

**October 11, 2004 RRG Discussion Draft
Proposed Revisions to Grid West Operational Bylaws**

5.9 Meetings of Members.

5.9.1 There shall be bi-annual meetings of the Members of the Corporation at approximately six (6) month intervals at such date, time, and place within the Geographic Area, as the Board of Trustees shall determine. At one such bi-annual meeting, the members of the Board of Trustees and officers of the Corporation shall (i) deliver to the Members (to the extent not delivered previously) the annual financial statements of the Corporation prepared in accordance with the requirements of Section 10.2 and copies of the Corporation's budgets for at least the current and next fiscal years, (ii) discuss other significant matters affecting the Corporation, (iii) describe the Corporation's progress on carrying out the purposes in Article III, and (iv) respond to any questions of the Members with respect thereto. ~~At that same bi-annual meeting, the Members shall elect the MRC as set forth in Section 6.3.~~

5.9.2 The first bi-annual meeting of Members shall be conducted within six (6) months following the last annual meeting of the Members conducted under the Developmental Bylaws. At that same bi-annual meeting, the Members shall hold the first vote to elect the MRC under these Operational Bylaws as set forth in Section 6.3.

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6.1 Powers and Rights of Members Representative Committee Members. The Corporation shall have a MRC which, subject to these Operational Bylaws and applicable law, shall have the following rights and powers:

6.1.1 The exclusive right and power to (i) nominate and elect members of the Board of Trustees pursuant to Section 7.2~~5~~, and (ii) remove any Trustee without cause pursuant to Section 7.3;

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6.5 Term of Office of Members Representative Committee Members. The term of office for the first group of MRC members elected under these Operational Bylaws shall be from the date of their election until the subsequent bi-annual meeting of Members held in compliance with the information delivery requirements of Section 5.9.1. Thereafter, the term of office of MRC members shall be one (1) year. Except for the first group of MRC members to be elected under these Operational Bylaws, Tthe MRC shall be elected at each bi-annual meeting of Members held in compliance with the information delivery requirements of Section 5.9.1. All MRC members may serve an unlimited number of terms.

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7.1.2 Number and Classification.

(i) There shall be nine (9) members of the Operational Board of Trustees. Trustees shall serve for the duration of their terms in accordance with these Bylaws and until their successors are elected.

(ii) The members of the Operational Board of Trustees shall be divided into three (3) groups of three members each. ~~In order to stagger the terms of the Board of Trustees, three (3) of the initial Trustees positions shall be one (1) year terms, Three (3) of the initial Trustees positions shall be two (2) year terms, and three (3) of the initial Trustees positions shall be three (3) year terms, and three (3) of the initial Trustees positions shall be four (4) year terms. If any members of the initial Operational Board of Trustees are former members of the Developmental Board of Trustees as provided in Section 7.2.3 below, those Trustees shall be included in the group of Trustees whose initial term is for two (2) years. After the expiration of the initial terms all Trustee positions shall carry three (3) year terms. Subject to the requirement to include former members of the Developmental Board of Trustees in the group of Trustees whose initial term is for two (2) years, ~~the~~ MRC shall determine the term each initial Trustee serves.~~

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7.2.2

(i) ~~Prior to~~ Before each election of ~~the Operational Board of Trustees under these Operational Bylaws, such the~~ executive search firm or firms selected by the Board of Trustees under Section 7.2.1 shall develop a slate of qualified candidates. The Board of Trustees in consultation with the MRC may direct the firm or firms to provide a specific number of candidates, with the minimum to be equal to the number of vacancies plus one (1) and the maximum to be twice the number of vacancies to be filled in such election. Unless a Trustee has given notice to the Secretary of the Corporation that he or she does not wish to be considered for re-election, any Trustee whose term is expiring as of an upcoming election shall be automatically included among the candidates to be considered by the MRC for nomination.

(ii) The slate of qualified candidates identified by the executive search firm(s) should include individuals possessing, collectively, knowledge of the operational characteristics of the Pacific Northwest power system and executive management experience or board experience with electric utilities and personal abilities and qualities, such as integrity and leadership, problem-solving, facilitation, and consensus-building abilities. The search firm shall also endeavor to include individuals with relevant

experience in commodities markets (including commodities trading risk management), electric bulk power transmission in the Western Interconnection, utilities law, finance, economics, accounting, information technology, engineering, regulation, and public policy; and to achieve racial, ethnic, age, and gender diversity. In screening potential candidates the executive search firm shall be instructed to exclude any candidates likely to have a conflict of interest with the duties of a Trustee. The executive search firm shall also be instructed to obtain appropriate disclosures by candidates (covering themselves and Related Persons to such candidates) regarding financial interests or other potential conflicts of interest in Market Participants, Members, and major contractors of the Corporation. Such disclosures shall also include any such financial interests or other potential conflicts of interest known by the candidates with respect to other family relations of the candidates. Such disclosures of qualified candidates shall be made available on a confidential basis to the MRC upon its election.

(iii) The MRC shall nominate candidates to stand for election from the slated of qualified candidates presented by the such executive search firm(s), together with any sitting Trustees the MRC wishes to nominate for re-election as provided in Section 7.2.2(i) above. The MRC may designate any nominee to run unopposed if the proposal to so designate the nominee receives the affirmative vote of not less than twenty (20) MRC members.

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7.2.3 Notwithstanding Section 7.2.4, the MRC shall elect two (2) Trustees from the Developmental Board of Trustees to be Trustees on the initial Operational Board of Trustees.

(i) If only one (1) or two (2) Trustees from the Developmental Board of Trustees are willing to serve on the Operational Board of Trustees, those Trustees shall be deemed to have been elected to the Operational Board of Trustees and are not required to stand for election.

(ii) If three (3) or more Trustees from the Developmental Board of Trustees are willing to serve on the Operational Board of Trustees, they shall all stand for election. The two (2) Developmental Board Trustees with the greatest number of votes shall serve as the Trustees of the Operational Board of Trustees.

(iii) The MRC shall also elect, according to the procedures set forth in Section 7.2-5, seven (7) or more additional Trustees so that a total of nine (9) Trustees are elected for the Operational Board of Trustees.

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7.2.4 Election of Board of Trustees.

(i) The members of the Board of Trustees shall be elected by the members of the MRC, in accordance with the provisions of this Article VII.

(ii) Except as otherwise provided for the initial Operational Board of Trustees in Section 7.2.3, ~~the each~~ members of the Board of Trustees, including nominees designated by the MRC to run unopposed, shall be elected by the affirmative vote of not less than twenty-~~four~~ (204) of the thirty (30) members of the MRC unless there is a need for runoff elections as specified in Section 7.2.4(iii) below. In any election of Trustees, each member of the MRC shall be entitled (a) to a number of votes equal to the number of vacancies to be filled in the election and (b) to vote for any nominee for Trustee and shall be required to vote for as many nominees as there are vacancies to be filled in the election; provided, however, that no member of the MRC (1) may cast more than one (1) vote for any given nominee; (2) may vote for any number of nominees in excess of the number of Board vacancies to be filled in such election, or (3) is required to vote for an unopposed nominee for whom the Member did not vote affirmatively to nominate. Except with respect to the vote on a nominee designated to run unopposed by a Member that did not support the nomination, if any member of the MRC fails, in any election of Trustees, to cast each and all of the votes that such MRC member is entitled to cast, each vote that such MRC member has failed to cast shall be allocated at random, one by one, to another MRC member and cast by such MRC member in favor of a nominee of such member's choice for Trustee in such election. Except as permitted in connection with runoff elections as specified in Section 7.2.4(iii) below, the Trustees-elect shall comprise only those nominees receiving the highest vote (but not in any event less than twenty-~~four~~ (204) votes) of the MRC members, up to such number of nominees as is equal to the number of Board vacancies to be filled in such election. If a vacancy cannot be filled because two (2) or more nominees receiving at least twenty-~~four~~ (204) votes receive the same number of votes, a runoff election shall be held among such nominees and shall be repeated until the tie is broken. At any time during the identification of candidates for nomination or during the process of electing Trustees, the MRC may request that the executive search firm(s) undertake a further search for additional candidates for any vacant position(s).

(iii) If fewer than the requisite number of nominees receive twenty-~~four~~ (204) or more votes in an election of Trustees, a first-round runoff election shall be held among the nominees receiving less than twenty-~~four~~ (204) votes. The minimum number of MRC votes required to elect a Trustee in a first-round runoff election shall be twenty

(20). The number of nominees for which the MRC may vote in a first-round runoff election may not exceed two (2) times the number of vacancies remaining after accounting for those nominees who received receive twenty (20) or more votes in the initial MRC vote. The number of nominees standing for election in a first-round runoff election shall be reduced, if necessary to comply with the preceding sentence, by removing from the first-round runoff election those nominees who received the fewest votes in the initial MRC vote.; and in the event that If fewer than the requisite number of nominees receive twenty (20) or more votes the requisite vote in such in the first-round runoff election, the MRC shall be entitled to request that the executive search firm or firms retained by the Board of Trustees for the purpose of identifying suitable Trustee candidates undertake a further search for substitute candidates for the vacant position or positions. there shall be a second-round runoff election to fill any remaining vacancies, and the minimum number of MRC votes required to elect a Trustee in a second-round runoff election shall be sixteen (16). The number of nominees for which the MRC may vote in a second-round runoff election may not exceed two (2) times the number of vacancies remaining after accounting for those nominees who received receive twenty (20) or more votes in the first-round runoff elections. The number of nominees standing for election in a second-round runoff election shall be reduced, if necessary to comply with the preceding sentence, by removing from the second-round runoff election those nominees who received the fewest votes in the first-round runoff election. If there are any vacancies remaining to be filled after a second-round runoff election, those vacancies shall be filled by the nominees who received the greatest number of votes in the second-round runoff election. The MRC chairperson shall draw lots to break any ties as necessary to carry out the foregoing provisions. Immediately following any election of Trustees, the Secretary of the Corporation shall provide official notice of the results of such election to the members of the MRC and the Members.

(ivii) Immediately upon completion of the election of Trustees, the Secretary of the Corporation shall provide official notice of the results of such election to the members of the MRC and the Members. Unless otherwise specified herein, the MRC shall determine the appropriate mechanisms and election procedures for elections of Trustees, based on time constraints and other relevant factors. Elections may be held by written ballot at a meeting, votes cast at a meeting, or such other procedures as the MRC designates.

7.3 Resignation or Removal of Trustees; Vacancies. A resignation of a Trustee shall be effective upon receipt of written notice by the chairperson of the Board of Trustees, or the President or the Secretary of the Corporation, unless the notice specifies a later time of effectiveness. The members of the MRC may remove any Trustee at any time, with or without cause, by the affirmative vote of not less than twenty ~~four~~ (20) of the members of the MRC present at a duly held meeting of the MRC. ~~The members of the MRC may remove any Trustee at any time, for cause, by the affirmative vote of not less than twenty (20) of the members of the MRC present at a duly held meeting of the MRC.~~ The Board of Trustees may remove any Trustee at any time, but only for cause, if at least two-thirds (2/3) of the Trustees then in office vote in favor of such removal. If a vacancy occurs, the members of the MRC shall

elect a replacement Trustee to fill the vacancy in accordance with the provisions of Section 7.2.4. A Trustee so elected shall serve for the unexpired term of his or her predecessor. For purposes of this Section 7.3, "for cause" shall include, without limitation, a Trustee's willful misconduct or conviction of a felony, violation by a Trustee of the conflict-of-interest or disqualification provisions of these Operational Bylaws, or a failure on the part of a Trustee, in any fiscal year, to attend more than one-half (1/2) of the meetings of the Board of Trustees held during such year.

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7.11 Continuing Restrictions on Former Trustees.

7.11.1 General Restrictions. Except as set forth in Section 7.11.2, ~~during the period of one hundred eighty (180) consecutive days following the date on which an individual ceases to be a Trustee:~~

(i) during the period of one hundred eighty (180) consecutive days following the date on which an individual ceases to be a Trustee, neither such individual nor the spouse, domestic partner, or any legal dependent of such individual may have or acquire a direct or indirect financial interest in a Market Participant or Member (or any Affiliate of any of such Persons); provided, however, that such individual (or the spouse, domestic partner, or any legal dependent of such individual) will be permitted to own securities of a Market Participant or Member (or any Affiliate of any of such Persons) through diversified mutual funds (other than those funds concentrating their investments in the electric power industry or the electric utility industry or any segment thereof);

(ii) during the period of three hundred sixty-five (365) consecutive days following the date on which an individual ceases to be a Trustee, neither such individual nor the spouse, domestic partner, or any legal dependent of such individual:

(a) may be or become connected as an owner, director, officer, employee, partner, principal, consultant, or in any similar capacity to a Market Participant or Member (or any Affiliate of any of such Persons); or

(b) may receive in such person's individual capacity an amount in excess of \$10,000 (U.S.) (exclusive of retirement income or benefits) in the aggregate from the Corporation, any Market Participant, or any Member (or any Affiliate of any of such Persons) as rent or payments for materials, products, or services; and

(iii) during the period of three hundred sixty-five (365) consecutive days following the date on which an individual ceases to be a Trustee, neither such individuals nor any Related Person of such individuals may receive an amount in excess of \$10,000 (U.S.) (exclusive of retirement income or benefits) from relationships with other entities that receive substantial amounts of income or other benefits from the

Corporation, any Market Participant, or any Member (or any Affiliate of such Persons). The Board of Trustees shall have the discretion to determine from time to time in meetings open to the public what shall constitute substantial amounts of income or other benefits for purposes of this restriction.

7.12.2 Guiding Principles for Decisions. The Board of Trustees when considering whether to adopt a proposal regarding the provision of transmission services (including the Special Issues List), shall, at a minimum, take into account the following considerations to satisfy itself that any proposal adopted is warranted:

- (i) The proposed change responds to a current, identifiable problem or opportunity and is reasonably expected to result in an improvement over existing practices.
- (ii) The benefits of the proposed change (qualitative or quantitative) the Trustees expect to result from the change, taken individually or in conjunction with other prior or anticipated changes, are likely to be greater than the anticipated burdens of the proposed change.
- (iii) The proposed change can be implemented in a manner that is not inconsistent with (a) the Corporation's legal obligations, (b) Transmission Agreements, (c) third-party agreements for coordination of generating resources, and (d) third-party agreements for transmission services that were (aA) executed by transmission owners and operators signing Transmission Agreements, and (bB) in existence before the Corporation offers transmission services.
- (iv) The proposed change is not reasonably expected to preclude the implementation of further changes in the future to solve remaining problems (including remaining items on the Special Issues List) or take advantage of opportunities.
- (v) The proposed change is reasonably designed to minimize or mitigate cost shifts.

ARTICLE VIII

COMMITTEES OF THE BOARD OF TRUSTEES

8.1 Committees of Trustees. In addition to the committees described in Section 8.3 and 8.4, the Board of Trustees may, by resolution adopted by a majority of the Trustees then in

office, designate one (1) or more committees, each consisting of two (2) or more Trustees, to serve at the pleasure of the Board of Trustees. Appointments to such committees may be made at any meeting of the Board of Trustees by a majority vote of the Trustees then in office. Each committee shall have such authority of the Board of Trustees as is delegated by resolution of the Board, except that no committee, regardless of the Board of Trustees resolution, may:

8.1.1 Elect, appoint, or remove any member of such committee, any Trustee, or any officer of the Corporation;

8.1.2 Appoint any other committees of the Board of Trustees or the members of any such committees;

8.1.3 Fix compensation of Trustees for serving on the Board of Trustees or any committee;

8.1.4 Amend, alter, or repeal these Bylaws, or adopt new bylaws, or amend the Articles of Incorporation;

8.1.5 Amend, alter, or repeal any resolution of the Board of Trustees;

8.1.6 Adopt a plan of merger or consolidation;

8.1.7 Authorize or cause the Corporation to enter into any binding contract or other legal obligation or incur any liability;

8.1.8 Authorize the sale, lease, exchange, mortgage, or pledge of all or substantially all of the property or the assets of the Corporation; or

8.1.9 Authorize the voluntary dissolution of the Corporation or revoke proceedings therefore, or adopt a plan for the distribution of the assets of the Corporation on dissolution.

8.1.10 Take any final action with respect to the Special Issues List set forth in Section 7.16.

8.2 Advisory Committees. ~~In addition to the advisory committees described in Sections 8.5 and 8.6,~~ The Board of Trustees may, by resolution adopted by a majority of the Trustees then in office, appoint advisory committees to serve at the pleasure of the Board of Trustees ~~(in addition to those advisory committees identified in these Operational Bylaws)~~. Advisory committees' membership may consist of both Trustees and non-Trustees or non-Trustees only. Advisory committees have no authority to act for the Corporation but shall report their findings and recommendations to the Board of Trustees.

8.3 Audit Committee.

8.3.1 There shall be an Audit Committee of the Board of Trustees consisting of three (3) or more Trustees elected by the Board of Trustees.

8.3.2 The Audit Committee shall have no powers of the Board of Trustees but shall serve in an advisory capacity by reviewing (i) the Corporation's annual independent financial audit and preparing a report for the Board of Trustees, (ii) the Corporation's program for compliance with laws and regulations, and (iii) the financial controls in the business practices of the Corporation. In addition, the Audit Committee shall monitor compliance with the Corporation's Conduct Rules for Trustees and Employees to ensure the Corporation's independence and freedom from conflicts of interests, and shall make regular reports to the Board of Trustees regarding such compliance. The Audit Committee shall make recommendations from time to time to the Board of Trustees as to the implementation of procedures to ensure continued compliance with the Conduct Rules.

8.4 Human Resources Budget Committee.

~~8.4.1 There shall be a Human Resources Committee of the Board of Trustees consisting of three (3) or more Trustees elected by the Board of Trustees. There shall be a Budget Committee consisting of three (3) representatives of Members appointed by the Board of Trustees and two (2) Trustees. Each of the Budget Committee's members from the membership shall represent a different Member Class and shall, to the extent practicable, be current or former executives responsible for an organization's overall budget preparation or implementation. A quorum for any meeting of the Budget Committee shall be three committee members. Attendance at a meeting of at least a quorum is necessary for Budget Committee action, and decisions shall be made by majority vote.~~

~~8.4.2 The Human Resources Committee shall review and report to the Board of Trustees on candidates to fill officer positions for the Corporation. The Human Resources Committee shall also review and recommend to the Board compensation policies of the Corporation. The Budget Committee, with support from the Corporation's staff and after providing opportunities for the Board Advisory Committee to submit recommendations, shall:~~

~~(i) prepare an annual budget of expenditures and capital commitments for the next fiscal year and an estimate for an additional two years;~~

~~(ii) initiate or review and make recommendations regarding subsequent proposals for modification of the adopted budget ; and~~

~~(iii) perform such other functions as the Board may delegate or direct.~~

~~8.4.3 Budget Committee members shall have access to any information the Budget Committee determines is appropriate or necessary to carry out its duties. Prior to~~

commencing its work, the Budget Committee shall, in conjunction with the Corporation's counsel, establish guidelines for identification and treatment of confidential information.

8.4.4 The Budget Committee shall submit its recommended budget to the Board of Trustees by a date established by the Board. The Board shall identify any material changes it makes to the recommendations of the Budget Committee when it submits its proposed annual budget, or any proposal for modification of the adopted budget, to the Board Advisory Committee pursuant to Section 8.5.3.

8.5 Board Advisory Committee.

8.5.1 The Corporation shall have a Board Advisory Committee to provide advice to the Board of Trustees on Board of Trustee decisions and other matters of significance to the Corporation. Membership on the Board Advisory Committee shall be open to any Member and its Affiliates. A Member and its Affiliates may participate on the Board Advisory Committee upon the Member providing the Secretary of the Corporation written notice of the name, address, telephone number, facsimile number, electronic mail address of its representatives. A Member may appoint no more than three representatives, and three alternates, who represent the interests of the Member or its Affiliates. A Member may at any time, effective upon notice to the Secretary of the Corporation, replace the individuals who are authorized to participate on the Board Advisory Committee. Each Member warrants to the Corporation and to the other Members that the individuals appointed to the Board Advisory Committee have the authority to participate in the Board Advisory Committee on behalf of the Member or Affiliate, and are authorized to participate in debate and consider input from others before taking a position. The Corporation shall maintain at all times a current list of the name, address, affiliation and interest of each individual appointed to the Board Advisory Committee. The list shall be posted on Grid West's Website and updated periodically.

8.5.2 The Board Advisory Committee shall advise the Board of Trustees on additions and revisions to the Corporation's rules and protocols, tariffs, reliability and operating standards, other technical matters, and other matters of concern to members of the Board Advisory Committee. The Board Advisory Committee may advise the Board of Trustees concerning any other issues relating to the Corporation, and may consider issues referred for the Board Advisory Committee's consideration from any source, including the Board of Trustees, any member of the Board Advisory Committee, any Member or any officer or employee of the Corporation. The Board of Trustees shall be required to consider any advice of the Board Advisory Committee which is timely provided to the Board of Trustees along with any other advice properly presented to the Board of Trustees without limiting the discretion or authority of the Board of Trustees to consider and take action on any matter in accordance with the provisions of these Operational Bylaws, the Articles of Incorporation and applicable law.

8.5.3 Except in the case of emergency as declared by the Board of Trustees, the Board of Trustees shall submit any proposed action concerning the matters enumerated below to the appropriate committee under Section 8.4, 8.7, 8.8, or 8.9. After receiving the committees' recommendations, the Board of Trustees shall provide an opportunity to the Board Advisory

Committee and Governmental Committee to advise the Board of Trustees concerning the following matters prior to any final action thereon by the Board of Trustees: (i) any proposed amendment or modification to the Grid West Tariff (including any proposed amendment or modification to the Corporation's rates or revenue requirements); (ii) any proposed amendment or modification to the forms of the Transmission Agreements; (iii) Grid West transmission system planning matters; (iv) the annual budget of the Corporation (including potential budget reductions and financial controls when a proposed budget materially exceeds the expenses for the prior audited fiscal year) and any subsequent modification to the annual budget; and (v) any proposed measures to implement market power or price mitigation. Such opportunity shall be afforded through notice to the Board Advisory Committee and Governmental Committee of any such proposed action not less than thirty (30) days prior to any final action thereon by the Board of Trustees; provided, however, that the Board of Trustees shall endeavor to provide the annual budget and any subsequent modification to the Board Advisory Committee and Governmental Committee at least ninety (90) days prior to any final action thereon by the Board of Trustees. Notice of all matters on which the Board Advisory Committee and Governmental Committee shall have the opportunity to advise the Board of Trustees prior to this Section 8.5.3 shall be posted on the Grid West Website and sent, not less than thirty (30) days before any final action, to each member of the public who has requested notice of Member meetings, for the purpose of allowing public comment and advice by the Board Advisory Committee and Governmental Committee. All public comments shall be made available to the Board Advisory Committee and Governmental Committee by the Secretary of the Corporation.

8.5.4 The Board Advisory Committee shall develop procedures to ensure that each Board Advisory Committee member has an adequate opportunity to propose issues for, and comment on issues under, consideration by the Board Advisory Committee.

8.5.5 The members of the Board Advisory Committee shall not vote on any issue, but shall instead provide advice to the Board of Trustees in the form of position papers reflecting all divergent points of view of Board Advisory Committee members (or, in the event that there is complete consensus among all the members of the Board Advisory Committee on an issue, a single position paper reflecting such consensus). In each case each such position paper shall be accompanied by the name of each Board Advisory Committee member who or which supports the advice provided in such paper.

8.5.6 The Board Advisory Committee shall select a chairperson and a vice chairperson who will convene and conduct the meetings of the Board Advisory Committee. The Board of Trustees shall be required to meet with the chairperson of the Board Advisory Committee not less than four times each fiscal year, advance notice of which shall be provided to other members of the Board Advisory Committee to afford them an opportunity to attend.

8.5.7 The Board Advisory Committee shall develop procedures to ensure that the business of the Board Advisory Committee is conducted in an effective, organized and timely manner. Members of the Board Advisory Committee shall have authority to refer matters to the staff of the Corporation for study and investigation (subject to the imposition by the Board of

Trustees and the President of the Corporation of reasonable controls on the use of staff time and resources).

~~8.5.8 The Board Advisory Committee may form one or more *ad hoc* or standing subcommittees to assist in accomplishing its functions. Such subcommittees shall be open to membership and participation by any interested Member.~~

~~8.5.9~~ Notwithstanding any provision of this Section 8.5, the existence of the Board Advisory Committee, and any action or failure to act by the Board Advisory Committee or any member thereof, shall not prevent any Member from appearing before, or being heard on any matter before, the Board of Trustees.

8.6 Governmental Committee.

8.6.1 There shall be a Governmental Committee consisting of representatives of the Corporation, interested members of the State or Provincial Energy Authorities Member Sub-Class and Tribes Member Sub-Class, and representatives of electricity regulatory commissions of Participating Jurisdictions that are not Members of the Corporation. Membership in the Corporation is not required for Participating Jurisdictions to participate on the Governmental Committee.

8.6.2 The purpose of the Governmental Committee is to provide consultation and such other activities as the Board of Trustees and representatives of participating Jurisdictions may agree are appropriate regarding the fulfillment of the Corporation's purposes. The structure, organization and administration of the Governmental Committee shall be defined by the participants on the Governmental Committee.

~~8.7 Tariff Committee. The Corporation shall have a Tariff Committee to advise to the Board of Trustees on the Corporation's tariff(s). The Tariff Committee shall consist of up to fifteen (15) representatives of Members appointed by the Board of Trustees. Trustees may, but are not required to serve on the Committee. The Board of Trustees shall endeavor to select representatives from each of the Member Classes to serve on the Tariff Committee, and shall endeavor to select individuals who are current or former executives or managers responsible for defining the terms and conditions for electric transmission services.~~

~~8.8 Operations Committee. The Corporation shall have an Operations Committee to advise the Board of Trustees on operational matters. The Operational Committee shall consist of up to fifteen (15) representatives of Members appointed by the Board of Trustees. Trustees may, but are not required to serve on the Committee. The Board of Trustees shall endeavor to select representatives from each of the Member Classes to serve on the Operations Committee, and shall endeavor to select individuals who are current or former executives or managers responsible for electric transmission operations.~~

~~8.9 Planning Committee. The Corporation shall have a Planning Committee to advise the Board of Trustees on transmission-planning matters. The Planning Committee shall consist~~

of up to fifteen (15) representatives of Members appointed by the Board of Trustees. Trustees may, but are not required to serve on the Committee. The Board of Trustees shall endeavor to select representatives from each of the Member Classes to serve on the Planning Committee, and shall endeavor to select individuals who are current or former executives or managers responsible for electric transmission planning.

8.107 Meetings. Regular and special meetings of committees of the Board of Trustees and any advisory committees shall be governed by, and the procedures relating to such meetings and actions taken by such committees at such meetings or by written consent shall be carried out in accordance with, the provisions of Sections 7.4 through 7.9 concerning meetings of the Board of Trustees. For the purposes of the application of Article VII to the meetings of committees of the Board of Trustees or advisory committees, references in Article VII to the Board of Trustees shall be read as references to the applicable committee of the Board of Trustees or to the applicable advisory committee. Minutes of each meeting of any committee (with the exception of closed sessions held pursuant to Section 7.6) shall be kept and filed with the corporate records. The Board of Trustees may adopt rules for the governance of any committee not inconsistent with the provisions of these Operational Bylaws.

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ARTICLE XII

MISCELLANEOUS

12.1 Fiscal Year. The fiscal year of the Corporation shall be established at the discretion of the Board of Trustees.

12.2 Corporation Seal. The Corporation may have a seal as specified by resolution of the Board of Trustees. Such seal may be affixed to any and all corporate instruments, but failure to affix it shall not affect the validity of any instrument.

12.3 Notices. Except as and to the extent otherwise provided in these Operational Bylaws, any notice required or permitted to be given under or pursuant to these Operational Bylaws shall be required to be delivered to the intended recipient party either by first-class mail, in person, by facsimile equipment providing written confirmation of completed transmission, or by electronic mail at such party's address, facsimile number, or electronic mail address provided to the Secretary of the Corporation in accordance with the requirements of these Operational Bylaws. Notices delivered by mail shall be effective when deposited in the U.S. or Canadian mail, with first-class postage thereon prepaid. Notices delivered in person shall be effective upon delivery, and notices sent by facsimile or electronic mail shall be effective upon completion of successful transmission. Any Person may change the address to which notices should be sent by giving notice of such change to the Secretary of the Corporation in accordance with the requirements of this Section 12.3.

12.4 Dissolution and Merger or Disposition of Assets.

12.4.1 Methods of Dissolving the Corporation. The Corporation may be dissolved only according to Sections 12.4.2 or 12.4.3 below.

12.4.2 General Rule – Board of Trustee Proposals to Dissolve Corporation. The Board of Trustees may propose to dissolve the Corporation. The Board of Trustees shall dissolve the Corporation only ~~if upon the affirmative vote of the plan of dissolution developed by the Board of Trustees receives the approval of:~~ (i) at least two-thirds (2/3) of the Trustees then in office; and (ii) four (4) out of five (5) Member Classes ~~vote~~, each by a margin of at least two-thirds (2/3) of the total voting power held by the Member Class ~~(provided that the vote of Members also must comply with the requirements of RCW 24.03.220), in favor of the dissolution according to a plan of dissolution developed by the Board of Trustees~~. The vote by each Member Class shall be tabulated separately. In addition, with respect to Member Classes that include Member Sub-Classes, the proportion of voting power cast in each Member Sub-Class shall be tabulated separately, then aggregated with tabulation of other Member Sub-Class votes within the Member Class to determine the proportion of voting power within the Member Class as a whole that has voted in favor of or against the proposal or resolution. An example of how Member Class and Member Sub-Class voting power is to be calculated is set forth in Exhibit A. Notwithstanding Section 5.10.2, the proposed vote must be included on the proposed agenda for the meeting of Members in order for a vote to be taken on a proposed dissolution.

12.4.3 Special Rule – FERC Ordered Changes to Articles of Incorporation or Operational Bylaws. If FERC orders a change to the Articles of Incorporation or Operational Bylaws, the Board of Trustees shall preserve its rights of appeal. If FERC orders a change to the Articles of Incorporation or the Operational Bylaws, and the Members do not approve the change to the Articles of Incorporation according to the provisions of the Articles of Incorporation or the Members do not approve the change to the Operational Bylaws according to the provisions of Section 12.5.2, the Board of Trustees shall convene a special meeting of the Members to vote on the dissolution of the Corporation according to a plan of dissolution developed by the Board of Trustees that includes the restructuring costs of the transmission owners and operators signing Transmission Agreements. The Board of Trustees shall dissolve the Corporation if the plan of dissolution developed by the Board of Trustees receives the approval of at least ~~upon a favorable vote of:~~ (i) four (4) out of five (5) Member Classes ~~vote~~, each by a margin of at least two-thirds (2/3) of the total voting power held by the Member Class (provided that the vote of Members also must comply with the requirements of RCW 24.03.220), in favor of dissolution according to the plan of dissolution proposed by the Board of Trustees. The vote by each Member Class shall be tabulated separately. In addition, with respect to Member Classes that include Member Sub-Classes, the proportion of voting power cast in each Member Sub-Class shall be tabulated separately, then aggregated with tabulation of other Member Sub-Class votes within the Member Class to determine the proportion of voting power within the Member Class as a whole that has voted in favor of or against the proposal or resolution. An example of how Member Class and Member Sub-Class voting power is to be calculated is set forth in Exhibit A.

Notwithstanding Section 5.10.2, the proposed vote must be included on the proposed agenda for the meeting of Members in order for a vote to be taken on a proposed dissolution.

12.4.4 Distribution of Net Assets. Upon the dissolution or winding up of the Corporation, the Trustees shall, after paying, satisfying, discharging, or making adequate provision for payment of all of the liabilities and obligations of the Corporation, and subject to satisfaction of all applicable requirements of RCW 24.03.225 relating to dissolution, distribute all the remaining assets of the Corporation in accordance with the Articles of Incorporation.

12.4.5 Merger or Disposition of Assets. A merger of the corporation pursuant to RCW 24.03.195, or a sale, lease, exchange or other disposition of all or substantially all of the assets of the corporation other than in the ordinary course of business pursuant to RCW 24.03.215 shall require the same vote as set forth in Section 12.4.2 above. Notwithstanding Section 5.10.2, the proposed vote must be included on the proposed agenda for the meeting of Members in order for a vote to be taken on a proposed merger or disposition of assets pursuant to RCW 24.03.195 and RCW 24.03.215.

12.5 Amendment of Operational Bylaws.

12.5.1 Methods of Amending Bylaws. These Operational Bylaws may be amended only according to Sections 12.5.2 or 12.5.3 below.

12.5.2 Board of Trustee Proposals to Amend Bylaws. The Board of Trustees may amend these Operational Bylaws only by the affirmative vote of at least two-thirds (2/3) of the Trustees then in office and four (4) out of five (5) Member Classes vote, each by a margin of at least two-thirds (2/3) of the total voting power held by the Member Class, in favor of the amendment. The vote by each Member Class shall be tabulated separately. In addition, with respect to Member Classes that include Member Sub-Classes, the proportion of voting power cast in each Member Sub-Class shall be tabulated separately, then aggregated with tabulation of other Member Sub-Class votes within the Member Class to determine proportion of voting power within Member Class as a whole that has voted in favor of or against the proposal or resolution. An example of how Member Class and Member Sub-Class voting power is to be calculated is set forth in Exhibit A. Notwithstanding Section 5.10.2, the proposed vote must be included on the proposed agenda in order for a vote to be taken on a proposed amendment.

12.5.3 Member Initiatives to Amend Bylaws. A Member may propose amendments of these Operational Bylaws to the Board of Trustees. If the Board of Trustees does not submit a Member's proposed amendment of these Operational Bylaws to the Members for vote (either by not scheduling a vote on a proposed amendment or by voting to reject the proposed amendment), the Board of Trustees shall nevertheless cause a Member vote to occur on the proposed amendment at the next meeting of Members if either one (1) Member Class unanimously supports the proposed amendment or two (2) Member Classes vote, each by a margin of at least three-fourths (3/4th) of the total voting power held by the Member Class, in favor of submitting the proposed amendment to the Members for vote. The proposed amendment shall be approved by the Members if four (4) out of five (5) Member Classes vote,

*Proposed Revisions to Grid West Operational Bylaws
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each by a margin of at least two-thirds (2/3) of the total voting power held by the Member Class, in favor of the amendment. The vote by each Member Class shall be tabulated separately. In addition, with respect to Member Classes that include Member Sub-Classes, the proportion of voting power cast in each Member Sub-Class shall be tabulated separately, then aggregated with tabulation of other Member Sub-Class votes within the Member Class to determine proportion of voting power within Member Class as a whole that has voted in favor of or against the proposal or resolution. An example of how Member Class and Member Sub-Class voting power is to be calculated is set forth in Exhibit A. Notwithstanding Section 5.10.2, the proposed vote must be included on the proposed agenda in order for a vote to be taken on a proposed amendment.