

ARTICLES OF INCORPORATION

OF

RTO West

The undersigned, acting as an incorporator under the Washington Nonprofit Corporation Act (Revised Code of Washington 24.03) hereby adopts and executes the following Articles of Incorporation.

ARTICLE I.

NAME

The name of this corporation is RTO West.

ARTICLE II.

DURATION

The period of duration of this corporation will be perpetual.

ARTICLE III.

PURPOSES

The purposes for which this corporation, a nonprofit organization, is formed are:

1. Until the corporation's governance has been conformed to the requirements of the Federal Energy Regulatory Commission's Order 2000, Docket No. RM99-2-000, as amended ("Order 2000"), to fund the implementation of activities necessary or convenient to develop a Regional Transmission Organization that conforms to the requirements of Order 2000 and to engage in any lawful business or other activities related or incidental to this purpose.
2. After the corporation's governance has been conformed to the requirements of Order 2000, to engage in any lawful business or activity.

ARTICLE IV.

REGISTERED OFFICE/AGENT

The address of the initial registered office of this corporation is 520 Pike Street, Suite 2610, Seattle, Washington, 98101, and the name of its initial registered agent at this address is C T Corporation Systems. The written consent of C T Corporation Systems to serve as registered agent is attached to these Articles of Incorporation.

ARTICLE V.

BOARD OF DIRECTORS

The management of this corporation will be vested in its Board of Directors. The number of directors will be as determined by the corporation's Board of Directors from time to time in accordance with the corporation's Bylaws; *provided, however*, that the number of directors may not be less than three. The number of initial directors will be seven and their names and addresses are:

| <u>Name</u> | <u>Address</u> |
|----------------------|---|
| Frank F. Afranji | Portland General Electric Company 121 SW Salmon Street Portland, OR 97204 |
| Randall O. Cloward | Avista Corp. 1411 East Mission Spokane, WA 99202 |
| James M. Collingwood | Idaho Power Company 1221 West Idaho PO Box 70 Boise, ID 83707 |
| Carolyn J. Cowan | Sierra Pacific/Nevada Power 6100 Neil Road PO Box 10100 Reno, NV 89520 |
| Don Furman | PacifiCorp |

700 NE Multnomah
Suite 550 - POP
Portland, OR 97232

Name

Address

Kimberly J. Harris

Puget Sound Energy, Inc.
411 108th Avenue NE
OBC-15
Bellevue, WA 98004

William A. Pascoe

The Montana Power Company
40 East Broadway
Butte, MT 59701

Each initial director will serve from the date these Articles of Incorporation are filed until he or she resigns, dies, or becomes unable to perform his or her duties as a director. Any vacancy created by the resignation, death, or incapacity of a director may be filled by action of the directors then remaining in office (even if less than a quorum under the Bylaws). The directors remaining in office at the time a vacancy occurs may, at their option, elect to reduce the size of the Board of Directors rather than fill a vacancy, except that if there are fewer than three directors in office following a vacancy, the remaining director(s) will appoint enough replacement directors to bring the total number of directors then in office to at least three.

ARTICLE VI.

INCORPORATOR

The name and address of the incorporator are:

Name

Address

Sarah Dennison-Leonard

Krogh & Leonard
506 SW 6th Avenue
Suite 750
Portland, OR 97204-1533

ARTICLE VII.

DISSOLUTION

1. Action to Dissolve. The Board of Directors may dissolve the corporation at any time by a vote of not less than 75% of all directors in office at the time the vote to dissolve is taken.

2. Survival of Rights, Obligations, and Liabilities. All rights, obligations, and liabilities of the corporation will remain following dissolution until satisfied.

3. Distribution of Assets Upon Dissolution. Upon any dissolution of this corporation under provisions of the laws of the state of Washington for nonprofit corporations, all of its assets remaining after making adequate provision for the satisfaction of all obligations and the payments of all liabilities will be distributed as directed by the Board of Directors, consistent with: (a) any requirements or limitations provided by applicable law or tax regulations; and (b) the limitations set forth in Article XII below. In no event may any of the corporation's assets be distributed to the officers or directors of the corporation.

ARTICLE VIII.

AMENDMENTS OF ARTICLES OF INCORPORATION

The Board of Directors may amend, alter, or repeal any provision contained in these Articles of Incorporation by a vote not less than 75% of all directors in office at the time the action to amend, alter, or repeal any provision of these Articles of Incorporation is taken.

ARTICLE IX.

AMENDMENTS OF CORPORATION'S BYLAWS

The Board of Directors may amend, alter, or repeal any provision contained in the corporation's Bylaws by a vote not less than 75% of all directors in office at the time the action to amend, alter, or repeal any provision of the Bylaws is taken.

ARTICLE X.

MEMBERS

This corporation will have no members.

ARTICLE XI.

POWERS

This corporation will have the power to do all lawful acts or things necessary, appropriate, or desirable to carry out its purposes described in Article III, consistent with the Washington Nonprofit Corporation Act.

ARTICLE XII.

LIMITATIONS

This corporation will have no capital stock and no part of the net earnings of this corporation will inure in whole or in part to the benefit of, or be distributable to, any officer, director, or other individual having a personal or private interest in the activities of the corporation, except that the corporation is authorized and empowered to pay reasonable compensation for services rendered, to make reimbursement for reasonable expenses incurred in its behalf, to repay loans with interest, and to make payments and distributions in furtherance of the purposes stated in Article III.

ARTICLE XIII.

DIRECTOR LIABILITY; INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS; INSURANCE

1. Director Liability. Directors of the corporation will be liable to the corporation only for the following: (a) acts or omissions that involve intentional misconduct by the director; (b) knowing violation of law by the director; (c) conduct violating RCW 23B.08.310; and (c) any transaction from which the director personally receives a benefit in money, property, or services to which the director is not legally entitled.

2. Mandatory Indemnification of Directors. To the fullest extent not prohibited by law, the corporation will indemnify any director made a party to a proceeding because he or she is or was a director of the corporation against any liability incurred in connection with that proceeding; *provided, however,* that nothing in these Articles of Incorporation will obligate or permit the corporation to indemnify any director in connection with a proceeding by or in the right of the corporation in which the director is adjudged personally liable to the corporation or in connection with any other proceeding charging improper personal benefit to the director in which the director is adjudged liable on the basis of having improperly derived a personal benefit.

3. Advancement of Expenses to Directors. To the fullest extent not prohibited by law, the

corporation will pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding described in Section 2 of this Article XIII in advance of the final disposition of the proceeding.

4. Corporation's Power To Indemnify Officers, Employees, and Agents. To the fullest extent not prohibited by law, the corporation may, at the discretion of the corporation's Board of Directors, indemnify any officer, employee, or agent made a party to a proceeding because the person is or was an officer, employee, or agent of the corporation against any liability incurred in connection with that proceeding; *provided, however*, that nothing in these Articles of Incorporation will obligate or permit the corporation to indemnify any officer, employee, or agent in connection with a proceeding by or in the right of the corporation in which the officer, employee, or agent is adjudged personally liable to the corporation or in connection with any other proceeding charging improper personal benefit to the officer, employee, or agent in which the officer, employee, or agent is adjudged liable on the basis of having improperly derived a personal benefit.

5. Advancement of Expenses to Officer, Employees, and Agents. To the fullest extent not prohibited by law, the corporation may, at the discretion of the corporation's Board of Directors, pay for or reimburse the reasonable expenses incurred by an officer, employee, or agent who is a party to a proceeding described in Section 4 of this Article XIII in advance of the final disposition of the proceeding.

6. Definitions of Certain Terms. As used in this Article XIII, the terms "corporation," "director," "expenses," "liability," "party," and "proceeding" have the meanings given to them in RCW 23B.08.500 as in effect on the date these Articles of Incorporation are filed.

7. Directors' and Officers' Insurance. The corporation, acting through its officers and Board of Directors, may purchase and maintain insurance on behalf of an individual to cover liability asserted against or incurred by the individual who is or was a director, officer, employee, or agent of the corporation, or who, while a director, officer, employee, or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise.

DATED: April 27, 2000.

Sarah Dennison-Leonard, Incorporator

CONSENT TO SERVE AS REGISTERED AGENT

C T Corporation System, 520 Pike Street, Suite 2610, Seattle, Washington 98101 does hereby consent to serve as Registered Agent for the following company:

RTO West

We understand that as the agent, it will be our responsibility to receive service of process; to forward all mail; and to immediately notify the Office of the Secretary of State in the event of our resignation, or of any changes in the Registered Office address.

DATED this 18th day of April, 2000

Jack Caskey, Assistant Vice President