

BYLAWS

OF

RTO West

a Washington nonprofit corporation

Originally adopted on _____, 2000.
Amendments are listed on page -i-

AMENDMENTS

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**BYLAWS
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RTO WEST**

SECTION 1. PURPOSES.

As provided in Article III of the corporation's Articles of Incorporation, the purposes of this corporation 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; and (2) after the corporation's governance has been conformed to the requirements of Order 2000, to engage in any lawful business or activity.

SECTION 2. OFFICES.

2.1 Registered Office and Registered Agent. The registered office of the corporation will be located in the state of Washington at the place fixed from time to time by the Board of Directors upon filing of any notices that may be required by law. The registered agent's business office will be identical to the corporation's registered office.

2.2 Other Offices. The Corporation may have other offices within or outside the state of Washington at any place or places the Board of Directors may from time to time determine.

SECTION 3. BOARD OF DIRECTORS.

3.1 General Powers. The management of all the affairs, property, and interests of the corporation will be vested in the corporation's Board of Directors.

3.2 Number, Appointment, and Tenure of Directors. As provided in Article V of the corporation's Articles of Incorporation, the number of directors will be as determined from time to time by the corporation's Board of Directors, provided that the number of directors may not be fewer than three. Each director named in the corporation's Articles of Incorporation will serve from the date the Articles of Incorporation were filed until he or she resigns, dies, or becomes unable to perform his or her duties as a director. Directors need not be residents of Washington.

3.3 Vacancies on the Board of Directors. Any vacancy on the corporation's Board of Directors will be filled by action of all directors then remaining in office, provided that any person so designated to serve as a director has given his or her consent to do so.

3.4 Board Chairperson. Promptly following the organization of the corporation the Board of Directors will appoint a chairman or chairwoman (the “Chair”) from among the members of the Board of Directors. Whenever a vacancy arises in the position of Chair for any reason thereafter, the Board of Directors will appoint a successor in the same manner. The Chair will serve for the term of office specified in the resolution appointing the Chair, or, if no term is specified, until he or she resigns from the office of Chair or ceases to be a member of the Board of Directors. The Chair will preside at all meetings of the Board of Directors. If the Chair is absent from a meeting of the Board of Directors, the Board of Directors may select any director present at the meeting to preside in the Chair’s absence.

3.5 Annual Meeting of the Board of Directors. Unless the Board of Directors provides otherwise by resolution, the Board of Directors will hold an annual meeting each year at 10:00 a.m., local time, on the third Wednesday of March (or, if the that day falls on a United States national holiday, the next business day) at the corporation’s principal office. No notice of any annual meeting (other than as provided by the terms of this Section 3.5) will be necessary unless by resolution the Board of Directors has specified a date, time, or place for an annual meeting other than that provided in this Section 3.5. If by resolution the Board of Directors modifies one or more of the date, time, or place of an annual meeting, the adoption of that resolution will serve for all purposes as notice of the date, time, and place of the annual meeting, and no other notice of the annual meeting will be required. Annual meetings of the Board of Directors may be held inside or outside of the state of Washington. The Secretary of the corporation or other appropriate officer may, in his or her discretion, provide a separate notice or other reminder of an annual meeting to the members of the Board of Directors for their convenience, but under no circumstances will the lack of a separate notice or reminder impair the validity of any annual meeting or any action of the Board of Directors taken at an annual meeting.

3.6 Additional Meetings.

3.6.1 Power to Call Additional Meetings. Additional meetings of the Board of Directors may be called at any time by the Chair or upon written request presented to the Secretary of the corporation by any two or more directors. The person(s) calling the meeting may specify any reasonable time and place, inside or outside of the state of Washington, for the special meeting, and need not state the purpose for calling the meeting.

3.6.2 Notice of Date, Time, Place, and Purpose of Additional Meeting. The Secretary of the corporation will deliver written notice of the time, date, place, and purpose of any additional meeting to each member of the Board of Directors promptly after the Chair has called the meeting or after receiving a written request to call a meeting from any two or more directors. Notice of any additional meeting must be delivered to each member of the Board of Directors not less than three business days before the date of the meeting.

3.7 General Requirements Concerning Meeting Notices. Any notice of a meeting of the Board of Directors, whether or not required by these Bylaws, may be delivered by: (1) first class United States mail with postage prepaid; (2) overnight delivery by any reputable courier service with

delivery charges prepaid; (3) facsimile transmission with confirmation of successful transmission; (4) electronic mail confirmed by an electronic acknowledgement sent by the intended recipient; (5) personal delivery; or (6) any other means approved by resolution of the Board of Directors; *provided, however,* that any notice of a meeting that is dispatched less than 10 calendar days before the date of the meeting to which the notice relates may be delivered only by: (a) overnight delivery by any reputable courier service with delivery charges prepaid; (b) facsimile transmission with confirmation of successful transmission; (c) personal delivery; (d) electronic mail confirmed by an electronic acknowledgement sent by the intended recipient; or (e) any other means approved by resolution of the Board of Directors for providing notices less than 10 calendar days before the date of a meeting. In computing the number of days by which notice of any meeting of the Board of Directors precedes the date of the meeting, the date on which the notice is dispatched or delivered may be included but the date of the meeting must be excluded.

3.8 Waiver of Meeting Notice. A director may at any time waive any notice of a meeting required by these Bylaws. A waiver of notice of a meeting must be in writing and signed by the director entitled to the notice and must specify the meeting for which notice is waived. The Secretary of the corporation will file any waiver of notice of a meeting with the minutes of the meeting for which notice is waived. A director's attendance at or participation in a meeting will constitute a waiver of any notice the director was entitled to receive with respect to that meeting unless the director, at the beginning of the meeting or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

3.9 Meeting by Telephone Conference, Etc. Any or all of the corporation's directors may participate in any meeting of the Board of Directors by telephone conference or any other means of communication that enables all directors participating in the meeting to simultaneously hear one another. Every director participating in a meeting in the manner described in the preceding sentence will be deemed to be present in person at the meeting.

3.10 Quorum for a Meeting of the Board of Directors. The presence of a majority of the directors in office immediately before the meeting begins will be both necessary and sufficient to constitute a quorum for the transaction of business at all meetings of the Board of Directors. A director is considered present at any meeting he or she attends, regardless of whether the director votes or abstains from voting.

3.11 Vote Required to Take Action at a Meeting of the Board of Directors. Except with respect to matters for which applicable law, the corporation's Articles of Incorporation, or these Bylaws require a greater percentage, the affirmative vote of a majority of the directors present at a meeting will be both necessary and sufficient for the Board of Directors to take action at any meeting, provided that a quorum of directors is present. A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless: (1) the director objects at the beginning of the meeting, or promptly upon the director's arrival, to holding the meeting or transacting the business at the meeting; (2) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (3) the

director delivers written notice of dissent or abstention to the Chair or other person presiding at the meeting before the meeting is adjourned or to the corporation immediately after the meeting adjourns. A director who votes in favor of the action may not thereafter abstain or dissent from the taking of the action.

3.12 Action Without a Meeting by Written Consent. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting through one or more written consents describing the action taken. Any action of the Board of Directors by written consent must be signed by all directors in office at the time the action is taken and may be executed in two or more counterparts. All Board actions by written consent must be filed with the corporation's minutes of meetings of the Board of Directors. Action taken under this Section 3.12 is effective when the last director signs the consent, unless the consent specifies an earlier or later effective date. Any action by written consent has the same effect as a meeting vote and may be described as such in any document.

3.13 Voting by Proxy. No director may attend a meeting of the Board of Directors or vote on any matter by proxy.

3.14 Resignation of Directors. Any director may resign at any time by delivering written notice to the President or the Secretary at the corporation's principal office, or by giving oral or written notice at any meeting of the Board of Directors. A director's resignation will take effect upon delivery of notice unless the notice of resignation specifies a later effective date. Unless the notice of resignation specifies otherwise, acceptance of a director's resignation will not be necessary to make it effective.

3.15 Remuneration of Directors. Directors will receive no compensation from the corporation for serving in their capacities as directors, and will not receive any reimbursement for expenses incurred to attend meetings or otherwise carry out their duties as directors.

3.16 Loans To Directors. The corporation will not make loans to any director.

3.17 Directors' Fiduciary Duties and Standards of Conduct.

(1) Each director is subject to a duty of loyalty to the corporation and a duty of care in the performance of his or her duties as a director. Each director's duty of loyalty to the corporation includes, without limitation: (a) the obligation to carry out his or her duties as a director in good faith and in a manner the director reasonably believes to be in the best interests of the corporation; (b) the obligation to refrain from entering in any transaction with the corporation, or causing the corporation to enter into any transaction, from which the director will personally receive any benefit in money, property, or services to which the director is not legally entitled; and (c) the obligation to keep confidential any nonpublic information or data belonging to the corporation.

(2) Each director will use reasonable care to recognize and attempt to avoid personal conflicts of interests, such as taking any action that would be inconsistent with or adverse to the activities of the corporation, or that confers an unfair advantage or preferential treatment upon the director or any

family members or friends of the director.

(3) Each director will refrain from voting, or attempting to influence the vote of other directors, on any matter that comes before the Board of Directors if the director reasonably believes that his or her participation in the matter is likely to result in actions that are illegal or otherwise in conflict with the director's duties to the corporation (including without limitation the duties described in Sections 3.17(1) and (2) above).

(4) Each director will, before the Board of Directors acts with respect to any matter in which the director (or a member of the director's family) has a direct or indirect personal interest, disclose to the Board of Directors the material facts concerning the director's direct or indirect personal interest in the matter.

SECTION 4. OFFICERS.

4.1 Designations and Term. The corporation will have a President, one or more Vice Presidents, a Secretary, a Treasurer, and any other officers specified by the Board of Directors from time to time. An officer may be, but need not be, a member of the corporation's Board of Directors. Each officer will be appointed by the Board of Directors and will serve for the term of office specified in the Board of Directors' action and until his or her successor is appointed and qualified. Any two or more offices may be held by the same person except the offices of President and Secretary.

4.2 President. The President will have general supervision of the affairs of the corporation, including management of day-to-day operations. The President will also perform any other duties incident to the office or properly required of the President by the Board of Directors.

4.3 Vice Presidents. Each Vice President will perform the duties of the President in cases of the President's absence, unavailability, or disability. In addition, each Vice President will have the powers and discharge the duties assigned to him or her from time to time by the Board of Directors.

4.4 Secretary. The Secretary will issue notices for all meetings of the Board of Directors, keep minutes of all meetings, have charge of the corporate books, and perform any other duties incident to the office or properly required of the Secretary by the Board of Directors. In addition, the Secretary will perform the duties of any Vice President in cases of the Vice President's absence, unavailability, or disability.

4.5 Treasurer. The Treasurer will have the custody of all monies and securities of the corporation and will keep books of account in accordance with generally accepted accounting principles. The Treasurer will disburse the funds of the corporation in payment of the just demands against the corporation or as may be ordered by the Board of Directors and will render to the Board of Directors from time to time as may be required, an account of all transactions undertaken as Treasurer and of the financial condition of the corporation. The Treasurer will also perform any other duties incident to the office or properly required by the Board of Directors.

4.6 Delegation. If any officer of the corporation is absent or unable to act and no other person is authorized to act in the officer's place by the provisions of these Bylaws, the Board of Directors may from time to time delegate the powers or duties of that officer to any other officer or any director or any other person it may select.

4.7 Compensation of Officers. Compensation (if any) to be paid to officers of the corporation for performance of their duties as officers will be established by the Board of Directors.

4.8 Resignation of Officers. Any officer may resign at any time by delivering written notice to the President, the Secretary, or the Board of Directors, or by giving oral or written notice at any meeting of the Board of Directors. Any officer's resignation will take effect upon delivery of notice unless the notice of resignation specifies a later effective date. Unless the notice of resignation specifies otherwise, acceptance of an officer's resignation will not be necessary to make it effective.

4.9 Removal of Officers. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by action of the Board of Directors. Any removal of an officer will be without prejudice to the contract rights, if any, of the officer so removed.

4.10 Vacancies in Officers' Positions. Vacancies in any office arising for any reason may be filled at any time by action of the Board of Directors.

4.11 Loans to Officers. The corporation will not make loans to any officer.

SECTION 5. LIABILITY OF DIRECTORS AND OFFICERS.

As provided in Article XIII of the corporation's Articles of Incorporation, 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 (d) any transaction from which the director personally receives a benefit in money, property, or services to which the director is not legally entitled. No amendment to the Washington Nonprofit Corporation Act that further limits the acts or omissions for which these Bylaws or the Articles of Incorporation may limit or eliminate the liability of a director, officer, employee, or agent of the corporation will affect the liability of a director, officer, employee, or agent for any act or omission that occurred before the date the amendment took effect.

SECTION 6. INDEMNIFICATION, ADVANCEMENT OF EXPENSES, AND INSURANCE.

As provided in Article XIII of the corporation's Articles of Incorporation, the following provisions will apply with respect to the corporation's indemnification of its directors, officers, employees, and agents, and with respect to advancement of expenses and insurance.

6.1 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 Bylaws or the 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.

6.2 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 6.1 above in advance of the final disposition of the proceeding.

6.3 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 Bylaws or the 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.

6.4 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 6.3 above in advance of the final disposition of the proceeding.

6.5 Definitions of Certain Terms. As used in Section 6 of these Bylaws, 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 the corporation's Articles of Incorporation were filed.

6.6 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.

SECTION 7. DISSOLUTION.

7.1 Action to Dissolve. As provided in Article VII, Section 1 of the corporation's Articles of Incorporation, the Board of Directors may dissolve the corporation voluntarily 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.

7.2 Survival of Rights, Obligations, and Liabilities. As provided in Article VII, Section 2 of the corporation's Articles of Incorporation, all rights, obligations, and liabilities of the corporation will remain following dissolution until satisfied.

7.3 Distribution of Assets upon Dissolution. The corporation is intended to qualify for tax-exempt status under Section 501(c) of the Internal Revenue Code of 1986 (as amended). No part of any net earnings of corporation and none of the corporation's assets remaining after dissolution may inure to the benefit of any officer, director, or other individual having a personal or private interest in the activities of the corporation, except that the corporation may pay reasonable compensation for services rendered, make reimbursement for reasonable expenses incurred in its behalf, and make payments and distributions in furtherance of the purposes set forth in Section 1 of these Bylaws. Upon any dissolution of the corporation under the Washington Nonprofit Corporation Act, 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, subject to any requirements or limitations provided by applicable law, including restrictions imposed by virtue of Section 501(c) of the Internal Revenue Code of 1986 (as amended) to ensure that, as provided in Article XII of the corporation's Articles of Incorporation, no part of the corporation's net earnings inure to any officer, director, or other individual having a personal or private interest in the activities of the corporation.

SECTION 8. AMENDMENTS.

As provided in Article IX of the corporation's Articles of Incorporation, the Board of Directors may amend, alter, or repeal any provision contained in these 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

Adopted by resolution of the corporation's Board of Directors on _____, 2000.

Richard Goddard, Secretary