

NARUC CONSTITUTION
(As amended November 15, 2010)

ARTICLE I
NAME AND DEFINITIONS

Section 1. The name of this Association shall be the "National Association of Regulatory Utility Commissioners."

Section 2. The following words, when used in the Constitution, shall have the following meanings:

- (a) The word "commission" shall mean a governmental commission, agency, board or other authority engaged in the regulation of public utilities or carriers;
- (b) The word "commissioner" shall mean the head or a member of the collegial body which is the ultimate decision-maker within a commission; and
- (c) The word "State" shall mean the several States, the District of Columbia, Puerto Rico and the Virgin Islands.

ARTICLE II
OBJECTIVES

The objectives of the Association shall be the advancement of commission regulation through the study and discussion of subjects concerning the operation and supervision of public utilities and carriers, the promotion of uniformity of regulation of public utilities and carriers by the several commissions, the promotion of coordinated action by the commissions of the several States to protect the common interests of the people with respect to the regulation of public utilities and carriers, and the promotion of cooperation of the commissions of the several States with each other and with the Federal commissions represented in the Association.

ARTICLE III
MEMBERS

Section 1. The active members of the Association shall be the officers of the Association, the commissioners of the commissions of the several States, the Federal Government and the Territories of the United States engaged in the regulation of public utilities or carriers; provided, however, that no more than ten commissions of the Federal Government shall be represented in the Association at any time. No State or Federal commission shall cast more than one vote on an issue before a committee or subcommittee, and where there is plural membership from a State or Federal commission the vote shall be divided equally among its members present. No proxy voting shall be permitted.

Section 2. The associate members of the Association shall be the staff members of the commissions prescribed in Section 1 of this Article, the staff members of the Association and its research arm, the commissioners and staff members of other commissions engaged in the regulation of public utilities and carriers who have been approved as members by the Association in annual convention, the members of Federal agencies engaged in energy supply, and the members of Federal, International, Tribal and State

agencies engaged in public utility and carrier policy formulation and planning and who are not otherwise entitled to membership within the Association. Commissioners who are associate members of the Association when appointed to committees and non-members of the Association when appointed to staff subcommittees shall be designated as non-voting observers. All international associate members shall have Observer status on the Committee on International Relations. Observers shall have all rights of participation, but shall not be entitled to vote.

Section 3. The honorary members of the Association shall be the former active members of the Association.

Section 4. The membership of those prescribed in Sections 1 and 2 of this Article is contingent upon their commissions promptly paying the annual assessment fees to the extent determined by the Board of Directors.

ARTICLE IV OFFICERS

Section 1. The officers of the Association shall be a President, a First Vice President, a Second Vice President, an Executive Director and a Treasurer. Only active members of the Association shall serve as President, First Vice President, Second Vice President and Treasurer.

Section 2. The President, the First Vice President and the Second Vice President shall be nominated from the floor and elected at a business session of each annual convention. The Treasurer shall be appointed by the President from among the State commission members of the Board of Directors and confirmed by the Board of Directors. The Treasurer must understand the financial complexity of the Association and have experience in budget management and/or with development and implementation of financial policies and procedures.

Section 3. The President and Vice Presidents shall hold office from the adjournment of the annual convention at which they are elected until the adjournment of the next annual convention and until their successors are chosen; except that if the office of President shall become vacant, the First Vice President shall automatically become President; and if the office of First Vice President shall become vacant, the Second Vice President shall automatically become First Vice President. If a vacancy shall occur in the office of President when there is no First Vice President, the Acting Chair of the Board of Directors shall also act as President until the vacancy shall be filled by election. The Treasurer shall be appointed by the President for a one year term subject to confirmation by a majority vote of the Board of Directors. The Treasurer may be reappointed for five additional terms without an additional confirming vote of the Board.

Section 4. The Executive Director shall be chosen by the Board of Directors subject to confirmation by the membership at the annual convention. The terms and conditions of the employment of the Executive Director shall be determined by the Board of Directors. The Executive Director may be terminated by the Board of Directors upon a majority of the total votes on the Board of Directors at the time of the vote.

Section 5. The officers, except as their powers and duties are elsewhere stated in this Constitution, shall exercise the powers and perform the duties ordinarily devolving upon such officers in similar organizations.

**ARTICLE V
PRESIDENT, VICE PRESIDENTS, AND TREASURER**

Section 1. The President shall be the chief executive officer of the Association and shall be assisted in the performance of his duties by the Vice Presidents.

Section 2. The President, in consultation with the Vice Presidents, the chair of each committee exercising jurisdiction over the subject matter, and the Executive Director, may adopt Association policy, not inconsistent with prior policy positions, to address new issues which require attention prior to the next meeting of the Board of Directors. The President shall present any such new policy to the Board of Directors at its next meeting for ratification or revision.

Section 3. The Treasurer is responsible for the prudent fiscal management of the Association and oversees the Association's financial policies and procedures. The Treasurer reports to the Board of Directors on the Association's financial status at each meeting, acts as chair of the Investment Committee, and assumes all other responsibilities outlined in the Association's bylaws or delegated by the Executive Committee. The Executive Director shall assist the Treasurer in the performance of his/her duties.

**ARTICLE VI
BOARD OF DIRECTORS**

Section 1. The Board of Directors shall consist of the President, who shall be Chair of the Board, the First Vice President, the Second Vice President, each past President who is an active member of the Association, twenty other active members representing State commissions each of whom shall be appointed by the President for a term of four years and until the successor is appointed, and not more than four active members representing Federal commissions each of whom shall be appointed by the President for a term of four years and until the successor is appointed. The Executive Director shall be an ex-officio non-voting member of the Board of Directors. Each State member appointed by the President since the election of officers at the last annual convention shall be confirmed or rejected immediately after the election of officers at the next annual convention by the voting membership of the Association at such convention and, if rejected, the appointment shall be immediately terminated and the membership shall elect an active member representing a State commission to serve for the remainder of the term and until the successor is appointed by the President. Any appointive vacancy shall be filled by appointment by the President for the unexpired term. The chair of each standing committee shall be a member of the Board of Directors. If there are two or more chairs or appointed State members from the same State, the vote shall be equally divided among them. If there are two or more appointed members from the same Federal agency, the vote shall be equally divided among them. Fifteen members shall constitute a quorum.

Section 2. The Board of Directors shall have general supervision of the work of the Association. It shall assign duties to the officers and committees of the Association as necessary to further the objectives of the Association and shall see that such duties are faithfully and properly performed.

Section 3. The Board of Directors shall have general charge of the arrangements for and holding of the annual conventions of the Association. The Board shall meet at least sixty days before each annual convention to prepare the program for the convention. The program shall determine the order of business for the convention and shall not be departed from except by a majority vote of the convention.

Section 4. The Board of Directors shall exercise oversight of the finances of the Association with the assistance of, and in conjunction with, the Executive Committee. The Board of Directors, through a recommendation from the Executive Committee, shall endeavor to bring about payments on an equitable basis by all such commissions sufficient to meet the reasonable expenses of carrying on the work of the Association.

Section 5. The voting members of the Executive Committee shall consist of the President, the First Vice President, the Second Vice President, and two additional members appointed by the President. The NARUC President shall ensure that each of NARUC's five regional affiliates is represented by one serving and voting member of the Executive Committee. The NARUC President shall consult with the leadership of a regional affiliate before appointing or changing that affiliate's voting member of the Executive Committee. The immediate past President and the Treasurer shall be eligible for appointment as voting members of the Executive Committee, but if not so appointed shall be ex officio non-voting members of the Executive Committee. The term of any appointed member of the Executive Committee shall be co-terminous with the term of the President making the appointment. The Executive Committee shall keep informed as to the financial needs of the Association and as to the payment of annual assessment fees by the commissions represented in the Association. The Executive Committee shall make recommendations as to the amount of payments to be made by such commissions for approval by the Board of Directors. The Executive Committee may not withdraw or transfer permanent reserve funds of the Association without the approval of the Board of Directors. The Executive Committee shall annually consider and make recommendations regarding the organizational structure of the Association. The Executive Committee shall also review and make recommendations on substantive changes to the business plan of the Association at least annually. The Executive Committee shall provide day-to-day policy guidance to the Executive Director within the framework of policies adopted by the Board of Directors and shall recommend policy revisions to the Board of Directors. The Executive Committee shall recommend the selection of the Executive Director and shall supervise the activities of the Executive Director. The Executive Committee shall also undertake such other actions and responsibilities and shall exercise such authority as delegated by the Board of Directors.

Section 6. The Subcommittee on Education and Research shall consist of four members of the Board of Directors and up to three other commissioner members appointed by the President and confirmed by the Board of Directors. The chair will be designated by the NARUC President for a three year term. The Subcommittee shall have responsibility for the oversight of the Association's educational and research programs. The Subcommittee's duties shall include the following, plus any other duties assigned it by the Board of Directors or the NARUC President: not less than every three years, undertake a comprehensive review of NARUC's educational, training and research programs and present recommendations to the NARUC Board; provide a report on the status of the Association's education and research activities at each meeting of the Board;

and create, review at appropriate intervals, and update if needed, a template memorandum of understanding that establishes appropriate standards and policies to govern the operation of any educational, training or research programs sponsored by NARUC. The Executive Director or other appropriate NARUC representative shall assure template elements appropriate for each memorandum of understanding are included. No memorandum of understanding governing the operation of a NARUC-sponsored program shall take effect until approved by the Board of Directors. The Subcommittee shall regularly review the respective memoranda of understanding and the programs operated thereunder by NARUC's university affiliates.

Section 7. The Subcommittee on Utility Marketplace Access shall consist of two members of the Board of Directors and at least five other commissioner members appointed by the President and confirmed by the Executive Committee. The NARUC President shall ensure that each of NARUC's five regional affiliates is represented by at least one member of the Subcommittee. The chair shall be designated by the NARUC President for a three year term. The Subcommittee shall have responsibility for furthering awareness and education regarding opportunities for diverse suppliers to participate in utilities' procurement programs, as well as encouraging utilities to review and amend, as applicable, their procurement strategies to ensure that diverse suppliers are included. The Subcommittee shall also work with State commissions and utilities to examine best practices for including diverse suppliers, including identifying market barriers and coordinating steps to eradicate such barriers. The Subcommittee shall also provide a report on the status of the Subcommittee's programs at each meeting of the Board.

ARTICLE VII INVESTMENT AND AUDIT COMMITTEES

Section 1. The Investment Committee shall consist of the Treasurer and two other members of the Board of Directors. The Treasurer shall act as Chair of the Committee. The President shall appoint the two other members from among the State commission members of the Board of Directors subject to confirmation by the Board of Directors. The committee will consult and work closely with the Executive Director and the Chief Financial Officer in carrying out its duties which shall include, but not be limited to: recommending criteria for selection of a financial manager; evaluating the performance of Association's financial manager; recommending, when appropriate, dismissal of Association's financial manager and a replacement; assuring the Association's business and investment strategies remain aligned; reviewing the Association's asset allocation structure quarterly and making recommendations to the Board as to any needed change; making as-needed investment decisions within the broad asset allocation structure approved by the Board between Association meeting; and other duties as delegated by the Board of Directors.

Section 2. The Audit Committee shall consist of the Treasurer, the President, and one other member of the Board of Directors. The Treasurer shall act as Chair of the Committee. The President shall appoint the remaining member from among the State commission members of the Board of Directors subject to confirmation by the Board of Directors. The committee will consult and work closely with the Executive Director and

the Chief Financial Officer in carrying out its duties, which shall include, but not be limited to: reviewing the Association's accounting, financial reporting, and systems of internal controls, the selection or retention, performance, and qualifications of an independent registered public accounting firm to conduct the required annual audits, the performance of the Association's internal audit function, and the Association's response to any auditor recommendations, as well as other duties as delegated by the Board of Directors.

ARTICLE VIII OTHER COMMITTEES

Section 1. In addition to the Board of Directors, there shall be the following standing committees of the Association:

Committee on Consumer Affairs
Committee on Critical Infrastructure
Committee on Electricity
Committee on Energy Resources and the Environment
Committee on Gas
Committee on International Relations
Committee on Telecommunications
Committee on Water

Section 2. Each standing committee shall consist of not more than fifty-four State commission members and three Federal commission members. Special committees of limited duration may also be created by the Board of Directors or the President to consider and make recommendations to the Board of Directors and the members of the Association on regulatory subjects not wholly within the jurisdiction of any one of the standing committees created by Section 1 of this Article. Appropriate subcommittees and staff subcommittees may be created to assist in the work of the standing and special committees. One third of the members of each committee and subcommittee shall constitute a quorum, provided, however, that in no case shall a quorum be less than two members.

Section 3. Each standing and special committee shall be subject to general supervision and policy direction by the Board of Directors.

Section 4. The President, within sixty days after the adjournment of the annual convention at which he or she is elected, shall appoint each member of the standing and special committees for a term ending with the adjournment of the next annual convention and until the successor is appointed unless the committee is terminated, and shall fill any vacancy therein for the unexpired term if necessary. Only members of the Association shall be appointed as members of the committees. The President shall appoint the chair of each committee and the chair of each staff subcommittee (as designated by the chair of the supervising committee) which, although immediately effective, shall be subject to confirmation or rejection by the committee or subcommittee. Upon the appointment of the chair, the Executive Director of the Association shall furnish a ballot on the issue to each member of the committee or subcommittee to be returned at a prescribed time, which shall not be less than fourteen days if mailed. At such time, the Executive Director

shall count the votes and publicly announce the result. If a majority of the votes cast are not in favor of confirmation, the office of chair shall be deemed vacated, and the President shall promptly appoint another member of the committee or subcommittee as chair, subject to the same procedure of confirmation or rejection. No member shall serve as chair of a committee or subcommittee for more than three consecutive terms. Members of staff subcommittees (other than the staff subcommittee chair) shall be appointed by the Chair of the supervising committee.

Section 5. Each committee shall prepare a written report on its activities and recommendations to each annual convention and shall file two copies of it with the Executive Director of the Association at least sixty days before the convention. The Executive Director shall disseminate copies of the report within three months of the convention.

ARTICLE IX ANNUAL CONVENTION

Section 1. One meeting of the members of the Association in convention shall be held each year and the proceedings thereof shall be recorded by the Executive Director. The time and place of the convention in any year shall be determined by the Board of Directors.

Section 2. Each active member registered and present at a convention is entitled to one vote in the election of an officer or upon any other question before the Association, except when a vote is cast by commissions; provided, however, that the Executive Director shall not be entitled to vote.

Section 3. When no active member representing a commission is present, a staff member of such commission registered at the convention, who presents written authority over the signature of the chair or of a majority of the active members of the commission to the Executive Director of the Association before the convening of the convention, may exercise the voting right of an active member of such commission.

Section 4. A vote shall be cast by commissions upon a question when demanded by four or more active members who would otherwise have been entitled to vote on the question. There upon, each commission having one or more active members present as provided in Sections 2 and 3 of this Article shall be entitled to one vote on such question if it concerns the election of an officer or an issue which affects its regulatory jurisdiction or assessment fees; provided, however, that when a State has two or more commissions, entitled to vote on the question if present, they shall have one combined vote which shall be equally divided among them. The vote of an absent commission shall be assigned to, or equally divided among, the other commission or commissions, respectively, of that State represented at the convention. The vote of a commission shall be equally divided among its active members present, and if only one such member is present he or she shall cast the vote of the commission; provided, however, that if only a minority of the active members of a commission is present and if the Executive Director of the Association has received a written communication, before the convening of the convention, signed by a majority of the active members of such commission that such minority is without authority to cast a vote for such commission on the question, no vote for that commission shall be cast upon such question.

Section 5. A secret ballot shall be taken in the case of a contested election for an officer or when recommended by the Board of Directors.

Section 6. Active members, as prescribed by Sections 2 and 3 of this Article, of forty percent of the commissions represented in the Association shall constitute a quorum.

ARTICLE X AMENDMENTS

Section 1. The Constitution may be amended at any annual convention by a majority vote if such amendment has been submitted in writing to the Executive Director of the Association, and by him or her sent to each commission represented in the Association at least thirty days before such annual convention. It may also be amended at any such convention without the giving of such prior notice by a two-thirds vote if the amendment is submitted in writing to the Executive Director by twelve noon on the second day of the convention. Any resolution to amend the Constitution may be amended by majority vote.

Section 2. Amendments to the Constitution shall be voted upon immediately after the election of officers and the confirmation or rejection of members of the Board of Directors and the election of a successor in the event of a rejection.

Section 3. The Constitution may also be amended at a plenary session of the Association convened during the week of the Winter or Summer committee meetings or at any other meeting of the entire Association; provided that such plenary session is authorized by a majority vote of the Board of Directors; and further provided that the Executive Director provides written notice of the plenary session to all commissions at least thirty days prior to such session. The procedures for determining a quorum prescribed by Section 6 of Article VIII and the requirements concerning advance circulation of proposed amendments and voting procedures prescribed by Section 1 of this Article shall apply at such plenary session.