

NORTH AMERICAN ENERGY STANDARDS BOARD

Resolution Regarding Proposed Clarifying Amendments to Certificate and Bylaws

WHEREAS, the Certificate and Bylaws of the North American Energy Standards Board have now been in effect for over 10 months; and

WHEREAS, a need to effect certain clarifying amendments has been noted with regard to (i) provisions of the Certificate relating to the governance responsibilities of the Board; (ii) provisions of the Certificate relating to responsibilities of the Executive Committee; (iii) provisions of the Certificate and Bylaws relating to non-voting members; and (iv) provisions of the Certificate and Bylaws relating to votes to approve or amend Quadrant Procedures; and

WHEREAS, the Parliamentary Committee has reviewed and recommends proposed changes to the Certificate and Bylaws designed to achieve the purposes described above, which are attached hereto as Appendices A-D, respectively;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of NAESB hereby adopts the changes to the Certificate and Bylaws of NAESB attached hereto as Appendices A-D; and,

FURTHER RESOLVED, that the Executive Director and General Counsel of NAESB are authorized and directed to take such steps as necessary to implement the changes approved herein and to make them effective under Delaware law, including filing a Restated Certificate of Incorporation, if deemed appropriate.

November 21, 2002

Appendix A

Revise Article III, Section 4 of the Certificate to read as follows:

BLACKLINED VERSION:

Section 4. ~~The~~**Among its other duties of governance, the** Board of Directors shall be responsible for approving the budget **and Annual Plan(s)**, 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.

CLEAN VERSION:

Section 4. Among its other duties of governance, the Board of Directors shall be responsible for approving the budget and Annual Plan(s), 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.

Appendix B

Revise Article III, Section 5 of the Certificate to read as follows:

BLACKLINED VERSION:

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 **development and** formation of NAESB technical standards that are based upon broad industry consensus and recognize the particular needs of each Segment, (2) ~~consider the~~ **considering and coordinating** ~~its work of~~ **with** existing standards-setting organizations and **with regard to** standards already developed, and (3) ~~establish~~ **establishing** 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 **standards development** functions pursuant to procedures set forth in the By-Laws; (3) preparing **recommendations to the Board on the budget and Annual Plan;** (4) setting priorities for standards to be developed or modified **pursuant to the Annual Plan; and** (5) ~~overseeing the NAESB staff; and~~ (6) directing activities for reviewing standards interpretation pursuant to the appropriate voting levels specified in Article V.

CLEAN VERSION:

Section 5. (a) The Executive Committee shall be responsible for (1) the development and formation of NAESB technical standards that are based upon broad industry consensus and recognize the particular needs of each Segment, (2) considering and coordinating its work with existing standards-setting organizations and with regard to standards already developed, and (3) establishing 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 standards development functions pursuant to procedures set forth in the By-Laws; (3) preparing recommendations to the Board on the Annual Plan; (4) setting priorities for standards to be developed or modified pursuant to the Annual Plan; and (5) directing activities for reviewing standards interpretation pursuant to the appropriate voting levels specified in Article V.

Appendix C

Revise Article IV, Section 3 of the Certificate to read as follows:

BLACKLINED VERSION:

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~~ **any person or entity, including a governmental entity, that has a legitimate business interest in a Quadrant of NAESB and desires to join as a non-voting member.**

CLEAN VERSION:

Section 3. Non-voting members. Non-voting members shall include any person or entity, including a governmental entity, that has a legitimate business interest in a Quadrant of NAESB and desires to join as a non-voting member.

Revise ARTICLE 5, Section 5.2 of the Bylaws to read as follows:

BLACKLINED VERSION:

Section 5.2 Non-Voting Members

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

CLEAN VERSION:

Section 5.2 Non-Voting Members

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

Appendix D

Revise Article V, Section 5 of the Certificate to read as follows:

BLACKLINED VERSION:

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.~~ **The** procedures ~~pertaining to~~**of** any Segment ~~separately~~**Quadrant** attached to the By-Laws ~~must first~~**laws as an Exhibit, or any amendment of such procedures, may** be ~~approved~~**accepted for consistency by the Board** by a **simple** majority ~~of the Directors~~ representing such Segment **vote**.

CLEAN VERSION:

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. The procedures of any Quadrant attached to the By-laws as an Exhibit, or any amendment of such procedures, may be accepted for consistency by the Board by a simple majority vote.

Revise Article XVIII, Section 18.1 of the Bylaws to read as follows:

BLACKLINED VERSION:

The Bylaws of NAESB may be amended by the Board in the manner described in the Certificate; ~~provided, however, that each.~~ **Each** Quadrant's Exhibit may be adopted or amended by majority vote of the Directors representing that Quadrant or as may be specified ~~underin~~ the procedures contained in that Quadrant's Exhibit. **Votes on consistency of Quadrant procedures with the Certificate and Bylaws are in the manner described in Article V, Section 5 of the Certificate.**

CLEAN VERSION:

The Bylaws of NAESB may be amended by the Board in the manner described in the Certificate. Each Quadrant's Exhibit may be adopted or amended by majority vote of the Directors representing that Quadrant or as may be specified in the procedures contained in that Quadrant's Exhibit. Votes on consistency of Quadrant procedures with the Certificate and Bylaws are in the manner described in Article V, Section 5 of the Certificate.