

ELECTRICITY CONSUMERS RESOURCE COUNCIL

BY-LAWS

ARTICLE I

Offices

Section 1. The office of the Electricity Consumers Resources Council (ELCON or the Corporation) shall be located at 1333 H Street, N.W., Washington, DC 20005. The Corporation may also maintain offices at such other places as the Board of Directors may from time to time approve for the Corporation if required.

ARTICLE II

Purpose

Section 1. ELCON is an association of members of American industry acting together because of their mutual concern for and dependence upon an economically viable electricity supply industry as an essential part of total national energy requirements. ELCON seeks an efficient and adequate supply of electric energy on a basis fair for all users, not only for the benefit of industrial consumers and their labor force but also for consumers of their products and thus the overall economy.

Section 2. The purpose of ELCON is to promote by all lawful means the development and adoption of (a) efficient and competitive electricity generation markets and (b) coordinated, rational and consistent federal, state and local policies and regulations regarding transmission and distribution of power which will assure an adequate and reliable supply of electricity for all users at market prices for generation and based upon cost of service for the transmission and distribution customers. In pursuit of this purpose (a) ELCON shall not engage in the performance of services for individual parties or otherwise engage in any other activity of a kind ordinarily carried on for profit; (b) no part of ELCON's net earnings shall inure to the benefit of any Member of ELCON or any individual; and (c) ELCON shall otherwise operate in accordance with the general powers and limitations of an organization described in Section 501 (c) (6) of the Internal Revenue Code of 1954, as amended.

ARTICLE III

Fundamental Principles

The following shall be considered the fundamental principles of ELCON members:

1. Market forces generally do a better job than government or regulatory agencies in determining prices for electricity.
2. Laws and regulations that restrict the development of truly open and competitive electricity markets should be rescinded or amended.
3. The full benefits from competition will never fully materialize unless and until there is true and open competition in both wholesale and retail electricity markets.
4. Operation of and access to the transmission system should be non-discriminatory and open to any buyer or seller.
5. Where rate regulation continues to be necessary (e.g., in transmission and distribution), cost of service principles should be the basis for rates, terms and conditions of such service. Charges should be commensurate with benefits, and no class of user should subsidize another class.
6. The transmission system is interstate in nature and should be independently operated. "Balkanization" of the transmission system into smaller markets – with separate rules – rather than larger markets should be discouraged.
7. Legislative and regulatory protections are necessary to protect consumers from the exercise of market power abuse.

ARTICLE IV

Membership

Section 1. Any company which supports the purpose and principles set forth in Articles II and III and whose electrical energy uses and interests predominantly are and continue to be those of an industrial consumer shall be eligible for membership. An eligible company shall become a member upon submission of a request in writing and approval by the Board of Directors ("Board").

Section 2. Any entity not otherwise eligible for ELCON membership, but supportive of its principles, may be permitted to participate in certain functions and to receive various materials of ELCON, as determined by the Board. Such entities, or "affiliates," shall not be entitled to vote nor, in the absence of general membership approval, to participate in any general membership functions pertaining to the direction and affairs of ELCON. Fees for affiliates shall be determined by the Board and shall be

As approved, February 3, 2005

commensurate with the level of activity and service made available to such affiliates. To avoid involving actual or perceived conflicts of interest between their clients and ELCON, lawyers and law firms may not be affiliates of ELCON.

Section 3. The eligibility and qualifications for membership, and the manner of and admission into membership, shall be prescribed by resolutions duly adopted by the Board or by such rules and regulations as may be prescribed by the Board. All such resolutions or rules and regulations relating to members adopted by the Board of Directors of the Corporation shall be affixed to the By-Laws of the Corporation, and shall be deemed to be a part thereof. Such resolutions or rules and regulations adopted by the Board may prescribe, with respect to all Members, the amount and manner of imposing and collecting any initiation fees, dues, or other fees, assessments, fines and penalties, the manner of suspension or termination of membership, and for reinstatement of membership, and, except as may hereinafter otherwise be provided, the rights, liabilities and other incidents of membership.

Section 4. The general membership is the governing body of ELCON with responsibility for overall ELCON policy and direction. Each member company of ELCON shall be represented by one individual appointed and authorized by the company officially to represent that company in ELCON (“member representative”). Whenever such member representative is not available the Member shall appoint an alternate to attend any meeting or otherwise act with respect to any responsibility of membership. Unless ELCON is specifically notified in writing to the contrary the alternate shall have full power to vote and represent the Member.

Section 5. ELCON’s continued success depends upon the cooperativeness, professionalism, and commitment of those persons assigned by each Member company to serve as a member representative, on ELCON’s Board or on its committees, or to serve as officers. Each member company has the right to designate whomever it wishes to serve as that company’s member representative or as its representatives to ELCON committees. However, the ELCON Board of Directors, by two-thirds vote, may for adequate reason, including but not limited to actions reasonably deemed by the Board to be adverse to the best interest of ELCON, request after adequate notice that any such committee chair, vice chair, or committee member be replaced by another individual.

Section 6. The right or interest of a Member shall not terminate except upon the happening of any of the following events: resignation, expulsion, or dissolution or liquidation of the Corporation.

Section 7. The Annual Meeting of Members of the Corporation shall be held on such date or dates as shall be fixed from time to time by the Board or, if not so fixed, as may be determined by the Chairman of the Board of Directors. Each Annual Meeting shall be held on a date not more than thirteen months following the preceding Annual Meeting. Special Meetings of Members may be called by the Chairman or a majority of the Board of Directors and held on such date or dates as may be fixed by the Board of Directors of the Corporation, the Chairman of the Board of Directors or the

As approved, February 3, 2005

President and Chief Executive Officer, if any, from time to time and by the Members on such date or dates as shall be permitted by law. At least 20 days written notice shall be given to Members as to the time and place.

Section 8. A list or record of Members entitled to vote at any meeting of Members, certified by the transfer officer or officer responsible for its preparation, shall be produced at any meeting upon request therefore by any Member who has given written notice to the Corporation, which request shall be made at least 10 days prior to such meeting. Such list or record shall be evidence of the right of the persons to vote at such meeting, and all persons who appear on such list or record to be members may vote at such meeting.

Section 9. Votes may be cast in person, by proxy, via conference call, or by electronic device. A majority of the votes of the general membership present by member representative or proxy shall constitute a quorum at each meeting. A majority of the votes of those so present and voting constitutes general membership approval.

Section 10. Upon notice to all Members, any action which may be taken by the general membership at a meeting may be taken without a meeting by a majority, provided that action approved orally shall be confirmed subsequently by letter, telegram, facsimile, electronic communication, or other writing by Members so voting.

Section 11. Each Member shall have one vote upon all questions presented for action at any meeting of the Members.

Section 12. A Member shall remain a Member only so long as its dues payments shall be made in accordance with payment schedules established by the Board. A Member may resign at any time by written notice to the Board, but such resigning Member shall be responsible for annual dues for the year in which its resignation is received and for the initial commitment, if applicable. If there shall be a question whether any Member continues to be eligible for membership, the Board shall conduct such investigation, as it deems appropriate. If the Board shall conclude that the applicant no longer continues to be eligible for membership it shall so declare and thereupon such membership shall be terminated.

Section 13. Any Member may be expelled for adequate reason by a two-thirds vote of the Board of Directors. Any Member proposed for expulsion shall be given advance written notice including the reason for the proposed expulsion and the opportunity to contest the proposed expulsion in writing or in person before the Board of Directors and final written notice of the Board's decision.

Section 14. The acceptance of these By-Laws and any communication concerning application for membership and acceptance thereof shall be construed as the contract between ELCON and the particular Member. Each Member upon its election to membership shall be deemed to have agreed to the provisions of these By-Laws. No partnership between or among the Members is constituted for any purpose by these By-

As approved, February 3, 2005

Laws nor by virtue of these By-Laws is any Member or group of Members made the agent of any other Member or group of Members.

Section 15. Member dues shall be payable as established by the Directors from time to time. Membership requires an annual dues commitment by each Member. The Board shall establish and periodically review a payment schedule for dues.

ARTICLE V

Board of Directors

Section 1. The general membership shall (1) establish a Board and designate the number of Directors that shall provide a quorum thereof and (2) elect that number of Directors required so to constitute the Board from among the authorized representatives of the member companies and designate the terms of service thereof. The Board shall also elect a Chairman and select an independent certified public accounting firm to examine and certify ELCON's financial records regularly.

Section 2. Not fewer than three and not more than eleven Directors shall be elected by the general membership from among the member representatives. Directors shall serve three-year terms, unless shorter terms are specified by the general membership, so that to the extent feasible less than one-half of the Board shall be subject to election each year.

Section 3. The Chairman of the general membership shall be the Chairman of the Board. In the absence of the Chairman, the Vice Chairman will have the authority to perform the duties of the Chairman.

Section 4. The Board shall have the following basic responsibilities, among others, to be fulfilled in accordance with the directions of the general membership and the provisions hereof:

- (a) Managing the business and affairs of ELCON.
- (b) Proposing and implementing policy.
- (c) Approving and overseeing the execution of programs.
- (d) Establishing an annual budget and scheduling and amounts of member company dues payments.
- (e) Determining the composition, retention and compensation of a professional staff. In addition, the Board shall retain a general counsel and such other experts, as it deems necessary.

As approved, February 3, 2005

Section 5. A majority vote of a quorum of the Directors in person, by proxy, via conference call, or by electronic device is required to constitute Board approval. Upon notification to all members of the Board, any action which may be taken by the Board at a meeting may be taken without a meeting by the same number of Board Members as constitute a quorum; provided that action approved orally, shall be confirmed subsequently by letter, telegram, facsimile, electronic communication, or other writing by the same quorum of Board Members.

Section 6. A Director may be removed for adequate reason by a two-thirds vote of the general membership.

Section 7. The Chairman of the Board shall oversee the retention of a President and Chief Executive Officer. The executive director shall carry out the policies established by the Board and general membership. The executive director shall hire such employees as shall be necessary for the proper conduct of the work of ELCON, subject to approval of the Board.

Section 8. The Board shall delineate the functions of any standing or ad hoc committees the Board considers desirable to establish. Committee members need not be appointed from the member representatives.

ARTICLE VI

Officers

Section 1. The Officers of ELCON shall be a Chairman, a Vice Chairman, a Secretary- Treasurer and such other officers as may be designated from time to time by the Board. The Chairman shall be a member of the Board of Directors but no other officer shall be required to be a member of the Board or a member representative.

Section 2. The Chairman shall preside over meetings of the general membership and of the Board and shall perform such other duties as shall be assigned to him by the general membership and the Board.

Section 3. The Secretary-Treasurer shall see that a record is kept of all meetings, perform such other duties as are pertinent to the office of Secretary-Treasurer and make an annual report at each annual meeting. The Secretary-Treasurer shall oversee the custody of all funds and securities of ELCON and shall review such books of account as are necessary and shall perform generally all duties incident to the office of Secretary-Treasurer, subject to control of the Board.

Section 4. The Chairman shall appoint a nominating committee at least 30 days prior to each Annual Meeting. Nominations shall be announced to all members at least 15 days before each Annual Meeting. Elections shall take place at each Annual Meeting. Each elected officer shall take office immediately upon election and shall serve at the pleasure of the Board.

Section 5. The Board shall designate a replacement in the case of a vacancy.

ARTICLE VII

Miscellaneous

Section 1. ELCON shall continue as long as deemed necessary by a majority vote of the general membership. If ELCON shall be dissolved at any time, no part of its funds or property shall be distributed to, or among, its members but, after payment of all indebtedness its surplus funds and property shall be used for education, research, or charitable purposes in such a manner as the Board may determine.

Section 2. The Corporation shall keep at the principal office complete and correct records and books of account of the Corporation, including a minute book, which shall contain a copy of the Corporation's Certificate of Incorporation, a copy of these By-Laws and all minutes of meeting of the Board of Directors, or any committee thereof, of the Members, as well as a list or record containing the names and address of all Members.

As approved, February 3, 2005

Section 3. The corporate seal shall be in such form as the Board of Directors shall from time to time prescribe.

Section 4. The fiscal year of the Corporation shall be a calendar year unless otherwise fixed by the Board of Directors from time to time, subject to applicable law.

Section 5. These By-Laws may be amended, altered, or repealed, and new By-Laws may be made by the Members of the Corporation entitled to vote in the election of Directors at a Special Meeting of the Members called for the purpose of amending these By-Laws provided that any notice of such meeting include the proposed amendment, alteration or repeal of these By-Laws.

ARTICLE VIII

Contracts, Checks, Bank Accounts and Investments

Section 1. The Board of Directors is authorized to select such depositories as it shall deem proper for the funds of the Corporation and shall determine who shall be authorized in the Corporation's behalf to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts and documents.

Section 2. The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, including stocks, bonds or other securities, as the Board of Directors may deem desirable.

ARTICLE IX

Indemnification

Section 1. The Board may, to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that he, his testator or intestate was a director, officer, employee or agent of the Corporation against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees.

As approved, February 3, 2005

ARTICLE X

Amendments

Section 1. Upon direction of the Board or upon written request of 20% or more of the members, notice of any proposed amendments to or alteration of these By-Laws shall be given in writing to the Members at least thirty days before any Annual Meeting or Special Meeting called for that purpose. Thereafter the amendment to or alteration of these By-Laws may be made at such meeting by a vote of two-thirds of a quorum of Members present or participating via conference call or by other means approved by the Board.