

**GRID WEST BYLAWS EXCERPTS
WITH FINAL TECHNICAL CORRECTIONS TO
SECTIONS 1.1.13 (1.1.15), 1.1.23 (1.1.24), 5.14.1, 6.2, 6.3.2, 6.3.3**

1.1.13/1.1.15 “Generator” means any entity, including, but not limited to,

(i) an Exempt Wholesale Generator (“EWG”) as such term is defined in Section 32(a)(1) of the Public Utility Holding Company Act of 1935, 15 USC § 79z-5a(a)(1);

(ii) an Independent Power Producer, which means any nonutility generator that is involved in the ownership or operation of one or more electric generating facilities on a merchant plant basis;

(iii) a Qualifying Small Power Producer as such term is defined in Section 3(17)(D) of the FPA, 16 USC § 796(17)(D); or

(iv) a Qualifying Cogenerator as such term is defined in Section 3(18)(C) of the FPA, 16 USC § 796(18)(C),

that is not a Large Generating End-Use Consumer and that owns, leases, or otherwise exercises operational control over one (1) or more electric generating facilities (including any electric generating facilities on which significant construction has been completed) that

(a) have (or, upon completion of construction and commencement of commercial operation, will have) an aggregate net generating capacity of not less than ten (10) MW; and

(b) are (or, upon completion of construction and commencement of commercial operation, will be) either located in or dynamically scheduled into the Geographic Area;

provided, however, that no Power Marketer shall be deemed to be a Generator solely by virtue of its exercise of the right to direct the production of any electric generating facility that is physically controlled by an unaffiliated owner or operator.

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1.1.23/1.1.24 “Large TDU” means a member of the group of those Transmission-Dependent Utilities that, when taken together, make up the minimum number of Transmission-Dependent Utilities that can account for at least fifty percent (50%) of the total

amount (measured by MW-hours delivered) of Qualifying Load served by all Transmission-Dependent Utilities during the preceding year (“Total Qualifying Load”). For purposes of this definition, “Qualifying Load” means

- (i) retail load (sales not for resale), including energy delivered to an end-use customer located in the service area of the delivering Transmission-Dependent Utility that is not purchased from such delivering utility; and
- (ii) a Transmission-Dependent Utility’s wholesale sales to its members, if the Transmission-Dependent Utility is a joint operating agency, joint operating entity, generation and transmission cooperative, or comparable entity.

Those Transmission-Dependent Utilities that are to be designated as Large TDUs are identified by establishing a rank order of all Transmission-Dependent Utilities that are Members, with the Transmission-Dependent Utility that served the largest amount of the Total Qualifying Load ranked first, the Transmission-Dependent Utility that served the second-largest amount of the Total Qualifying Load ranked second, and so forth. The minimum number of Transmission-Dependent Utilities that can together account for at least fifty percent (50%) of the Total Qualifying Load is determined by beginning with the Transmission-Dependent Utility that served the largest amount of the Total Qualifying Load and continuing down through the ranking, including all Transmission-Dependent Utilities (but no more than those) necessary to account for at least fifty percent (50%) of the Total Qualifying Load. Any Transmission-Dependent Utility that would otherwise be a Small TDU shall be a Large TDU if the Transmission-Dependent Utility is a joint operating agency, joint operating entity, generation and transmission cooperative, or comparable entity with Qualifying Load greater than one million two hundred fifty thousand (1,250,000) MW-hours during the preceding year. In addition, a Transmission-Dependent Utility that would otherwise be a Small TDU may participate as a Large TDU if

- (a) it submits a request to the Large TDUs that it be designated as a Large TDU;
- (b) the Large TDUs invite the requesting Small TDU to participate as a Large TDU;
- (c) the Small TDU accepts such invitation; and
- (d) the Large TDUs notify the Secretary of the Corporation.

5.14 Voting of Members (Other Than Advisory Votes).

5.14.1 General Voting Rules. For any Member Class or Member Sub-Class that has met the quorum requirements at a duly called meeting of Members (except for electing MRC

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members or filling MRC vacancies, which shall be as specified in the applicable provisions of Section 6.3), the voting rules shall be as follows:

(i) Each Member Class (other than the State and Provincial Energy Authority/Tribes/Certain Public Interest Groups Member Class), as a whole, shall have total voting power equal to six (6) votes. The State and Provincial Energy Authority/Tribes/Certain Public Interest Groups Member Class, as a whole, shall have total voting power equal to six (6) votes if the State and Provincial Energy Authority Member Sub-Class has four (4) or fewer voting Members, or seven (7) votes if the State and Provincial Energy Authority Member Sub-Class has five (5) or more voting Members. The combined voting power of all Member Classes in the Corporation equals thirty (30) votes, except if the State and Provincial Energy Authority Member Sub-Class has five (5) or more voting Members, in which case the combined voting power of all Member Classes in the Corporation equals thirty-one (31) votes. Tabulation of Member votes shall be as set forth in this Section 5.14.

(ii) A Member shall participate and vote in a Member meeting or Member Class or Member Sub-Class meeting through the designated representative or alternate appearing on the records of the Secretary of the Corporation. The Members' designated representative or alternate shall be required to be present in person at a meeting in order to vote on any matter coming before the Members at such meeting. A designated representative or alternate may represent more than one (1) Member in the Transmission-Dependent Utilities Member Class (even if the Members are in different Member Sub-Classes). For other Member Classes, a designated representative or alternate may represent more than one (1) Member in the same Member Sub-Class (or, if a Member Class has no Member Sub-Classes, in the same Member Class).

[ALTERNATIVE GENERAL RULE: A designated representative or alternate may represent more than one (1) Member in the same Member Class (even if the Members are in different Member Sub-Classes).] *[Drafting note – the alternative general rule would make “dual representation” permissible for all Member Classes. This could mean that a Member Sub-Class meeting of a particular Member Sub-Class could have someone present (and entitled to be present) who is also representing a completely different Member Sub-Class within that same Member Class.]* The designated representative or alternate shall be allowed to vote separately for each Member for which he or she is the designated representative or alternate. Each Member warrants to the Corporation and to the other Members that its designated representative and alternate have the authority to act on behalf of the Member and are authorized to participate in debate and consider input from others before taking a position or voting on behalf of the Member.

(iii) The allocation of voting power to Member Classes, and where applicable to Member Sub-Classes within each of the Member Classes, shall be as set forth in Section 5.14.3.

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6.2 Number of Members Representative Committee Members. There shall be thirty (30) members of the MRC (unless decreased pursuant to Section 6.3.3(i) or increased to thirty-one (31) pursuant to Section 6.3.2(v)(a)), elected as specified in Section 6.3. Each Member Class, as a whole, shall be entitled to elect six (6) members of the MRC (unless decreased pursuant to Section 6.3.3(i) or increased for the State and Provincial Energy Authority/Tribes/Certain Public Interest Groups Member Class pursuant to Section 6.3.2(v)(a)).

6.3 Election of Members Representative Committee Members.

6.3.1 Member Rights to Elect Members Representative Committee Members. The members of the MRC shall be elected by the Members to represent their Member Class or Member Sub-Class. In any election of members of the MRC, Members shall vote by Member Class or Member Sub-Class, and each voting Member in each Member Class or Member Sub-Class shall have the same voting rights as every other Member in such Member Class or Member Sub-Class.

6.3.2 General Rule for Election of Members Representative Committee Members. In the election of members of the MRC, the voting rights of the Members shall be as set forth in Sections 6.3.2(i) through 6.3.2(v) for a Member Class or Member Sub-Class with no threshold and at least one (1) Member and a Member Class with thresholds in which each Member Sub-Class has at least the threshold number of Members specified for each Member Sub-Class in Section 5.14.2. If a Member Class or Member Sub-Class has no threshold and zero (0) Members or a Member Class has one (1) or more Member Sub-Classes with thresholds and fewer than the applicable threshold number of Members, then the voting rights shall be as set forth in Section 6.3.3.

Developmental Bylaws version of 6.3.2(i):

(i) Major Transmitting Utilities Member Class. Six (6) members of the MRC shall be representatives of, and shall be elected by, the Members of the Major Transmitting Utilities Member Class that are entitled to vote under Section 5.14.3(i). The slate of nominees for election as MRC members representing the Major Transmitting Utilities Member Class may include a maximum of one (1) representative of each Member unless there are fewer such Members than vacancies.

Operational Bylaws version of 6.3.2(i):

- (i) Major Transmitting Utilities Member Class.
- (a) If the Major Transmitting Utilities Member Class has six (6) or fewer Members, then each Member of the Member Class shall be entitled to
- (1) appoint one (1) member of the MRC, and

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(2) vote for the representatives for any remaining positions allocated to the Major Transmitting Utilities Member Class.

(b) If the Major Transmitting Utilities Member Class has more than six (6) Members, then

(1) Each of the three (3) Members of the Member Class with the most transmission plant within the Geographic Area that has (or the operator of such Member's transmission plant has) executed a Transmission Agreement with the Corporation is eligible to appoint one (1) member of the MRC; provided, however, that only those transmission facilities covered by the Transmission Agreements shall be considered in the foregoing determination. Each Member Class Member's transmission plant shall be calculated according to the following formula:

$$((P_{\text{member}} / P_{\text{total}}) + (C_{\text{member}} / C_{\text{total}})) / 2 = T$$

“**P_{member}**” is the individual Member's original transmission plant investment (without accounting for depreciation) in U. S. dollars in transmission facilities covered by a Transmission Agreement.

“**P_{total}**” is the total transmission plant investment (without accounting for depreciation) in U. S. dollars in all the transmission facilities covered by Transmission Agreements.

“**C_{member}**” is the individual Member's transmission circuit miles of transmission facilities covered by a Transmission Agreement.

“**C_{total}**” is the total transmission circuit miles of all the transmission facilities covered by Transmission Agreements.

“**T**” is the individual Member's transmission plant for purposes of this determination.

When calculating the transmission plant investment or circuit miles of transmission of a Member, the Corporation shall include in its calculation the transmission plant investment or circuit miles of transmission of the Member's Affiliate if the Affiliate has transmission facilities within the Geographic Area and has executed a Transmission Agreement for those facilities.

(2) The remaining Members of the Member Class shall elect three (3) members of the MRC from a slate of nominees comprising a maximum of one (1) representative of each of the remaining Members.

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(ii) Transmission-Dependent Utilities Member Class. In the election of members of the MRC, the voting rights of the Members in the Transmission-Dependent Utilities Member Class shall be as follows:

(a) three (3) members of the MRC shall be representatives of, and shall be elected by, the Members in the Transmission-Dependent Utilities Member Class that are Large TDUs, and such Large TDUs shall be entitled to nominate and vote in the election of such three (3) members of the MRC; Members that are Large TDUs may cast their votes cumulatively when voting in an election of members of the MRC, but shall not be entitled to nominate or vote in the election of any other members of the MRC; and

(b) three (3) members of the MRC shall be representatives of, and shall be elected by, the Members in the Transmission-Dependent Utilities Member Class that are Small TDUs, and such Small TDUs shall be entitled to nominate and vote in the election of such three (3) members of the MRC; Members that are Small TDUs may cast their votes cumulatively when voting in an election of members of the MRC, but shall not be entitled to nominate or vote in the election of any other members of the MRC.

(iii) Generators, Power Marketers, Large Generating End-Use Consumers, and Others Member Class. In the election of members of the MRC, the voting rights of the Members in the Generators, Power Marketers, Large Generating End-Use Consumers, and Others Member Class shall be as follows:

(a) four (4) members of the MRC shall be representatives of, and shall be elected by, the Members of the Generators Member Sub-Class of the Generators, Power Marketers, Large Generating End-Use Consumers, and Others Member Class, and such Members shall be entitled to nominate and vote in the election of such four (4) members of the MRC, but shall not (except as provided in Section 6.3.3(iv)) be entitled to nominate or vote in the election of any other members of the MRC;

(b) one (1) member of the MRC shall be a representative of, and shall be elected by, the Members of the Large Generating End-Use Consumers Member Sub-Class of the Generators, Power Marketers, Large Generating End-Use Consumers, and Others Member Class, and such Members shall be entitled to nominate and vote in the election of such member of the MRC, but shall not be entitled to nominate or vote in the election of any other members of the MRC; and

(c) one (1) member of the MRC shall be a representative of, and shall be elected by, the Members of the Power Marketers and Others Member Sub-Class of the Generators, Power Marketers, Large Generating End-Use Consumers, and Others Member Class, and such Members shall be entitled to

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nominate and vote in the election of such member of the MRC, but shall not be entitled to nominate or vote in the election of any other members of the MRC.

(iv) End-Use Consumers Member Class. In the election of members of the MRC, the voting rights of the Members of the End-Use Consumers Member Class shall be as follows:

(a) two (2) members of the MRC shall be representatives of, and shall be elected by, Large Unbundled End-Use Consumers. Members that are Large Unbundled End-Use Consumers shall be entitled to nominate and vote in the election of such members of the MRC in accordance with the foregoing rights, but shall not be entitled to nominate or vote in the election of any other members of the MRC;

(b) one (1) member of the MRC shall be the representative of, and shall be elected by, Large Bundled End-Use Consumers. Members that are Large Bundled End-Use Consumers shall be entitled to nominate and vote in the election of such members of the MRC in accordance with the foregoing rights, but shall not be entitled to nominate or vote in the election of any other members of the MRC; and

(c) three (3) members of the MRC shall be representatives of, and shall be elected by, Consumer Advocates. Members that are Consumer Advocates shall be entitled to nominate and vote in the election of such members of the MRC in accordance with the foregoing rights, but shall not be entitled to nominate or vote in the election of any other members of the MRC.

(v) State and Provincial Energy Authority/Tribes/Certain Public Interest Groups Member Class. In the election of members of the MRC, the voting rights of the Members of the State and Provincial Energy Authority/Tribes/Certain Public Interest Groups Member Class shall be as follows; provided, however, that *ex officio* Members of the State and Provincial Energy Authority Member Sub-Class may neither vote nor serve as representatives to the MRC:

(a) four (4) members of the MRC shall be representatives of, and shall be elected by, State and Provincial Energy Authorities; provided, however, if the State and Provincial Authority Member Sub-Class has five (5) or more Members, it shall elect five (5) members of the MRC. Members that are State or Provincial Energy Authorities shall be entitled to nominate and vote in the election of such members of the MRC, but shall not be entitled to nominate or vote in the election of any other members of the MRC;

(b) one (1) member of the MRC shall be the representative of, and shall be elected by, Tribes. Members that are Tribes shall be entitled to

nominate and vote in the election of such member of the MRC, but shall not be entitled to nominate or vote in the election of any other members of the MRC; and

(c) one (1) member of the MRC shall be the representative of, and shall be elected by, Certain Public Interest Groups. Members that are Certain Public Interest Groups shall be entitled to nominate and vote in the election of such member of the MRC, but shall not be entitled to nominate or vote in the election of any other members of the MRC.

6.3.3 Special Rules for Election of Members Representative Committee

Members when Thresholds Not Met or Zero Members. If a Member Class or Member Sub-Class has no threshold and zero (0) Members or a Member Class has one (1) or more Member Sub-Classes with thresholds and fewer than the applicable threshold number of Members (as specified in Section 5.14.2), then the voting rights shall be as set forth in this Section 6.3.3.

(i) If a Member Class has zero (0) Members (whether or not there is a threshold for that Member Class), then the Member Class shall not be entitled to elect any MRC members and the total number of members of the MRC shall be reduced by six (6) for every Member Class that has zero (0) Members.

(ii) If a Member Sub-Class has no threshold and zero (0) Members, then the Member Sub-Class shall not be entitled to elect any MRC members.

(iii) If a Member Sub-Class has a threshold and does not meet that threshold, then the Member Sub-Class shall elect a number of representatives to the MRC according to the following formula:

$$\frac{(M)}{(T)} * R = R_{\text{revised}}$$

The numerator “**M**” is the number of Members in the Member Sub-Class.

The denominator “**T**” is the threshold for the Member Sub-Class.

The variable “**R**” is the number of MRC representatives assigned to the Member Sub-Class in Section 6.3.2.

The result “**R_{revised}**” is rounded to the next highest whole number if the first digit following the decimal is five (5) or greater, or rounded to the next lower whole number (including zero (0)) if the

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first digit following the decimal is less than five (5) and represents the number of MRC representatives the Member Sub-Class may elect.

By way of illustration, if a Member Sub-Class is entitled to elect five (5) MRC MRC representatives upon meeting its threshold of five (5) Members, but there are only four (4) Members in the Member Sub-Class, then the Member Sub-Class elects four (4) MRC representatives, as shown by the following calculation:

$$\frac{(4)}{(5)} * 5 = 4$$

By way of further illustration, if a Member Sub-Class has no Members, it will have no MRC representative elected only to represent the interest of that Member Sub-Class, as shown by the following calculation:

$$\frac{(0)}{(5)} * 5 = 0$$

(iv) If, by operation of Section 6.3.3(ii) or Section 6.3.3(iii), a Member Sub-Class has elected fewer than the maximum number of MRC representatives that it would otherwise have been entitled to elect in accordance with Section 6.3.2, then the Member Class as a whole shall elect the remaining MRC representatives necessary to reach the number of MRC representatives provided for that Member Class in Section 6.2, provided, however, that if the affected Member Class is the Generators, Power Marketers, Large Generating End-Use Consumers, and Others Member Class, then, at any time that the number of Members of the Generators Member Sub-Class is greater than or equal to one, the Generators Member Sub-Class alone shall elect a sufficient number of additional MRC representatives to bring the total number of MRC representatives of the Generators, Power Marketers, Large Generating End-Use Consumers, and Others Member Class to six (6).