesale Gas
67 Quadrant, or may be an agent of a Wholesale Gas Quadrant End User Segment
68 member where the requirements of Section 10.2 (b) of the Bylaws have been met;
- 69 - The person must have substantial experience in the natural gas industry;
- 70 - The person must have a working knowledge of the NAESB process;
- 71 - The person must be willing to commit the time and resources necessary to fulfill his or
72 her obligations as a NAESB Executive Committee member; and
- 73 - The person must disclose his or her interest, or his or her employer's interest, in the
74 natural gas industry and relationship with other entities with which the employer may be
75 e affiliated.

76 Wholesale Gas Quadrant End User Segment representatives to the NAESB Executive
77 Committee shall be selected via an election process conducted by the NAESB Office. The
78 selection of Wholesale Gas End-User Segment Executive Committee representative shall be
79 subject to the following provisions:

- 80 3.1 The members eligible to serve on the Executive Committee shall endeavor to submit
81 their names for consideration to the NAESB Office as specified on the election notice.

82 3.2 Wholesale Gas Quadrant End-User segment members eligible to serve on the
83 Executive Committee shall not have representation on the Wholesale Gas Quadrant
84 End-User segment of the Board of Directors.

85 3.3 The Wholesale Gas Quadrant End User Segment members shall select alternates from
86 among themselves. Alternates must be NAESB members in good standing and
87 members of the Wholesale Gas Quadrant End User Segment ; and

88 3.4 An Executive Committee member representing the End User Segment of the Wholesale
89 Gas Quadrant may call upon any of the alternate End User Segment of the Wholesale
90 Gas Quadrant members of the NAESB Executive Committee to attend an Executive
91 Committee meeting in his or her place at any time, without further approval or
92 authorization.

93 3.5 The alternates representing the End User Segment of the Wholesale Gas Quadrant
94 should be announced to the NAESB Office at least one day prior to the Executive
95 Committee meeting for which the alternates may substitute for a End User Segment
96 member of the Wholesale Gas Quadrant portion of the Executive Committee.

97
98 4.0 **VACANCY AMONG DIRECTORS AND EXECUTIVE COMMITTEE MEMBERS**

99 In the event that any End User Segment of the Wholesale Gas Quadrant representative to the
100 NAESB Board of Directors or Executive Committee, after being duly selected in accordance
101 with Item 2, 3, or 4 or this Addendum, vacates his or her position for any reason, the vacancy
102 shall be filled via an election conducted by the NAESB Office.

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106 5.0 **REMOVAL OF DIRECTORS AND EXECUTIVE COMMITTEE MEMBERS**

107 Any End User Segment of the Wholesale Gas Quadrant representative to the NAESB Board
108 of Directors of Executive Committee, after being duly selected in accordance with Item 2, 3, or
109 4 of this Addendum, is subject to removal, with or without cause, by a vote of four (4) of
110 NAESB End-User Segment Director representing the Wholesale Gas Quadrant, where the
111 person subject to removal is a Board member; or by a vote of four (4) NAESB Wholesale Gas
112 Quadrant End User Segment Executive Committee members, where the person subject to
113 removal is an Executive Committee member.

114

115 6.0 **SEGMENT CHAIR**

116 The End-User representatives for the Wholesale Gas Quadrant on NAESB's Board of
117 Directors and Executive Committee shall designate a Segment Chair to act as a coordinator of
118 information and to handle communications within the segment and between the segment and
119 NAESB's Executive Director. The Segment Chair also shall be responsible for the preparation
120 and communication of meeting notices as required by Section 8, below.

121

122 7.0 **AMENDMENT**

123 Amendment of this End User Segment of the Wholesale Gas Quadrant Procedures shall be

124 subject to approval by End User Segment of the Wholesale Gas Quadrant members of
125 NAESB.

126

127 8.0 **COMMUNICATION OF MEETING NOTICES**

128 The End User Segment of the Wholesale Gas Quadrant shall communicate meeting notices as
129 required under Article 11 of these Bylaws, by the following procedures:

130 An End User Segment of the Wholesale Gas Quadrant representative to the NAESB Board of
131 Directors or Executive Committee, or the NAESB Executive Director, as appropriate, shall
132 communicate such notice to NAESB End-User members.

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ENERGY INDUSTRY STANDARDS BOARD

135

BYLAWS ADDENDUM

136

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LDC SEGMENT PROCEDURES

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August 18, 1997

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141 1.0 **MEMBERSHIP REQUIREMENTS**

142 Membership in the LDC Segment of the Wholesale Gas Quadrant of the Energy Industry
143 Standards Board ("NAESB") shall be open to any legal entity that meets the following
144 requirements:

145 A Local Distribution Company member is any provider of local distribution natural gas service
146 to the general public, whose dues are current. Any director or Executive Committee member
147 must be an officer of, an employee of or an agent representing a Local Distribution Company
148 segment member.

149

150 2.0 **ELECTING DIRECTORS**

151 The LDC Segment of the Wholesale Gas Quadrant shall be represented on the NAESB Board
152 of Directors by five (5) persons who shall be designated, from time to time, pursuant to the
153 Bylaws. LDC Segment Representatives of the Wholesale Gas Quadrant on the NAESB Board

154 of Directors shall be elected by the members of the Segment, following a recommendation of
155 the Nominating Committee consisting of existing Board and Executive Committee members of
156 the Segment.

157

158 3.0 **ELECTING EXECUTIVE COMMITTEE MEMBERS**

159 The LDC Segment of the Wholesale Gas Quadrant shall be represented on the NAESB
160 Executive Committee by five (5) persons who shall be designated, from time to time, pursuant
161 to the Bylaws. LDC Segment Representatives of the Wholesale Gas Quadrant on the NAESB
162 Executive Committee shall be elected by the members of the Segment, following a
163 recommendation of the Nominating Committee consisting of existing Board and Executive
164 Committee members of the Segment.

165

166 4.0 **DESIGNATED ALTERNATES FOR EXECUTIVE COMMITTEE MEMBERS**

167 The Segment shall also be represented on the NAESB Executive Committee, from time to time,
168 by persons who shall be designed as Alternate Members, as provided in the Bylaws. A
169 reasonable number of Segment Alternate Members of the Executive Committee shall be
170 appointed by the members of the Segment, as provided in 3., above.

171

172 5.0 **REMOVAL, VACANCY, RESIGNATION OF DIRECTORS AND EXECUTIVE**
173 **COMMITTEE MEMBERS**

174 In the event that any Segment representative to the NAESB Board of Directors or Executive

175 Committee, after being duly selected in accordance with Item 2, 3, or 4 of this Addendum:

- 176 a. is removed in accordance with the Bylaws; or
177 b. resigns from his or her representative position or from membership in NAESB, as
178 provided in these Bylaws; or,
179 c. becomes ineligible for membership in the Segment as set forth in Item 1 of this
180 Addendum;

181 or, if the Segment experiences a vacancy in its entitlement to representation on the NAESB
182 Board of Directors or Executive Committee for any reason, then the vacancy shall be filled by
183 action of the members of the Segment following a recommendation of the Nominating
184 Committee.

185

186 6.0 **AMENDMENT OF SEGMENT PROCEDURES**

187 Amendment of these Segment Procedures shall be subject to approval by the members
188 following a recommendation of the members of a committee composed of the LDC Segment
189 members of the Wholesale Gas Quadrant of the Board and the Executive Committee.

190

191 7.0 **COMMUNICATION OF MEETING NOTICES**

192 The Segment shall communicate segment meeting notices as required under the Bylaws, by the
193 following procedures:

- 194 a. A Segment representative to the NAESB Board of Directors or Executive Committee,
195 or the NAESB Executive Director, as appropriate, shall communicate such notice to the

196 AGD, UDC, APGA, and AGA, and other such trade associations as deemed
197 appropriate.

198 b. The Executive Director shall communicate this notice to the members of the Segment.

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ENERGY INDUSTRY STANDARDS BOARD

BYLAWS ADDENDUM

PIPELINE SEGMENT PROCEDURES

August 18, 1997

1.0 MEMBERSHIP REQUIREMENTS

Membership in the Pipeline Segment of the Wholesale Gas Quadrant of the Energy Industry Standards Board ("NAESB") shall be open to any legal entity that meets the following requirements:

1.1 A Pipeline Segment Member of the Wholesale Gas Quadrant must be a natural gas company as defined in the Natural Gas Act, an intrastate pipeline within the definition of the Natural Gas Policy Act, or a comparable company authorized by a national, federal, state, or interprovincial regulatory agency to perform comparable natural gas transportation services, under the terms of an effective tariff for such services. However, no entity shall qualify for membership in the Pipeline Segment solely by virtue of authorization to perform natural gas, gathering, processing, marketing, sales for resale or local distribution services.

1.2 Each Pipeline Segment Member must have paid its membership dues .

221 2.0 **ELECTING DIRECTORS**

222 The Pipeline Segment of the Wholesale Gas Quadrant shall be represented on the NAESB
223 Board of Directors by five (5) persons who shall be designated, from time to time, as required
224 by Article 7.3 of the NAESB Bylaws. Pipeline Segment Representatives on the NAESB Board
225 of Directors shall be nominated by the Board of Directors of the Interstate Natural Gas
226 Association of America ("INGAA"), but qualified companies need not be members of INGAA
227 to be nominated. An election will be held and conducted by INGAA to determine the Board
228 members from among the nominees. Only NAESB members of the Pipeline Segment of the
229 Wholesale Gas Quadrant are eligible to be nominated and to vote in the elections.

230

231 3.0 **ELECTING EXECUTIVE COMMITTEE MEMBERS**

232 The Pipeline Segment of the Wholesale Gas Quadrant shall be represented on the NAESB
233 Executive Committee ("EC") by five (5) persons who shall be designated, from time to time, as
234 required by Article 10.2 of the NAESB Bylaws. Pipeline Segment Members of the NAESB
235 EC shall be nominated by the INGAA Board of Directors, but qualified companies need not be
236 members of INGAA to be nominated. An election will be held and conducted by INGAA to
237 determine the Executive Committee members from among the nominees. Only NAESB
238 members of the Pipeline Segment of the Wholesale Gas Quadrant are eligible to be nominated
239 and to vote in the elections. The INGAA Board of Directors may select one of the five Pipeline
240 Segment Representatives of the Wholesale Gas Quadrant on the Executive Committee as a
241 chairperson to represent the Pipeline Segment on various NAESB committees, subcommittees

242 or task forces, as appropriate.

243

244 4.0 **DESIGNATED ALTERNATES FOR EXECUTIVE COMMITTEE MEMBERS**

245 The Pipeline Segment shall also be represented on the NAESB EC by persons who shall be
246 designated, from time to time, as Alternate Members, as provided in Article 10.4(h) of the
247 NAESB Bylaws. A reasonable number of Pipeline Segment Alternate Members of the EC shall
248 be appointed by the INGAA Board of Directors. If an Alternate Member attends an EC
249 meeting in place of an absent EC Member, the Alternate Member will have all voting rights of
250 the EC member. However, if an Alternate member cannot attend a meeting, the EC member
251 may execute a valid proxy as provided for in Article 10.4 (f) of the NAESB Bylaws.

252

253 5.0 **REMOVAL, VACANCY, RESIGNATION OF DIRECTORS AND EXECUTIVE**
254 **COMMITTEE MEMBERS**

255 In the event any Pipeline Segment Representative of the Wholesale Gas Quadrant to the
256 NAESB Board of Directors or Executive Committee, after being duly selected in accordance
257 with Item 2, 3, or 4 of this Addendum:

- 258 a. is subject to removal in accordance with the NAESB Bylaws; or,
- 259 b. resigns from his or her representative position or from membership in NAESB, as
260 provided in the NAESB Bylaws; or,
- 261 c. becomes ineligible for membership in the Pipeline Segment of the Wholesale Gas
262 Quadrant as set forth in Item 1 of this Addendum; or,

263 d. if the Pipeline Segment of the Wholesale Gas Quadrant experiences a vacancy in its
264 entitlement to representation on the NAESB Board of Directors or Executive
265 Committee for any other reason; then such vacancy shall be filled by action of the
266 INGAA Board of Directors and election by the members of the NAESB Pipeline
267 Segment of the Wholesale Gas Quadrant.

268 The INGAA Board of Directors may nominate a replacement in consultation with
269 representatives and trade associations of pipeline member(s) of the Pipeline Segment, after
270 which the members of the NAESB Pipeline Segment of the Wholesale Gas Quadrant will elect
271 the replacement from among the nominees.

272

273 6.0 **AMENDMENTS TO SEGMENT PROCEDURES**

274 Amendments to these Pipeline Segment Procedures shall be subject to approval by the NAESB
275 Pipeline Segment of the Wholesale Gas Quadrant and may be based on recommendations by
276 the Pipeline Segment Representatives of the Wholesale Gas Quadrant to the NAESB Board of
277 Directors, who may consult with representatives and trade associations of pipeline members of
278 the Pipeline Segment.

279

280 7.0 **COMMUNICATION OF MEETING NOTICES**

281 For issues specific to the Pipeline Segment of the Wholesale Gas Quadrant, the Pipeline
282 Segment shall rely on INGAA to communicate meeting notices. INGAA may also
283 communicate notice of such meetings to its entire membership. Any interested INGAA member

284 may attend the meetings as an observer. The NAESB Executive Director shall communicate
285 general NAESB meeting notices to all members of the Pipeline Segment in accordance with
286 Article VI of the NAESB Certificate of Incorporation and Article 11.1 of the NAESB Bylaws.

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ENERGY INDUSTRY STANDARDS BOARD, INC.

BYLAWS ADDENDUM

PRODUCER SEGMENT PROCEDURES

August 18, 1997

1.0: **DEFINITIONS:**

- 1.1 "NAESB" means the Energy Industry Standards Board, Inc.
- 1.2 "Wholesale Gas Segment" means one of the co-equal membership segments of NAESB representing the following five (5) segments of the natural gas industry: End-Users, Local Distribution Companies, Pipelines, Producers, and Services.
- 1.3 "Bylaws" means the corporate bylaws of NAESB as amended from time to time.
- 1.4 "Board" means the Board of Directors of NAESB.
- 1.5 "Director" means an individual serving on the Board.
- 1.6 "EC" means the Executive Committee of NAESB.
- 1.7 "Producer Segment Member" means an individual or entity (e.g., corporation, partnership) that satisfy the requirements for membership set forth in Article 5 of the Bylaws of NAESB, and further satisfy the qualifications for Producer Segment membership of the Wholesale Gas Quadrant as set forth in Section 3.1 of these procedures. If the Segment Member is not an individual, the term Segment Member

309 shall include that entity's representative (employee, officer, director, agent, or partner)
310 who is authorized to cast that Segment member's vote.

311 1.8 "Segment Membership" means the Segment Members collectively.

312 1.9 All other capitalized terms, if not defined in this Section 1.0, shall have the same
313 definitions as specified in the Bylaws or Certificate of Incorporation.

314

315 2.0 **DESCRIPTION OF PRODUCER SEGMENT:**

316 The Producer Segment is one of the five (5) co-equal segments comprising the Wholesale Gas
317 Quadrant of NAESB. The Producer Segment represents the interests of individuals and
318 entities, which produce natural gas.

319

320 3.0 **MEMBERSHIP REQUIREMENTS:**

321 3.1 Segment Members:

322 Any individual or entity (e.g., corporations, partnerships) producing natural gas may elect to
323 become a member of the Producer Segment of NAESB as long as that individual or entity pays
324 the applicable membership fee required to be paid as set forth in Section 7.1 below. A segment
325 Member's voting rights shall be suspended for any period during which the member is delinquent
326 in the payment of its membership fee.

327 3.2 Meetings:

328 All meetings held in association with the NAESB organization or the Producer Segment of
329 NAESB are open to any interested person or entity. Only Producer Segment Members of the

330 Wholesale Gas Quadrant shall have a right to vote at meetings of the Producer Segment
331 Members.

332 3.3 Chairperson:

333 The Producer Segment Members shall elect a chairperson, who shall serve a term of one year
334 (from January 1 to December 31) and shall preside over Producer Segment meetings.

335

336 4.0 **ELECTION, RESIGNATION, AND REMOVAL OF MEMBERS OF THE BOARD**
337 **OF DIRECTORS**

338 4.1 Election of Directors

- 339 a. The Producer Segment of the Wholesale Gas Quadrant will be represented on
340 the Board by five (5) persons who shall be Producer Segment Members.
- 341 b. In preparation for any election of Directors, other than the initial Directors,
342 representing the Producer Segment, a Nominating Committee, which shall be
343 comprised of five (5) Producer Segment Members, shall select a slate of
344 candidates from the Segment Membership. Other nominations may be made at
345 or before the Producer Segment meeting at which the election shall occur.
346 Producer Segment Members shall cast votes for candidates in a number not
347 exceeding the number of vacant directorships. The candidates receiving the
348 greatest numbers of votes shall be elected.
- 349 c. All persons selected by the Nominating Committee, or whose nomination is
350 made in any other manner, shall state in writing their willingness to accept the

351 responsibility of serving as a Director prior to the submission of their names to
352 the Segment Membership at the election.

353 4.2 Resignation of Directors

354 A Director may resign his or her directorship by submitting a letter to the Secretary of
355 NAESB with a copy to the Chairperson of the Producer Segment of the Wholesale Gas
356 Quadrant stating that he or she is resigning and giving the effective date of the
357 resignation.

358 4.3 Removal:

359 A Director may be removed upon a majority vote of the Producer Segment Members
360 of the Wholesale Gas Quadrant.

361 4.4 Vacancies other than Expiration of Term:

362 A Director shall cease to be a Director upon (1) the resignation of his or her Producer
363 Segment Membership or lapse of Director's Producer Segment Membership for
364 delinquency in payment of the membership fee (if the Director is an individual Segment
365 Member); (2) the resignation or lapse (through a delinquency in payment of the
366 membership fee) of the Segment Membership of the entity of which the Director is a
367 partner, director, officer, agent or employee; or (3) the Director's resignation, removal,
368 or death. A Director vacancy shall be filled for the remainder of that term in
369 accordance with the procedures specified in Section 4.1 (b) above.

370

371 5.0 **ELECTION, RESIGNATION, AND REMOVAL OF MEMBERS OF THE**

372 **EXECUTIVE COMMITTEE**

373 5.1 Election of Members of the Executive Committee:

374 a. The Producer Segment of the Wholesale Gas Quadrant will be represented on
375 the EC by five (5) persons who shall be individual Producer Segment Members.

376 b. In preparation for any election of members of the EC, other than the initial
377 members of the EC, representing the Producer Segment of the Wholesale Gas
378 Quadrant, a Nominating Committee, which shall be comprised of five (5)
379 Producer Segment Members, shall select a slate of candidates from the
380 Producer Segment membership. Other nominations may be made at or before
381 the Producer Segment meeting at which the election shall occur. Producer
382 Segment Members shall cast votes for candidates in a number not exceeding the
383 number of vacant memberships on the EC. The candidates receiving the
384 greatest numbers of votes shall be elected.

385 c. All persons selected by the Nominating Committee, or whose nomination is
386 made in any other manner, shall state in writing their willingness to accept the
387 responsibility of serving as a member of the EC prior to the submission of their
388 names to the Producer Segment Membership at the election.

389 5.2 Resignation of Members of the Executive Committee:

390 A member of the EC may resign his or her position by submitting a letter to the
391 Secretary of NAESB with a copy to the Chairperson of the Producer Segment of the
392 Wholesale Gas Quadrant stating that he or she is resigning and giving the effective date

393 of the resignation.

394 5.3 Removal:

395 A member of the EC may be removed upon a majority vote of the Producer Segment
396 Members of the Wholesale Gas Quadrant.

397 5.4 Vacancies other than Expiration of Term:

398 A member of the EC shall cease to be a member of the EC upon (1) the resignation of
399 his or her Producer Segment Membership or lapse of his or her Producer Segment
400 Membership for delinquency in payment of the membership fee (if the member of the
401 EC is an individual Segment Member); (2) the resignation or lapse (through a
402 delinquency in payment of the membership fee) of the Producer Segment Membership
403 of the entity of which the member of the EC is a partner, director, officer, agent, or
404 employee; or (3) the member of the EC's resignation, removal, or death. A vacancy
405 shall be filled for the remainder of that term in accordance with the procedures specified
406 in Section 5.1(b) above.

407

408 6.0 **DESIGNATED ALTERNATES:**

409 6.1 Selection of Designated Alternates:

410 a. The Producer Segment will select not more than ten (10) Designated Alternates
411 to attend and vote at meetings of the Executive Committee when one or more
412 regular members of the Executive Committee are unable to attend a meeting of
413 the Executive Committee.

- 414 b. In preparation for any election of Designated Alternates for the EC, other than
415 the initial Designated Alternates for the EC, representing the Producer Segment,
416 a Nominating Committee, which shall be comprised of five (5) Producer
417 Segment Members of the Wholesale Gas Quadrant, shall select a slate of
418 candidates from the Producer Segment Membership. Other nominations may
419 be made at or before the Producer Segment meeting at which the election shall
420 occur. Producer Segment Members shall cast votes for candidates in a number
421 not exceeding the number of vacant positions for Designated Alternate for the
422 EC. The candidates receiving the greatest numbers of votes shall be elected
423 Designated Alternates.
- 424 c. All persons selected by the Nominating Committee, or whose nomination is
425 made in any other manner, shall state in writing their willingness to accept the
426 responsibility of serving as a Designated Alternate prior to the submission of
427 their names to the Producer Segment Membership at the election.
- 428 d. When designated by a member of the Executive Committee to attend a meeting
429 of the EC, a Designated Alternate shall do so unless he or she is unable to
430 attend, in which case, the Designated Alternate shall so advise the member of
431 the EC, and the member of the EC shall select another Designated Alternate.
432 When attending a meeting of the EC, the Designated Alternate shall have the full
433 voting rights of the regular member of the EC, except as may be limited by that
434 regular member's notice in writing to the Chair of the EC, the Secretary of

435 NAESB (or the person designated to serve as the secretary of the EC), and the
436 Designated Alternate.

437 e. The Chairperson of the Producer Segment of the Wholesale Gas Quadrant will
438 advise NAESB's Secretary in writing of the names, addresses, telephone and
439 facsimile numbers of the Designated Alternates for the Producer Segment.

440 6.2 Resignation of Designated Alternates:

441 A Designated Alternated for the Executive Committee may resign his or her position by
442 submitting a letter to the Secretary of NAESB with a copy to the Chairperson of the
443 Producer Segment of the Wholesale Gas Quadrant stating that he or she is resigning and
444 giving the effective date of the resignation.

445 6.3 Removal:

446 A Designated Alternate may be removed upon a majority vote of the Producer Segment
447 Members.

448 6.4 Vacancy:

449 A Designated Alternate shall cease to be a Designated Alternate upon (1) the
450 resignation of his or her Producer Segment Membership or lapse of his or her Segment
451 Membership for delinquency in payment of the membership fee (if the Designated
452 Alternate is an individual Segment Member); (2) the resignation or lapse (through a
453 delinquency in payment of the membership fee) of the Segment Membership of the
454 entity of which the Designated Alternate is a partner, director, officer, agent, or
455 employee; or (3) the Designated Alternate's resignation, removal, or death. A vacancy

456 shall be filled for the remainder of that term in accordance with the procedures specified
457 in Section 6.1(b) above.

458

459 7.0 **COMMUNICATIONS PROCESSES:**

460 The Producer Segment will rely upon the Natural Gas Supply Association ("NGSA") and the
461 Independent Petroleum Association of America ("IPAA") to distribute various information and
462 notices to the Segment Members of the Producer Segment, when issues are specific to the
463 Producer Segment only.

464

465 8.0 **AMENDMENT OF PRODUCER SEGMENT PROCESSES:**

466 8.1 Procedure for Amendment:

467 The Directors representing the Producer Segment of the Wholesale Gas Quadrant on the Board
468 shall recommend to the Segment Membership amendments to these Procedures. Each
469 proposed amendment shall be offered as a separate amendment, except in those situations in
470 which an amendment will affect more than one section of these Procedures. If a proposed
471 amendment will affect more than one section, then all affected sections will be identified.

472 A majority vote of the Producer Segment Membership shall be required to approve an
473 amendment to these procedures.

474 8.2 Determination of Quorum:

475 A quorum, for purposes of these procedures only, shall be the Segment Members present at
476 any meeting for which prior notice has been given even if the number of Segment Members

477 present is less than a majority of the Segment Members.

478

479 **10.0 EXECUTIVE SUMMARY**

480 10.1 To belong to the Producer Segment of the Wholesale Gas Quadrant, and be entitled to
481 one (1) vote in NAESB matters, a person or entity must produce natural gas and pay the level
482 of membership fees set out by NAESB.

483 10.2 The Chairperson of the Producer Segment shall serve a term of one (1) calendar year.

484 10.3 Board, E. C., and Alternates shall be elected by the vote of the Producer Segment
485 membership. The slate of candidates shall be determined by a Nominating Committee
486 made up of Producer Segment members.

487 10.4 Producer Segment may have up to ten (10) Designated Alternates.

488 10.5 Majority vote of Producer Segment membership is required to amend these
489 procedures.

490 10.6 A quorum is defined as those present at any meeting of the Producer Segment.

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ENERGY INDUSTRY STANDARDS BOARD

BYLAWS ADDENDUM

SERVICE SEGMENT PROCEDURES

August 18 , 1997

1.0 **MEMBERSHIP REQUIREMENTS**

- 1.1 The Services Segment of the Wholesale Gas Quadrant of the natural gas industry is comprised of those parties engaging in (a) gathering (b) processing, (c) marketing, (d) gas storage and, (e) information services. Any entity which is actively engaged in any of the above-listed activities which wants to join NAESB may join as a Services Segment member of the Wholesale Gas Quadrant.
- 1.2 NAESB Services Segment members become members by submitting their company name, contact name, qualifying business activities, and a statement of intent to join to the Executive Director of NAESB. NAESB Services Segment members of the Wholesale Gas Quadrant become voting members of the NAESB by paying and maintaining on a current basis then NAESB membership dues, and by executing the revocable proxy required by the NAESB incorporation documents.

512 2.0 **PROCESS FOR ELECTING DIRECTORS AND EXECUTIVE COMMITTEE**

513 **MEMBERS**

514 2.1 Nominations

515 Each voting NAESB Service Segment organization may submit up to five (5) nominations to fill
516 the positions on the Board of Directors and five (5) nominations to fill the positions on the
517 Executive Committee (for a total of ten (10)).

518 Each nominee should be qualified to represent members who are participating in one or more of
519 the activities that comprise the Services Segment i.e. marketers, gatherers, processors, storage
520 operators, and information associated services. To qualify, a nominee should have (a)
521 authorization from his or her organization to serve in the position and (b) decision-making
522 authority commensurate with the position's responsibilities.

523 Nominations shall be sent to the Services Segment's Nominating committee. The Nominating
524 committee will confirm each nominee's qualifications and willingness to serve. The ballot will
525 contain the names of all qualified nominees.

526 If a business activity of the Services Segment is not represented among the nominations, the
527 Nominating committee will endeavor to solicit a qualified nominee involved in that activity, to be
528 included in the ballot.

529 2.2. Voting

530 Voting will be a one-step process. Each NAESB voting member organization will be entitled to
531 one ballot.

532 Each organization will have the same number of votes for members of the Board of Directors

533 and for members of the Executive Committee (for a total of up to ten (10) votes) as there are
534 vacancies. All voting will be at-large. There will be no cumulative voting.

535 The nominee(s) who receive the highest number of votes for vacancies on the Board of
536 Directors and the Executive Committee, respectively, will serve for terms as determined by the
537 NAESB Board of Directors and the Executive Committee members. The next three (3)
538 nominees to the Executive Committee who receive the highest number of votes, after filling the
539 vacancies above, will serve as alternates. The Board of Directors will have no alternates. At
540 any given time, business activities of the Services Segment may be represented more than once
541 on the Board of Directors or the Executive committee, or both. However, no organization may
542 have more than one (1) representative among the Wholesale Gas Quadrant Services Segment
543 position on the Board of Directors and Executive Committee at the same time.

544

545 3.0 **PROCEDURES FOR REMOVAL VACANCY, RESIGNATION OF SEGMENT**

546 **DIRECTORS AND EXECUTIVE COMMITTEE MEMBERS**

547 Replacement of Board of Directors or Executive Committee members for partial term of office
548 due to resignation or removal of current position holder.

549 3.1 **Board of Directors**

550 If a member resigns from a position on the Board of Directors, such member's resignation shall
551 be effective upon the later of the date the Executive Director of NAESB receives the written
552 notice of resignation or the effective date of the resignation set forth in the written notice.

553 If a member of the Board of Directors dies, resigns, is terminated or transfers to another

554 organization not included in the Services Segment, such member's change in status shall be
555 automatic resignation and effective upon the date of such change.

556 If an individual member of the Board of Directors transfers to another organization included in
557 the Services Segment of the Wholesale Gas Quadrant, such individual member shall be entitled
558 to remain a member of the Board of Directors; provided the new organization is a voting
559 member of NAESB.

560 A replacement for the member resigning as set forth above shall be selected by the same
561 procedures as outlined earlier. That is, a nominating committee shall be formed, nominees
562 solicited from Services Segment organizations of the Wholesale Gas Quadrant, nominees
563 qualified by the nominating committee and ballots distributed to NAESB Service Segment
564 member organizations. Each member organization shall have one (1) vote and the nominee
565 receiving the most votes shall be elected to complete the then current term. Such person shall
566 be employed by an organization that is part of the Services Segment and shall otherwise meet
567 the qualification set forth in Section 2.A, above. The term of such person shall be the remainder
568 of the term of the replaced member of the Board of Directors.

569 3.2 Executive Committee

570 If a member resigns from a position on the Executive Committee, such member's resignation
571 shall be effective upon the later of the date the Executive Director of NAESB receives the
572 written notice of resignation or the effective date of the resignation set forth in the written notice.

573 If a member of the Executive Committee dies, retires, resigns, is terminated or is transferred to
574 another organization not included in the Services Segment, such member's change in status shall

575 be an automatic resignation and effective upon the date of such change.

576 If an individual member of the Executive Committee transfers to another organization included in
577 the Services Segment of the Wholesale Gas Quadrant, such individual member shall be entitled
578 to remain a member of the Executive Committee; provided the new organization is a voting
579 member of NAESB.

580 A replacement for the member resigning as set forth above shall be selected by the same
581 procedures as outlined earlier. That is, a nominating committee shall be formed, nominees
582 solicited from Service Segment organizations, nominees qualified by the nominations committee
583 and ballots distributed to NAESB Service Segment members. Each member organization shall
584 have one (1) vote and the nominee receiving the most votes shall be elected to complete the
585 then current term. Such person shall be employed by an organization that is part of the Services
586 Segment of the Wholesale Gas Quadrant and shall have a position similar to other members of
587 the Executive Committee. The term of such person shall be the remainder of the term of the
588 replaced member of the Executive Committee.

589

590 4.0 **SELECTION OF DESIGNATED ALTERNATES AND PROCESSES FOR THEIR**
591 **ASSUMPTIONS OF EXECUTIVE COMMITTEE MEMBER DUTIES**

592 4.1 Following each election within the Services Segment of the Wholesale Gas Quadrant to
593 fill an EC seat, the three highest vote getters not winning a seat will be eligible to become a
594 Services Segment EC Alternate. In the event there are less than three runners-up to any
595 election, the individuals eligible to be Services Segment EC Alternates shall be selected from

596 among the runner(s)-up from the just completed election and those individuals serving as EC
597 alternates at the time of the just completed election; whereupon, the Services Segment EC
598 Alternates shall be the three individuals from this combined group whose vote tallies are the
599 highest from the most recent election in which they ran for an EC seat and were a runner-up. In
600 the event of a tie for the position of runner-up, the persons whose vote totals (from the most
601 recent election in which they ran) are tied shall have their names placed in a box and the
602 Executive Director of NAESB shall, in the presence of at least two Services Segment EC
603 members, draw names from the box until the three EC Alternate positions are filled.

604 4.2 An EC Alternate may resign at any time. The resignation of an EC Alternate shall result
605 in an open position until the time of the next election.

606 4.3 The Segment shall maintain the list of three EC Alternates and shall inform the NAESB
607 Office from time to time of the identities of the eligible individuals. Following any election and at
608 least five days in advance of the next scheduled EC Meeting, the list of eligible EC Alternates
609 (including any revisions due to new elections or resignations), shall be forwarded to the NAESB
610 Office.

611 4.4 An EC Member not attending an EC Meeting (excluding by resignation) and not
612 submitting a notational ballot to the NAESB Office shall identify to NAESB and to their
613 designated EC Alternate (in writing or facsimile) the specific Alternate they designate to sit and
614 vote as an EC Member of the Services Segment at the identified EC Meeting. Failure of an
615 absent EC Member not submitting a notational ballot to so identify a specific EC Alternate shall
616 mean that those Services Segment EC Members attending the subject EC Meeting may choose

617 (an) individuals (s) from among the eligible Services Segment EC Alternates in attendance to sit
618 and vote as (an) EC Member(s) of the Services Segment during the subject EC Meeting.

619 4.5 Failure of an EC Member to attend an EC Meeting by means of that EC Member's
620 resignation shall create a vacancy which may be filled during an EC Meeting by an Alternate
621 pursuant to the procedures in this paragraph 4.5 until an election has occurred. A vacant
622 position on the EC shall be filled as soon possible under the Services Segment election
623 procedures set forth from time to time. In the event resignation has occurred, and, there has not
624 been sufficient time to hold an election for the vacant position; and, a scheduled EC Meeting is
625 in session; then those Services Segment EC Members attending the subject EC Meeting may
626 choose (an) individual(s) from among the eligible Services Segment EC Alternates in attendance
627 to sit and vote as (an) EC Members(s) of the Services Segment during the subject EC Meeting.

628

629 5.0 **PROCEDURES FOR AMENDING THESE SEGMENT PROCEDURES**

630 The Services Segment of the Wholesale Gas Quadrant has no established process for amending
631 these segment specific procedures but contemplates that changes, if deemed necessary, would
632 be initiated by the Service Segment's Board of Director members. The Service Segment will
633 promptly advise NAESB of any change to these procedures.

634

635 6.0 **COMMUNICATION PROCESSES FOR MEETING NOTICES**

636 The Services Segment intends to rely upon NAESB's own communication procedures for the
637 distribution of meeting notices. The Service Segment of the Wholesale Gas Quadrant believes

638 NAESB's proposed use of an electronic bulletin board, regular newsletter, and adherence to
639 standard notice procedures including distribution of notices to all interested parties will be
640 sufficient to advise Service Segment member organizations of NAESB activities.

North American Energy Standards Board
Bylaws Addendum

Exhibit 4

Retail Electric Quadrant Procedures

March 1, 2002

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-subsidary 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.

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NORTH AMERICAN ENERGY STANDARDS BOARD

BYLAWS ADDENDUM

EXHIBIT 3

RETAIL GAS QUADRANT PROCEDURES

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1 - DEFINITIONS

Section 1.1 Definitions Included in the NAESB Bylaws

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

Section 1.2 Definitions for the Purposes of this Exhibit

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

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

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2 – PURPOSES, SCOPE, ACTIVITIES, AND POLICIES

33 **Section 2.1 Purposes, Scope and Activities**

34 **A. Purpose**

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

38 **B. Scope & Activities**

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

43 **Section 2.2 Policies**

44

45 The RGQ shall comply with the policies and procedures laid out in the bylaws and the certificate
46 of incorporation of NAESB. Further, the RGQ intends to operate in conformance with the principles of the
47 umbrella organization, as established in Section 2.2 (b) of the NAESB Bylaws and in compliance with
48 ANSI guidelines. As such, the RGQ encourages a widely based membership and has identified Segments,
49 which reflect this principle of inclusiveness. Also consistent with this approach, the RGQ shall ensure that
50 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.

51 **Section 2.3 RGQ Segment Organization**

52 What follows is a description of the RGQ organizational structure, including a listing of RGQ
53 Segments.

<u>Suppliers:</u>	Persons engaged in competitive retail sales of natural gas and/or capacity, including marketers, aggregators, producers, asset managers and pipelines.
<u>Distributors:</u>	Persons engaged in the local distribution of natural gas.
<u>End Users:</u>	Persons that consume natural gas or represent consumers of natural gas.
<u>Service Providers:</u>	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.

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

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5 – RGQ MEMBERS

63 **Section 5.1 RGQ Voting Members**

64 The definition of Membership applies to all RGQ Segments. RGQ Members are persons with
65 legitimate business interest¹ in the retail natural gas market and which meet the definitions of one of the

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

66 four RGQ Segments. Upon applying for Voting Membership (as described in NAESB Bylaws Sections
67 1.1 and 5.1), each prospective RGQ Member shall declare the RGQ Segment with which they are to be
68 identified. Voting Membership in the RGQ of NAESB shall be open to all persons that meet all of the
69 following requirements:

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

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

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7 – BOARD

Section 7.1 Board Representation

The RGQ shall have representatives on the NAESB Board of Directors, with each RGQ Segment electing or selecting an equal number of these representatives, pursuant to the procedures specified by the respective RGQ Segment in this Exhibit.

Section 7.2 Qualifications of RGQ Directors

A. Eligibility

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

1. The person must be a Member of the RGQ;
2. The person should have broad understanding of the natural gas industry and have sufficient authority to make decisions on behalf of the organization represented; for example, a representative of a corporate entity should ideally be an executive of that corporation;
3. The person must 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 NAESB Director 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 Director on the NAESB Board, the individual may hold not more than one directorship, representing only one Segment within the RGQ.

Section 7.3 Number and Election of Directors

A. Number of Directors

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

115 **B. Election of Directors**

116 The elections of RGQ representatives to the NAESB Board shall be subject to the following
117 provisions:

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

120 **Section 7.4 Term of Office**

121 The initial RGQ Directors on the NAESB Board shall be divided into three groups within each
122 RGQ Segment whose terms shall expire as follows: Group A, consisting of two Board seats, on December
123 31, 2004; Group B, consisting of three Board seats, on December 31, 2003; and Group C, consisting of one
124 Board seat, on December 31, 2002. Upon the completion of those initial terms, all succeeding Directors
125 shall thereafter be elected for a two-year term, consistent with the NAESB Bylaws.

126 **Section 7.5 Reserved**

127 **Section 7.6 Removal of Directors**

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

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135 **8 – RESERVED**

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137 **9 – RESERVED**

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139 **10 - EXECUTIVE COMMITTEE**

140 **Section 10.1 EC Representation**

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

146 **Section 10.2 Qualifications of RGQ EC Members**

147 **A. Eligibility**

148 To be eligible to serve as a RGQ EC Member:

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

158 industry and the relationship with other entities with which the employer may be affiliated.

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

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

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

163 **A. Number of EC Members**

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

167 **B. Election of EC Members**

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

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

171 **C. Timing of Elections**

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

174 **Section 10.4 Term of Office**

175 **A. Terms**

176
177 The initial RGQ EC Members shall be divided into three groups within each RGQ Segment whose
178 terms shall expire as follows: Group A, consisting of two EC seats, on December 31, 2004; Group B,
179 consisting of three EC seats, on December 31, 2003; and Group C, consisting of one EC seat, on
180 December 31, 2002. Upon the completion of those initial terms, all succeeding EC Members shall
181 thereafter be elected for a two-year term, consistent with the NAESB Bylaws.

182

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.

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189 **Section 10.6 RGQ EC Subcommittees**

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

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

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

206 RGQ Subcommittee or Task Force meetings, the same individual may represent different RGQ Segments,
207 as long as that individual declares prior to the meeting the RGQ Segment for which he or she is casting a
208 vote.

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18 - AMENDMENTS

225 **Section 18.1 Amendments**

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

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19 – TRANSITION PROCEDURES

236 During the initial startup of the RGQ, the Quadrant and Segments may operate with vacant Board
237 and EC seats in a transitional period in accordance with the following provisions. This transitional voting
238 period will be sunset on June 30, 2003, unless the RGQ EC decides to extend the period prior to its
239 expiration. In the event one or more Segments does not populate the maximum number of NAESB Board
240 seats or RGQ EC seats, the number of seats per Segment will be reduced from six to five on January 1,
241 2003, unless the RGQ EC decides otherwise during its December 2002 meeting.

242 **Section 19.1 Initial Election of RGQ Directors**

243

244 The founding membership of the RGQ will elect no less than three (3) Directors of their choosing
245 per Segment by means that are consistent with NAESB Bylaws and the requirements of Section 7 of
246 these Procedures. Selection of candidates and their election will be by procedures agreed to by consensus
247 or voting methods adopted by the founding group. Such elected representatives will be presented to the
248 NAESB Board for acceptance as Directors of the RGQ, and acceptance by the Board will place all the

249 requirements and restrictions of the Bylaws, including these Procedures, upon those individuals.
250 Subsequent elections to fill vacant seats, as necessary, will be held each month until all seats are filled.

251 **Section 19.2 Initial Election of RGQ Executive Committee**

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

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, a
263 Transitional Voting Multiplier mechanism will be used to ensure balanced voting between Segments until
264 all Board and EC seats are filled.

265 1. The Transitional Voting Multiplier shall be calculated for each RGQ Segment by dividing the
266 number of populated seats in the largest RGQ Segment by the greater of the number of seats
267 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 REQ 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 of
279 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 RGQ
283 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 RGQ
285 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 rules.

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291 **RGQ SUPPLIERS SEGMENT PROCEDURES**

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

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294 **RGQ DISTRIBUTORS SEGMENT PROCEDURES**

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

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297 **RGQ END USER SEGMENTS PROCEDURES**

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

299

300 **RGQ SERVICE PROVIDERS SEGMENT PROCEDURES**

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

EXCERPT FROM THE CONSTITUTION AND BYLAWS OF THE ELECTRONIC SCHEDULING COLLABORATIVE

The Electronic Scheduling Collaborative shall use a Segmented Voting structure. Six Voting Segments shall be defined as follows:

1. *Transmission Owners* – to be comprised of entities that own a significant quantity of transmission used in bulk power transactions.
2. *ISOs, RTOs, RROs, and Non-owning Transmission Operators* – to be comprised of FERC-recognized ISOs or RTOs, NERC Regional Reliability Organizations or Councils, or a non-jurisdictional entity that performs the functions of an ISO, RTO or RRO. Other non-owning operators could include entities performing Control Area, Balancing Authority, or similar operating functions that are not in an RTO, ISO or RRO.
3. *Electric Generators* – to be comprised of entities that directly sell generation output into the wholesale marketplace or to retail loads over the bulk transmission system.
4. *Electricity Brokers, Aggregators, Marketers* – to be comprised of entities that buy energy and related services for resale to Load Serving Entities and Transmission Dependent Utilities in either wholesale or retail markets, or broker purchases and sales between entities.
5. *Load Serving Entities and Transmission Dependent Utilities* – to be comprised of entities with obligation to serve end use customers, or retail aggregators.
6. *End-Use Customers* – to be comprised of entities that take delivery of power for internal consumption.

Active Members must choose Segment(s) in which they wish to participate. If qualified, entities may participate in more than one Segment, provided they supply a separate representative for each Segment. Company Affiliates may individually seek membership and/or register in different segments in which they have a direct interest. Consideration for a particular Segment must be formally requested, with justification describing eligibility for participation in that Segment. Segments may be changed on a yearly basis during the first meeting of the year. **No single person may vote in more than one Segment, regardless of what proxies they hold.**

Each Segment shall receive one vote. Distribution of that vote shall be based upon the Active Membership votes cast within that Segment.