

NARUC CONSTITUTION
(As amended November 16, 2016)

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 that issues decisions subject to judicial review focused on public utilities and 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, Guam, Puerto Rico and the Virgin Islands.

ARTICLE II - OBJECTIVES

The objectives of the Association are to:

- (a) advance commission regulation through the study and discussion of subjects concerning the operation and supervision of public utilities and carriers;
- (b) provide a forum for the exchange of information and ideas and between members and other organizations;
- (c) act as an effective advocate for members by coordinating activities and increasing members' influence with federal and State decision-makers;
- (d) provide and support education and training opportunities for members; and
- (e) promote coordinated action by State commissions to protect the public interest.

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. No State or Federal commission shall cast more than one vote on an issue before a committee, subcommittee or the Board of Directors. 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 independent 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 Board of Directors, 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, implementation 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 State 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 President shall appoint the Treasurer for a one year term subject to confirmation by a majority vote of the Board of Directors. Once confirmed, if not already a member of the Board, the appointee shall be considered a full member. The Treasurer may be reappointed for five additional terms without an additional confirming vote of the Board. The Treasurer must understand the structure and management of the Association's operations and activities, and be familiar with budget management and investment strategies, and 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. In such cases, the new President remains eligible for election the following year.

Section 4. The Executive Director shall be chosen by the Board of Directors subject to confirmation by the membership at the annual convention. The contract for the employment of the Executive Director shall be signed by the President, recommended by the Executive Committee, and approved by the Board of Directors. The Executive Director may be terminated by the Board of Directors by a majority vote of the Board.

ARTICLE V - PRESIDENT, VICE PRESIDENTS, AND TREASURER

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

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. The Executive Director shall include any such policies in a report to

the Board at its next meeting and shall be responsible for minutes of the Board and the Committee of the Whole.

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 and Audit Committees, and assumes all other responsibilities outlined in the Association's policies and procedures or delegated by the Executive Committee. The Executive Director and Chief Financial Officer shall assist the Treasurer in the performance of his/her duties.

ARTICLE VI - BOARD OF DIRECTORS

Section 1. The Board of Directors (Board) shall consist of the President, the First Vice President, the Second Vice President, each past President who is an active member of the Association, and twenty other active members representing State commissions. These State Board members shall be appointed by the President for a term of four years and until the successor is appointed. The Board may also include 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. 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 present 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 vacancy shall be filled by appointment by the President for the unexpired term. The chair of each standing committee shall be members of the Board. 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 President shall chair this meeting. In the President's absence, the 1st Vice President shall be chair. If both are absent, the 2nd Vice President shall be chair.

Section 3. The Board 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 4. The Board shall have general charge of the arrangements for the annual conventions of the Association.

Section 5. The Board shall exercise oversight of the finances of the Association with the assistance of, and in conjunction with, the Executive Committee. Upon an Executive Committee recommendations, the Board shall (i) approve the annual budget, and (ii) endeavor to bring about payments on an equitable basis by State commissions sufficient to meet the budget, and (iii) approve the Reserve and Investment Policies.

Section 6. 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.

Section 7. The Executive Committee shall:

- (a) 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;
- (b) make recommendations as to the amount of payments to be made by such commissions for approval by the Board;
- (c) withdraw or transfer permanent reserve funds of the Association only with the approval of the Board;
- (d) periodically consider and make recommendations regarding the organizational structure of the Association;
- (e) periodically review and make recommendations on substantive changes to the business plan of the Association;
- (f) provide day-to-day policy guidance to the Executive Director within the framework of policies adopted by the Board and shall recommend policy revisions to the Board;
- (g) recommend the selection and supervise the activities of the Executive Director; and
- (h) undertake such other actions and responsibilities and exercise such authority as delegated by the Board.

Section 8. The Subcommittee on Education and Research shall consist of the First Vice President and three other members of the Board, and up to three other commissioner members appointed by the President. The chair will be designated by the President for a three year term and shall become a member of the Board. 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, the Executive Committee, or the President:

- (a) periodically, undertake a comprehensive review of NARUC's educational, training and research programs and present recommendations to the Board;
- (b) provide a report on the status of the Association's education and research activities at each meeting of the Board;
- (c) 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 sponsored educational, training or research programs;

- (d) recommend the approval of new memoranda of understanding or agreements to the Executive Committee; and
- (e) regularly review existing memoranda of understanding or agreements and the programs operated thereunder.

No memorandum of understanding governing the operation of a NARUC-sponsored program shall take effect until approved by the Executive Committee.

Section 9. The Subcommittee on Supplier and Workforce Diversity shall consist of two members of the Board and at least five other commissioner members appointed by the President. The 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 President for a three year term and shall become a member of the Board. The Subcommittee shall further awareness and education regarding opportunities for diverse suppliers to participate in utilities' procurement programs, as well as encourage utilities to review procurement strategies to ensure that diverse suppliers are included. 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. The Treasurer shall act as Chair of the Committee. The President shall appoint the two other members from among the State members of the Board subject to confirmation by the Board. 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:

- (a) recommending criteria for selection of a financial manager for the Association's investments;
- (b) evaluating the performance of the financial manager;
- (c) recommending, when appropriate, dismissal of the financial manager and a replacement;
- (d) assuring the Association's business and investment strategies remain aligned;
- (e) reviewing the Association's asset allocation structure quarterly and making recommendations to the Board as to needed changes;
- (f) recommending specific changes to the Association's Investment and Reserve Policies;
- (g) making as-needed investment decisions within the broad asset allocation structure approved by the Board through its adoption of the Association's Investment Policy; and
- (h) other duties as delegated by the Board.

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 members of the Board subject to confirmation by the Board. 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:

- (a) reviewing the Association's accounting, financial reporting, and systems of internal controls;
- (b) selecting or retaining, an independent registered public accounting firm to conduct the required annual audits;
- (c) reviewing the performance of the Association's internal audit function, and the Association's response to any auditor recommendations; and
- (d) performing other duties delegated by the Board.

ARTICLE VIII - OTHER COMMITTEES

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

- (a) The Committee on Consumer Affairs;
- (b) The Committee on Critical Infrastructure;
- (c) The Committee on Electricity;
- (d) The Committee on Energy Resources and the Environment;
- (e) The Committee on Gas;
- (f) The Committee on International Relations;
- (g) The Committee on Telecommunications; and
- (h) The 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 fewer 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 after consultation with 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 shall furnish a ballot to each member of the committee or subcommittee to be returned within fourteen days to confirm the appointment electronically. 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 President with notification to the Chair of the supervising committee.

Section 5. Each committee shall assign a member to ensure that the presentations, agendas, and other committee documents are posted to the Committee's webpage on the Association's website.

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 in a memo submitted to the Board at its next meeting recording the election of officers and confirmation of Board appointments, and through the posting of all resolutions adopted in convention on the Association's website. The time and place of the convention in any year shall be determined by the Board of Directors. The President shall chair this meeting. In President's absence, the 1st Vice President shall be chair. If both are absent, the 2nd Vice President shall be chair.

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. Thereupon, 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 forwarded electronically to each voting member of the Association at least thirty days before such annual convention. It may also be amended at any convention without the giving of 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 properly submitted or noticed amendment may be amended at the Convention by majority vote of the Committee of the Whole.

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; and further provided that the Executive Director provides written notice of the plenary session to all members electronically 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.