

**SUMMARY OF SUBSTANTIVE CHANGES
TO DEVELOPMENTAL BYLAWS
SINCE MAY 19, 2004 RRG MEETING**

Section Title	Section No.	Summary of Change
Affiliate definition	1.1.1	Included “joint operating entity” to list of those not considered Affiliates.
Transmission Agreements definition	1.1.42	Added language to clarify that transmission owners’ or operators are providing transmission facilities that will enable the Corporation to perform services.
Purposes	3.1	Added language explaining purpose to build upon technical work of RRG work groups prior to seating of Developmental Board.
Consultation with Governmental Committee	4.2	Clarified that representatives to the Governmental Committee may be designated by voting or <i>ex officio</i> members of State/Provincial Sub-Class or by regulatory commissions of Participating Jurisdictions that are not Members of Corporation.
Classes of Members	5.2.3(iii)	Deleted option for large end-use customers with generation to elect between End-Use Consumer and “Others” ub-class of Generators/Marketers Class; added language stating that a generator having greater generation than its end-use load is assigned to “Others” Sub-Class of Generators/Marketers Class.
Classes of Members	5.2.3(iv)	Adjusted qualifications for End-Use Consumer Member Class to include generators with less generation than end-use load.
Qualifications and Admissions of Members	5.3.2	Added option for “voting or <i>ex officio</i> ” membership in State/Provincial Energy Authorities Class.
Qualifications and Admissions of Member	5.3.3	Added payment and waiver of membership fee language to membership qualifications for Tribes.
Qualifications and Admissions of Members	5.3.4	Clarified that membership application process applies to all applicants. Deleted “other than a State of Provincial Energy Authority or Tribe” exception from application processing language.
Qualifications and Admissions of Members	5.3.7	Moved language regarding designated representative’s authority and representation of more than one Member to Section 5.14.1(ii).
Admission by Developmental Board – Application and Approval	5.5.1(i)	(1) Deleted “other than a State of Provincial Energy Authority or Tribe” exception from application requirement to provide information. (2) Added language providing Secretary authority to reject application if deficient.
Quorum Rules for Binding Member Votes	5.13.1(ii)	Added additional qualifying language regarding quorum of Member Class without Sub-Classes: <i>Ex officio</i> members (as well as non-voting MTU members) don’t count.

Section Title	Section No.	Summary of Change
Quorum Rules for Binding Member Votes	5.13.1(iii)	Added language clarifying that <i>ex officio</i> members don't count toward quorum of Member Sub-Class.
Quorum Rules to Remove MRC Members and Fill Vacancies	5.13.2(ii)	Added language clarifying that <i>ex officio</i> members don't count toward quorum of Member Class meeting lacking Sub-Classes.
Quorum Rules to Remove MRC Members and Fill Vacancies	5.13.2(iii)	Added language clarifying that <i>ex officio</i> members don't count toward quorum of Member Class meeting with Sub-Classes.
Voting of Members (Other Than Advisory Votes) – General Voting Rules	5.14.1(i)	Moved language stating that Members may not vote by proxy and that alternates shall not be considered proxies to Section 5.14.1(ii).
Voting of Members (Other Than Advisory Votes) – General Voting Rules	5.14.1(ii)	Inserted language stating that Members may not vote by proxy and that alternates shall not be considered proxies and covering designated representative's authority and representation of more than one Member.
Membership Thresholds	5.14.2	New section. No thresholds for MTU and TDU Classes (notation made that this is under discussion). Thresholds for Generators/Power Marketers Sub-Class is 5; for Other Sub-Class is 5; Large Unbundled End-Use Consumers Sub-Class is 2; Large Bundled End-Use Consumers Sub-Class is 1; Consumer Advocates Sub-Class is 3; State/Provincial Authorities Sub-Class is 4 (<i>ex officio</i> Members don't count); Tribes Sub-Class is 1; and Certain Public Interest Groups Sub-Class is 1.
Allocation of Voting Power When Member Sub-Class Is Met	5.14.3	Inserted subheading and subsection. Language was separated from prior section. Existing language retained except as noted below.
	5.14.3(i)	Inserted drafting note: MTU voting generally under discussion.
Allocation of Voting Power When Member Sub-Class Is Met	5.14.3(ii)	Inserted drafting note "under discussion" for TDU subsection. Deleted last part of sentence to indicate further language development is needed.
Allocation of Voting Power When Member Sub-Class Is Met	5.14.3(iii)(1) 5.14.3(iv)(4) 5.14.3(v)(4)	Deleted subsections no longer applicable given new voting proposal. (New provision is in Section 5.14.4.)
Allocation of Voting Power When Member Class Has Zero Members or If Member Sub-Class Thresholds Not Met	5.14.4	New section. Rules for reallocation of voting power of an unpopulated Member Class and for reallocation within a Member Class if a Member Sub-Class fails to meet its threshold. Formulas for calculating voting power reduction of Member Sub-Class is included. Tables 1 and 2 provided to illustrate application of this section.
Tabulation of Certain Member Votes	5.14.5	Deleted reference to vote on initial offer.

Section Title	Section No.	Summary of Change
Election of MRC Members	6.3.2	Added language directing reader to proper section for voting rights (in election of MRC Members) under different circumstances (e.g., sub-classes or no sub-classes; thresholds met or not met).
Election of MRC Members	6.3.2(i)	MTU Class: Drafting note added that this section is under discussion.
Election of MRC Members	6.3.2(ii)	TDU Class: Drafting note added that this section is under discussion. Deleted prior language.
Election of MRC Members	6.3.2(iii)	Generators/Power Marketers/Others Class: Deleted language no longer applicable to new voting proposal (e.g., first four subparagraphs).
Election of MRC Members	6.3.2(iv)(a) and (c)	End-Use Consumer Class: Deleted language no longer applicable to new voting proposal (e.g., “so long as there are at least #” language under MRC representatives of Large Unbundled End-Use Consumers and Consumer Advocates Sub-Classes).
Election of MRC Members	6.3.2(v)	State and Provincial Energy Authorities/Tribes/Certain Public Interest Group Class: Added language stating that <i>ex officio</i> Members of Sub-Class may neither vote nor serve as representatives to MRC.
Election of MRC Members	6.3.3	New section. Voting rights for Member Classes that have 1 or more Sub-Classes with fewer than the applicable threshold number of Members. Formulas included.
Voting of MRC Members	6.12	Added language stating that MRC members shall not vote by class; shall vote consistent with the interests of the Member Class that elected it and the purposes of the Corporation; and shall select Board of Trustee individuals who best satisfy criteria. Deleted old language regarding selection of individuals for Board of Trustees.
Interim Board of Trustees – Purposes and Authorities	7.1.1	Clarified that Interim Board can return Corporation to previous status by revising language to state that if Developmental Board is not seated within 8 months, Board of Trustees has authority to reorganize as non-membership, nonprofit corporation.
Member Vote Related to Adoption of Operational Bylaws	12.2	New section. Prior to Member vote, requires Board to develop a business plan covering the first two years of the Operational Stage for recommendation to the Operational Board. Deleted four old alternatives and proposed revised alternatives. Timing of voting alternatives revised to reflect RRG input and Bylaws Workgroup proposal. Goal was to reach consensus on timing of any vote and thereby narrow range of options under consideration to whether or not to have any vote and, if so, whether the vote is binding or advisory.