



National Regulatory  
Research Institute

## **Bylaws**

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**BYLAWS**  
**OF**  
**NATIONAL REGULATORY RESEARCH INSTITUTE**

**A Delaware Nonstock, Nonprofit Corporation**

**Adopted on           November          , 2007**  
**Revised Sections 3.11 and 3.12 approved on September 18, 2008**  
**Revised Section 3.6(A) approved November 15, 2008**  
**Deletion of Section 3.5(B)(ii) approved Feb. 14, 2009**

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**BYLAWS**  
**OF**  
**NATIONAL REGULATORY RESEARCH INSTITUTE**

**SECTION 1 OFFICES.**

1.1 **Principal Office.**

- (A) The principal office of the National Regulatory Research Institute (the “Corporation”) will be located at such place as the Board of Directors of the Corporation (the “Board of Directors”) may from time to time designate.
- (B) The principal office of the Corporation may be moved to any other such place, either within or outside the State of Delaware, as the Board of Directors may from time to time designate.

1.2 **Additional Offices.** The Corporation may maintain additional offices at such other places as the Board of Directors may from time to time designate.

1.3 **Registered Office and Agent.**

- (A) **Registered Office.** The Corporation must maintain a registered office within the State of Delaware at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.
- (B) **Registered Agent.** The registered agent of the Corporation at the registered office is The Corporation Trust Company.
- (C) **Changes.** The registered office and registered agent of the Corporation may be changed from time to time by resolution of the Board of Directors.

**SECTION 2 MEMBERSHIP.**

- 2.1 **Members.** The Corporation has no members.

**SECTION 3 BOARD OF DIRECTORS.**

3.1 **General Powers, Duties, and Qualifications.**

- (A) The Board of Directors shall manage, control, and direct the affairs and property of the Corporation.

- (B) The Board of Directors shall have, and may exercise, any and all powers provided in the General Corporation Law of the State of Delaware or the Certificate of Incorporation that are necessary or convenient to carry out the purposes of the Corporation.
- (C) The Board of Directors shall annually provide a report of the Corporation's financial status to the Executive Committee and the Board of Directors of the National Association of Regulatory Utility Commissioners ("NARUC").

3.2 **Number.**

- (A) The authorized number of directors shall be no fewer than nine and no more than twelve.
- (B) The exact number of directors must be fixed from time to time by a resolution adopted by the affirmative vote of a majority of the directors then in office.

3.3 **Classes of Directors.**

- (A) Except for the ex officio directors, the directors shall be divided into three classes.
- (B) Each class shall have approximately one-third of the number of the authorized directors authorized, as the Board shall direct.
- (C) Appointments for each class shall occur every three years, with the appointment of only one class per year.

3.4 **Initial Board.**

- (A) Those directors named in the Action By Incorporator constitute the initial Board of Directors (the "Initial Directors"), as follows:
  - (i) directors of the first class of the Initial Directors, as named in the Action By Incorporator, shall serve a one-year term;
  - (ii) directors of the second class of the Initial Directors, as named in the Action By Incorporator, shall serve a two-year term; and
  - (iii) directors of the third class of the Initial Directors, as named in the Action By Incorporator, shall serve a three-year term.
- (B) The Initial Directors are eligible to serve one additional term consecutive with their initial term. Any Initial Director who has served one consecutive term beyond their initial term may be reappointed as a director after an interval of one year off the Board.

### 3.5 **Appointment of Directors.**

- (A) The President of NARUC shall annually appoint that portion of the authorized number of directors in the class the term of which has expired.
- (B) The President of NARUC shall make appointments in accordance with the following:
  - (i) a majority of the voting directors must be commissioners of the state utility regulatory commissions that are members of NARUC (the “State Commissioners”); and
  - (ii) beginning July 1, 2008, a State Commissioner’s eligibility to be appointed as a director is contingent on his or her commission’s commitment to pay its dues to the Corporation in full.
- (C) The Board of Directors, the Executive Committee, and the Executive Director may recommend to the President of NARUC:
  - (i) specific individuals for appointment to the Board of Directors; and
  - (ii) desirable backgrounds, qualifications, affiliations, diversity, and skill levels for potential directors.

### 3.6 **Term.**

- (A) Except for the first term of the Initial Directors, each term of each class shall begin on every third January 1<sup>st</sup>.
- (B) Each director holds office until the expiration of the term of the class for which he or she was appointed and until a successor has been appointed and qualified, or until his or her earlier death, resignation, or removal.
- (C) Directors are eligible to serve one additional term consecutive with their initial term. Any director who has served one consecutive term beyond their initial term may be reappointed as a director after an interval of one year off the Board.

### 3.7 **Resignation.**

- (A) A director may resign at any time by giving notice thereof in writing to the Corporation.
- (B) The resignation is effective upon its receipt by the Corporation or at a subsequent time specified in the notice of resignation.

3.8 **Removal.**

- (A) A director may be removed, with or without cause, at an annual or special meeting of the Board of Directors by the affirmative vote of a majority of the directors then in office.
- (B) Such action must be taken at a meeting of the Board of Directors for which written notice of the purpose is given in accordance with Section 4.4 of these Bylaws.

3.9 **Vacancies.**

- (A) Vacancies on the Board of Directors resulting from the death, resignation, or removal of a director or an increase in the authorized number of directors must be filled by the President of NARUC.
- (B) The director appointed to fill any such vacancy is included in the vacating director's class.
- (C) The partial term served by the director appointed to fill any such vacancy is that director's initial term.

3.10 **Ex-Officio Directors.**

- (A) The Second Vice President of NARUC shall serve as a director of the Corporation ex officio.
- (B) The Executive Director of NARUC shall serve as a director of the Corporation ex officio.
- (C) The Executive Director of the Corporation shall serve as a director of the Corporation ex officio, but shall not be eligible to vote. The Executive Director of the Corporation shall be permitted to participate in the meetings of the Board of Directors or any Committee of the Board of Directors, except as determined by the Chair of the Board or by a majority of the Board of Directors, and to receive notice of meetings and other actions of the Board of Directors.
- (D) A member of the NARUC Subcommittee on Education and Research shall serve as a director of the Corporation ex officio, but shall not be eligible to vote.
- (E) All ex-officio directors, with the exception of the director who is a member of the NARUC Subcommittee on Education and Research, are included in the authorized number of directors.

3.11 **Chair of the Board.**

- (A) The Board of Directors shall elect a Chair of the Board (the “Chair”) from among the directors who are also State Commissioners.
- (B) The Chair shall preside at all meetings of the Board of Directors.
- (C) The Chair shall have such other powers and duties as may be prescribed by the Board of Directors.
- (D) The Chair shall serve a one-year term, and shall be eligible for re-election for one additional year. *[added Sept. 18, 2008]*

3.12 **Vice Chair of the Board.**

- (A) The Board of Directors shall elect a Vice Chair of the Board (the “Vice Chair”) from among the directors who are also State Commissioners.
- (B) The Vice Chair shall have such powers and duties as may be prescribed by the Board of Directors.
- (C) The Vice Chair shall serve a one-year term, and shall be eligible for re-election for one additional year. *[added Sept. 18, 2008]*

3.13 **Compensation.**

- (A) Directors serve without salary but may be reimbursed by the Corporation for their reasonable out-of-pocket expenses incurred in connection with their service as directors.
- (B) Directors may serve the Corporation in any other capacity and, to the extent otherwise permissible under these Bylaws, may receive reasonable compensation therefor.

**SECTION 4 MEETINGS OF THE BOARD OF DIRECTORS.**

4.1 **Regular Meetings.** The Board of Directors:

- (A) shall hold an annual meeting; and
- (B) may hold any additional regular meetings as determined by resolution.

4.2 **Special Meetings.** The Executive Director, the Chair of the Board, or a majority of all the directors then in office may call a special meeting of the Board of Directors.

4.3 **Time and Place.** The Executive Director or the Chair of the Board shall designate the date, time, and place of all meetings of the Board of Directors.

#### 4.4 **Notice.**

- (A) At least seven days' written notice must be given to each director of each regular meeting of the Board of Directors, unless the Board of Directors by resolution adopts a regular schedule for such meetings in which case no additional notice is required.
- (B) A special meeting of the Board of Directors may be held upon two days' written notice.
- (C) Notice of a meeting of the Board of Directors must specify the date, time, and place of the meeting, but, except as otherwise required by law or these Bylaws, need not specify the purpose for the meeting or the business to be conducted.
- (D) Notice must be either delivered personally to each director or mailed (such as by the sending of a facsimile or electronic mail message) to his or her address as it appears in the records of the Corporation. If such notice is given:
  - (i) by mail, it is deemed delivered when deposited in the U.S. mail properly addressed and with postage prepaid thereon;
  - (ii) by telephone facsimile transmission, it is deemed delivered upon the transmitter's receipt of confirmation of such transmission;
  - (iii) by an electronic mail message, it is deemed delivered when sent.

#### 4.5 **Waiver of Notice.** Notwithstanding the requirements of Section 4.4, a director may waive notice of any meeting of the Board of Directors by:

- (A) written statement given to the Board of Directors, the Executive Director, or the Secretary;
- (B) oral statement at any such meeting; or
- (C) attendance at a meeting of the Board of Directors, except when a director states at the beginning of the meeting that he or she is attending for the purpose of objecting to the conduct of business on the ground that the meeting was not lawfully called or convened.

#### 4.6 **Quorum.**

- (A) A majority of the number of directors then in office constitutes a quorum for the transaction of business at any meeting of the Board of Directors, except that if a quorum is not present at a meeting, a majority of the directors present may adjourn the meeting to another time without further notice.

- (B) Withdrawal of any director from a meeting of the Board of Directors does not cause the failure of a duly constituted quorum.
- 4.7 **Vote.** Except as otherwise provided by law or these Bylaws, all matters presented to the Board of Directors for action must be decided by the affirmative vote of a majority of the directors present at a meeting at which there is a quorum.
- 4.8 **Action Without a Meeting.**
- (A) Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if the text of the resolution or matter to be considered is sent to all the directors in office and all the directors in office consent to such action in writing (including by electronic transmission).
  - (B) Such consent in writing (including by electronic transmission) has the same force and effect as a vote of the Board of Directors at a meeting and may be described as such in any document executed by the Corporation.
- 4.9 **Participation by Telephone.**
- (A) Any or all directors may participate in a meeting of the Board of Directors by means of conference telephone or by any means of communication by which all persons participating in the meeting are able simultaneously to hear one another.
  - (B) Such participation constitutes presence in person at the meeting and may be described as such in any document executed by the Corporation.

## **SECTION 5 COMMITTEES OF THE BOARD OF DIRECTORS**

### **5.1 Establishment of Committees.**

- (A) The Board of Directors may create one or more committees and may delegate to these committees any of the powers of the Board of Directors, except the power to:
  - (i) amend or repeal the Certificate of Incorporation;
  - (ii) amend or repeal the Bylaws;
  - (iii) approve any merger involving the Corporation;
  - (iv) approve the dissolution of the Corporation;
  - (v) approve the sale or exchange of all or substantially all of the assets of the Corporation; or

- (vi) elect, appoint, or remove any member of a committee of the Board of Directors of the Corporation.
- (B) Each such committee may exercise only the authority granted to it by these Bylaws or the Board of Directors resolution authorizing its creation.
- (C) The committee members shall be appointed by the Chair of the Board. All committee members of any committee of the Board of Directors serve at the pleasure of the Chair of the Board and any or all of the committee members may be removed by action of the Chair of the Board.
- (D) A committee member may resign from a committee of the Board of Directors by providing written notice to the Corporation.
- (E) The resignation or removal of a committee member is without prejudice to that committee member's rights as a director of the Corporation.

5.2 **Standing Committees.**

- (A) Unless otherwise provided by resolution of the Board of Directors, the Corporation has the following standing committees: the Executive Committee and the Audit Committee.
- (B) Each standing committee has the purposes, powers, and duties described in its charter, subject to approval by the Board of Directors.
- (C) The Executive Committee and the Audit Committee shall each consist of three or more directors.
- (D) The Chief Financial Officer of NARUC shall serve as a nonvoting member of the Audit Committee ex officio.

5.3 **Committee Rules.** Except as otherwise provided by law, these Bylaws, or a resolution of the Board of Directors, each committee of the Board of Directors may make, alter, and repeal rules for the conduct of its business; otherwise each committee shall conduct its business in accordance with the rules set out in these Bylaws for meetings of the Board of Directors, as appropriately adapted.

5.4 **Records.**

- (A) Each committee of the Board of Directors shall keep minutes of its meetings.
- (B) Copies of the minutes of each such meeting must be filed with the Corporation's records and supplied to the Board of Directors within seven days of the date of each such meeting.

## SECTION 6 OFFICERS.

### 6.1 **Officers.**

- (A) The officers of the Corporation are an Executive Director, a Secretary, a Treasurer, and such other officers as may be elected or appointed from time to time by the Board of Directors.
- (B) Officers whose authority and duties are not prescribed in these Bylaws have the authority to perform the duties prescribed by resolution of the Board of Directors.
- (C) Any two or more offices may be held by the same person, except that the Executive Director may not serve as the Treasurer.

6.2 **Term of Office.** The term of office of all officers of the Corporation begins upon their election or appointment and continues until their respective successors are elected and qualified, or until their earlier death, resignation, or removal.

6.3 **Compensation.** The officers of the Corporation may receive reasonable compensation for their service as fixed by the Board of Directors.

### 6.4 **Removal.**

- (A) The Board of Directors may remove any officer of the Corporation elected or appointed by the Board of Directors for any reason.
- (B) The removal of an officer of the Corporation is without prejudice to the contract rights, if any, of the person so removed.

### 6.5 **Resignation.**

- (A) An officer of the Corporation may resign by giving written notice to the Corporation.
- (B) The resignation is effective upon its receipt by the Corporation or at a subsequent time specified in the notice of resignation.

### 6.6 **Vacancies.**

- (A) A vacancy in any office of the Corporation must be filled by the Board of Directors without undue delay at its next regularly scheduled meeting or at a special meeting called for that purpose.
- (B) In the event of the absence or disability of any officer of the Corporation, the Board of Directors may delegate his or her powers and duties to any other officer or officers of the Corporation.

6.7 **Executive Director.**

- (A) The Executive Director is the chief executive officer of the Corporation and shall serve pursuant to an employment agreement between himself and the Corporation.
- (B) The Executive Director is a Director of the Corporation ex officio (as described in Section 3.6).
- (C) The Executive Director has charge of the business and affairs of the Corporation, subject to the direction and control of the Board of Directors, and shall see that the resolutions and directives of the Board of Directors are carried into effect except in those instances in which responsibility is assigned to some other person by the Board of Directors.
- (D) The Executive Director may execute on behalf of the Corporation any contracts or other instruments which the Board of Directors has authorized to be executed, and he or she may accomplish such execution either under or without the seal of the Corporation and either individually or with the Secretary or any other officer of the Corporation thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument, except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation or a different mode of execution is expressly prescribed by the Board of Directors.
- (E) The Executive Director may vote all securities that the Corporation is entitled to vote except to the extent such authority is vested in a different officer or agent of the Corporation by the Board of Directors.

6.8 **Secretary.**

- (A) The Secretary shall attend all meetings of the Board of Directors and record all votes and the minutes of all proceedings in the minute books of the Corporation.
- (B) The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors for which notice may be required.
- (C) The Secretary shall perform such other duties as may be prescribed by the Board of Directors or the Executive Director, under whose supervision the Secretary acts.

6.9 **Treasurer.**

- (A) The Treasurer shall:
  - (i) have custody of the funds and securities of the Corporation;
  - (ii) keep full and accurate accounts of receipts and disbursements in financial books of the Corporation; and
  - (iii) deposit all monies and other valuable effects in the name and to the credit of the Corporation in banks or depositories.
- (B) The Treasurer is charged with the disbursement of funds of the Corporation, including without limitation distributions authorized by the Board of Directors in furtherance of the charitable purposes of the Corporation.
- (C) The Treasurer shall render to the Executive Director and to the Board of Directors, whenever they may require it, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation.

6.10 **General Powers as to Negotiable Paper.** The Board of Directors shall prescribe the manner of signature or endorsement of checks, drafts, notes, acceptances, bills of exchange, obligations, and other negotiable paper or other instruments for the payment of money and designate the officers or agents who are authorized to make, sign, or endorse the same on behalf of the Corporation; otherwise, such instruments may be executed on behalf of the Corporation by the Executive Director.

6.11 **Powers as to Other Documents.**

- (A) The Board of Directors may authorize any officer or agent of the Corporation to enter into any contract or execute or deliver any instrument in the name of the Corporation. Such authority must be in writing and may be general or confined to specific instances.
- (B) When the execution of any contract or instrument has been authorized without specifying the exact officers of the Corporation authorized to execute such contract or instrument, it may be executed on behalf of the Corporation by the Executive Director.

**SECTION 7 INDEMNIFICATION AND INSURANCE.**

7.1 **Indemnification.**

- (A) The Corporation shall, except as provided in or limited by Section 7.3 and Section 7.4 of these Bylaws, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, including any actions to enforce such person's rights

granted by this Section 7.1 against the Corporation, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, or other enterprise, and shall advance expenses to such person reasonably incurred in connection therewith, to the fullest extent permitted by the relevant provisions of the General Corporation Law of the State of Delaware, as such law presently exists or may hereafter be amended.

- (B) The Corporation must indemnify a person in connection with a proceeding initiated by such person only if the proceeding was authorized by the Board of Directors.

7.2 **Insurance.** The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or who is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Section 7.

7.3 **Certain Limitations on Indemnification.** In no case may the Corporation indemnify or reimburse any person for any taxes on such individual under section 4958 of the Internal Revenue Code of 1986, as amended, or under the comparable or corresponding provisions of any future U.S. internal revenue laws.

7.4 **Indemnification from Other Sources.** The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, or other enterprise must be reduced by any amount such person collects as indemnification from such other corporation, partnership, limited liability company, joint venture, trust, or other enterprise.

## SECTION 8 MISCELLANEOUS PROVISIONS

### 8.1 **Books and Records.**

- (A) The Corporation must keep:
  - (i) correct and complete books and records of account; and
  - (ii) minutes and other records of the proceedings of its Board of Directors and committees of the Board of Directors.

- (B) The Chief Financial Officer and the Executive Director of NARUC and their designees shall have access to the books and records of the Corporation.

8.2 **The Corporation's Relationship with NARUC.**

- (A) The Corporation shall provide research and other services to state utility regulatory commissions that are members of NARUC and other entities in a manner determined by the Corporation's research project selection process, which shall be led by the Executive Director, subject to review by the Board of Directors.
- (B) The Corporation shall invoice and collect dues in accordance with the dues structure approved by the Board of Directors of NARUC.
- (C) The Corporation's performance shall be evaluated by NARUC's Board of Directors or its designee.

8.3 **Fiscal Year.** The fiscal year of the Corporation shall end on June 30 unless otherwise specified by resolution of the Board of Directors.

8.4 **Amendments.**

- (A) **Certificate of Incorporation.** The Certificate of Incorporation of the Corporation may be amended in whole or in part by an affirmative vote of majority of the directors then in office and otherwise in accordance with the procedure set out in Section 242(b)(3) of the General Corporation Law of the State of Delaware.
- (B) **Bylaws.**
  - (i) These Bylaws may be amended, altered, or repealed, and new Bylaws may be adopted at any meeting of the Board of Directors by an affirmative vote of a majority of the directors then in office.
  - (ii) Such action must be taken at a meeting of the Board of Directors for which written notice of the purpose is given in accordance with Section 4.4 of these Bylaws.

*{Certification on next page.}*

I certify that the foregoing Bylaws of National Regulatory Research Institute were adopted by the Initial Board of Directors on November 10, 2007, and that they are currently in effect.

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Scott Hempling  
Secretary of the Corporation

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Date