

THE MID-ATLANTIC CONFERENCE OF REGULATORY UTILITIES COMMISSIONERS, Inc.
By-Laws

Adopted: July 2011

Article III Section 1: Amended: December 2011

ARTICLE I: GENERAL PROVISIONS

Section 1: Name

This organization shall be known as the "Mid-Atlantic Conference of Regulatory Utilities Commissioners, Inc." incorporated in the state of Maryland as a nonprofit corporation. Abbreviation of the name shall be MACRUC. The Corporation's status is that of an organization of the type described in Section 501 (c) (3) of the Internal Revenue Code of 1986.

Section 2: Fiscal Year

The fiscal year of MACRUC shall begin on January 1 of each year and shall end on the following December 31.

ARTICLE II: PURPOSE

The purpose of MACRUC shall be to promote the region-wide advancement of public utility regulation and the related regulatory, legislative, and policy interests of MACRUC membership, consistent with MACRUC member state public utility commissions, through:

- a. study, discussion, and advancement of issues in public utility regulation that affect consumers, regulatory commissions, other state and federal agencies, and the electric, telecommunications, natural gas and other industries regulated by member states;
- b. promotion of the uniformity of regulations, and competitive regulatory initiatives through the coordinated efforts of MACRUC, and other regional state public utility commissions, federal commissions and departments, and trade associations that support the goals and programs that are consistent with the purposes of MACRUC;
- c. advancement of the public interest to ensure that consumers benefit from competition, and remain protected from market power abuses; and
- d. exchange of information regarding the regulatory, policy, and administrative issues between MACRUC and other regional state public utility commissions, and between MACRUC and federal regulatory commissions and departments that are represented in the National Association of Regulatory Utility Commissioners ("NARUC").

ARTICLE III: MEMBERS/DELEGATES

Section 1: Member States

The member states shall consist of the public utility commissions of Delaware, Kentucky, Maryland, New Jersey, New York, Ohio, Virginia, West Virginia, Pennsylvania, the District of Columbia and the U.S. Virgin Islands. The word "state" shall include the U.S. Virgin Islands and the District of Columbia.

Section 2: Active Delegates

Active delegates shall consist solely of commissioners from the member states.

Section 3: Associate Delegates

Associate delegates of MACRUC shall be the staff members of the commissions described in Article III, Section 1. Associate delegates shall have no voting privileges.

Section 4: Honorary Delegates

Honorary delegates of MACRUC shall be the former commissioners of MACRUC member states. Honorary delegates shall have no voting privileges and will not participate in business meetings unless invited.

Section 5: Admission of New Member States

Any public utility commission or utility regulatory agency of a state, U.S. territory, or commonwealth may be admitted as a member state of MACRUC, upon application, by approval of a two-thirds (2/3) vote of the Board of Directors. Initiation fee to be determined by the Executive Committee.

Section 6: Compensation of Delegates

Delegates shall not receive any salaries for their services in relation to MACRUC, but delegates shall not be precluded from receiving reimbursement of reasonable expenses incurred in performance of MACRUC duties. Any such payment shall be authorized by the President and paid by the Treasurer.

ARTICLE IV: BOARD OF DIRECTORS

Section 1: Eligibility

To be eligible as a member of the Board of Directors, a person must be an active member of the public utility commission of one of the member states.

Section 2: Composition

The Board of Directors shall consist of one delegate from each of the member states and the Executive Committee members.

Section 3: Acceptance to Board of Directors

The Executive Director shall contact the Chair of each member state, prior to the Annual Conference, and request a delegate be named to the MACRUC Board of Directors. This delegate will serve for one year and may serve subsequent terms. Should a state have a member on the Executive Committee, that same delegate may also serve as their Board of Directors representative.

Section 4: Term of Office

The members of the Board of Directors will be announced at the Annual Educational Conference and will begin their term at the adjournment of that Annual Educational Conference.

Section 5: Succession

In the event of severance or departure by a sitting Board of Directors Member, the Chair of the state of the departing member may name another active delegate from that state to serve for the remainder of the outstanding term.

Section 6: General

The Board of Directors shall direct the business affairs of MACRUC, and shall act as an advisor to the President. The Board of Directors shall report to the membership at the Annual Educational Conference on the following matters;

- a. membership application decisions;
- b. potential amendments to the By-Laws;
- c. direct actions of the President and Executive Committee;
- d. guidelines and procedures that are consistent with these By-Laws for the conduct of MACRUC;
- e. report from the Finance Committee and adoption of the annual budget;
- f. all matters which fall into the exclusive authority of the Board of Directors as provided by these By-Laws; and
- g. any assignments made by the MACRUC membership.

Section 7: Meetings/Quorum

The Board of Directors shall meet at such times as shall be designated by the President, or by a majority of the Board of Directors, but at least once each fiscal year. Representation in person, or by telecommunications device, by a majority of the members of the Board of Directors, shall constitute a quorum for the matter of business at any meeting of the Board of Directors. A Board of Directors meeting may be held via conference call. Votes may be collected via fax, mail and email.

All motions require a majority vote of the members of the Board of Directors represented at the meeting for adoption, unless a two-thirds (2/3) vote is specified in these By-Laws. A majority vote is one vote more than half of those present and voting.

Section 8: Voting Rights of Board of Directors

Each member state represented on the Board of Directors shall be entitled to one vote on any issue submitted. If a state has more than one Board member present, by virtue of having an Executive Committee member, that state's vote shall be divided equally among the state's members present and voting.

ARTICLE V: OFFICERS (Executive Committee)

Section 1: Composition

The Executive Committee shall be comprised of the elected officers and the Immediate Past President, who will serve as an ex-officio member.

Section 2: Elected Officers

The elected officers of MACRUC shall be the President, First Vice-President, Second Vice-President, and Treasurer.

Section 3: Ex-Officio Delegate

The most recent past president may serve on the Executive Committee as an ex-officio delegate. This delegate must be an active commissioner and may only vote to break a vote tie. Should the Immediate Past President no longer be an active commissioner, the most recent past president, if active, will serve as the ex-officio officer. This process will continue until an active ex-officio is named to the Executive Committee.

Section 4: Term of Office

The President, First Vice President and Second Vice President listed in Article V, Section 2 shall be elected and installed at the Annual Educational Conference and shall hold office for one year, except in the circumstance in which an officer has filled a vacancy for an unexpired term under the operation of Section 5 of this Article, in which case an officer shall be eligible to be elected to a full term in addition to the unexpired term, or until their successors have been elected and installed. Such term shall commence at the adjournment of the Annual Educational Conference. The Treasurer shall be elected to a three-year term, but may be permitted to serve additional terms.

Section 5: Succession

In the event of the severance or departure of a sitting President or First Vice-President, the First Vice-President or Second Vice-President, respectively, shall immediately fill the vacancy created in the next higher office, respectively, for the remainder of the unexpired term. In such event, the Board of Directors shall appoint a successor to the Second Vice-President, for the remainder of the unexpired term. If the Second Vice-President vacates the position for any other reason, the Chair of the representative state of the departing Second Vice-President may recommend within one month, for review and approval by the Board of Directors, one commissioner from that state, to serve as Second Vice-President for the remaining term. If the Chair of the representative state declines to recommend a commissioner from that state for the position of Second Vice-President, the Board of Directors shall fill the vacancy.

In the event of severance or departure by the Treasurer from office, the remaining Executive Committee Members shall appoint a new Treasurer from the Membership to complete the duration of the Treasurer's term.

Section 6: Powers of Executive Committee

The Executive Committee shall have the power and authority to:

- a. transact all administrative business of the Board of Directors in the intervals between meetings;
- b. conduct meetings by telephone;
- c. vote on administrative matters by facsimile ballot manner;
- d. fill vacant officers' terms as provided by the By-Laws;
- e. review and make motion on a recommendation by the Finance Committee to audit the books and records; and
- f. any such other power or authority as is assigned from time to time by the Board of Directors or the membership of MACRUC.

Section 7: Transactions

The Board of Directors may authorize any officer or officers, agent or agents of MACRUC, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of MACRUC, and such authority may be general or confined to specific instances.

Section 8: Restrictions

Notwithstanding any other provisions in these By-Laws, no director, officer, employee, agent, or any other representative of MACRUC shall take any action or carry on any activity by or on behalf of the corporation that is not permitted to be taken by an organization exempt under section 501 (c) (3) of the Internal Revenue Code, as it now exists or may hereafter be amended, or any corresponding section of any future tax code.

Section 9: Election Process

The Nominating Committee shall contact the Chair of each eligible member state to discuss nominations to be put forth by that state. A ballot with the slate proposed by the Nominating Committee for the upcoming year, with a list of the past five years history of presidential service, by state, will be transmitted to each active delegate. This ballot should be completed by each delegate no later than 14 days before commencement of the Annual Conference. The ballots shall be tabulated by the Executive Director and referred to the Nominating Committee. The Nominating Committee shall submit the slate to the Board of Directors for ratification at the Annual Educational Conference.

Section 10: President

The President shall have general supervision, direction, and control of the business affairs of MACRUC. The President shall preside at the Annual Educational Conference, at regional meetings, conference calls and at Board of Director meetings. The President shall appoint the Chair and members of the various Standing Committees. The President shall ensure that all orders and resolutions of MACRUC are put into effect.

Section 11: First Vice-President

The First Vice-President shall perform all of the duties of the President in the absence or disability of the President. It shall be the duty of the First Vice President to assist with the Annual Educational Conference.

Section 12: Second Vice-President

The Second Vice-President shall perform the duties of the First Vice-President in the absence or disability of the First Vice-President. The Second Vice-President will oversee a mentoring program for new MACRUC delegates. The candidate for Second Vice President should be from a state that has not served as President within the previous two years or that does not have a representative currently in the office of First or Second Vice President.

Section 13: Treasurer

- a. The Treasurer shall:
 - a. monitor MACRUC's financial transactions, so as to comply with previously-established procedures for the receipt, disbursement, and holding of MACRUC funds, and all records connected therewith;
 - b. prepare and recommend an annual operating budget to the Board of Directors for approval and presentation to the delegate states, for adoption by the members at the Annual Conference;
 - c. oversee the financial operations of MACRUC including, but not limited to, the annual independent financial audit and any required financial reporting, and shall perform such duties as may be assigned by the Executive Committee or by the Board of Directors; and
 - d. sit on the Finance Committee and the Executive Committee as a voting member.

Section 14: Voting Procedures.

The Executive Committee may schedule an alternative voting process for administrative matters that require action, prior to its next regularly scheduled meeting. The Executive Committee via teleconference, followed by a mail, email or facsimile vote, may conduct the alternative voting process. Should there be a tie in the voting, the immediate past president may be contacted to vote and break the tie under Article V, Section 3.

ARTICLE VI: EXECUTIVE DIRECTOR

Section 1: Appointment

The Executive Committee shall recommend to the Board of Directors an Executive Director for their ratification. The Executive Committee shall also provide the job description and terms of employment for the Executive Director and shall supervise and evaluate the performance of the Executive Director. The Executive Director shall be subject to the oversight of the Officers of MACRUC.

Section 2: Duties

The duties of the Executive Director shall include:

- a. organizing and coordinating all aspects of the Annual Conference;
- b. conducting all operational duties, including the maintenance of financial records with assistance from the Treasurer, providing the Executive Committee an annual, detailed account of receipts and expenditures.
- c. managing the correspondence of MACRUC, issuing all notices of meetings, and keeping the rolls of delegates;
- d. furnishing information regarding the activities of committees;
- e. supporting the work of the committees;
- f. keeping and preserve a record of all of the meetings and proceedings of MACRUC;
- g. working with the Treasurer to submit tax returns;
- g. maintaining the By-Laws; and
- h. attending to other miscellaneous matters as assigned by MACRUC.

ARTICLE VII: MEETINGS

Section 1: Annual Meetings/Business Meeting

One Annual Educational Conference and at least two regional meetings shall be held during each calendar year.

Section 2: Special Meetings

Special meetings shall be held at such time, place, and manner as shall be determined by the President, or a majority of the Board of Directors. A majority of member states shall constitute a quorum. Due notice to all delegates of MACRUC, as to time and place, shall be provided for special meetings.

Section 3: Parliamentary Law

The rules contained in the current edition of Robert's Rules of Order, Newly Revised, shall govern MACRUC in all cases to which they are applicable, and in which they are not inconsistent with these bylaws and any special rules of order MACRUC may adopt.

ARTICLE VIII: STANDING COMMITTEES

Section I: General

MACRUC may have one or more Standing Committees. Except as provided otherwise herein, the President shall appoint the Chairs and members of each of the Standing Committees by the September following their installation. The committee members will serve for one year and may serve subsequent terms. All of the Standing Committee Chairs shall report to the Board of Directors at least twice annually. These committees are: Nominating, Bylaws, Finance, Electricity, Gas, Telecommunications and Water.

Section 2: Ad Hoc Committees

With respect to subjects not wholly within the jurisdiction of a standing committee, Ad Hoc Committees may be established for initial terms of one year or less by the Board of Directors or the President and may

be continued thereafter if renewed by the Board of Directors. The Executive Committee shall determine the purpose and function of each Ad Hoc Committee.

Section 3: Nominating Committee

There shall be a Nominating Committee, which shall facilitate the nominating process for membership to the organization and for the holding of Offices in MACRUC. The Immediate Past President shall serve as the Chair of the Nominating Committee. Should the Immediate Past President no longer be an active commissioner, the next most previous past president, if active, will serve as the ex-officio Chair. In the event no past president is available, the President shall appoint a Chair. This Committee shall include a minimum of three delegates. No member state may have more than one representative on this committee. The Nominating Committee will adhere to policies as set forth by the Board of Directors. The Nominating Committee shall contact the Chair of each eligible member state to discuss nominations to be put forth by that state. A ballot with the slate proposed for the upcoming year, with a list of the past five years' history of presidential service, will be transmitted to each active delegate. This ballot should be completed by each delegate no later than 14 days before commencement of the Annual Conference. The ballots shall be tabulated by the Executive Director and referred to the Nominating Committee. The Nominating Committee shall submit the slate to the Board of Directors for ratification at the Annual Conference.

Section 4: Bylaws Committee

There shall be a Bylaws Committee, which shall consist of not less than two members in addition to the Chair. The Second Vice-President shall serve as the Chair of the Bylaws Committee. The duties of the Committee shall be to review the bylaws annually and suggest, if appropriate, amendments to the Board of Directors.

Section 5: Finance Committee

There shall be a Finance Committee, which shall consist of the Treasurer, the Chair and one additional member. The duties of the Committee shall be to review the annual budget, request proposals from independent auditors and refer the potential candidate to the Executive Committee for approval, oversee an annual audit, and propose investment options.

Section 6: Electricity Committee

There shall be an Electricity Committee, which shall consist of not less than two members, in addition to the Chair. This committee will coordinate with the NARUC Committee on Electricity.

Section 7: Gas Committee

There shall be a Gas Committee, which shall consist of not less than two members in addition to the Chair. This committee will coordinate with the NARUC Committee on Gas.

Section 8: Telecommunications Committee

There shall be a Telecommunications Committee, which shall consist of not less than two members, in addition to the Chair. This committee will coordinate with the NARUC Committee on Telecommunications.

Section 9: Water Committee

There shall be a Water Committee, which shall consist of not less than two members, in addition to the Chair. This committee will coordinate with the NARUC Committee on Water.

ARTICLE IX: RESOLUTIONS

Section 1: General

Resolutions shall be transmitted, in writing, to the Executive Director at least 30 days prior to the opening date of the Annual Conference of MACRUC. The Executive Director shall transmit copies of all resolutions to each member public utility commission, via Special Bulletin, issued at least 20 calendar days prior to the Annual Conference. The appropriate committee shall report such resolutions from the floor at the Annual Business Meeting.

Section 2: Resolutions Presented Out-of- Time

Resolutions not submitted as specified in Article IX, Section 1, *supra*, shall be presented from the floor before the close of the Annual Conference, and referred without debate, to the Executive Committee. If the Executive Committee determines that such resolutions warrant immediate consideration, such resolutions shall be distributed to the member states for consideration.

Section 3: Resolutions in Lieu of Meeting

A written resolution signed by all of the member states, or signed counterparts of such resolution by all of the member states, including any such resolution consented to by electronic means or by facsimile, will have the same force and effect, as if passed at a meeting of the membership, duly called, constituted, and held. A copy of every such resolution or counterpart thereof, shall be kept with the minutes of the meeting of the membership.

ARTICLE X: DOCUMENTS BEARING MACRUC's NAME

Section 1: Section 1: To use the term "MACRUC" or "Mid-Atlantic Conference of Regulatory Utility Commissioners" in any official document, agency filing, position paper, or other written substantive communication, the issue contained therein shall have been brought before the MACRUC Board of Directors in advance for determination. The issue shall be placed on the Board agenda and distributed to all members not less than one week prior to any Board action on the item. A Board vote shall take place to determine the official position of MACRUC and will require a majority vote to establish an official MACRUC position. A majority vote is more than half of the entire Board, with each Member Commission casting one vote. Individual Member Commissions which do not vote in the majority may choose to be listed on the official document as "not participating in" or "opposed to" the MACRUC position, and also may choose to attach a minority report or dissenting opinion, provided it is submitted in a timely manner. Each individual Member Commission also has the right to file or publish its own document as an individual state commission expressing concurrence or dissent from the MACRUC official position.

ARTICLE XI: VOTING

Section 1: Each MACRUC member state shall be allocated one vote on all matters put to a vote, including the election of officers. Every commissioner from a MACRUC member state shall be entitled to cast a vote. On any matter put to a vote, the vote of each commissioner who casts a vote shall represent a fractional share of that state's one vote, equal to the fractional share of each of the other commissioners from that state who cast a vote on that matter. The majority of the commissioners from a member state casting a vote shall be sufficient to cast that state's one vote, unless that state provides written notice to the MACRUC board in advance that it desires its vote on an individual matter to be split proportionately to the votes of its commissioners. In the case of a State being evenly divided by the vote of participating Commissioners, the States vote shall be split evenly.

Section 2: Procedure for Nominating MACRUC Officers

The applicable nominating procedure is set forth in Article V, Section 9, *supra*.

Section 3: Voting for NARUC Officers

The election of a NARUC officer shall take place no later than the MACRUC Annual Convention prior to the NARUC Convention at which the nomination for Second Vice President will occur. A secret vote shall be taken in the case of a contested election for the nomination of the Second Vice-President.

Section 4: Quorum

The participation of a majority of the member states present and voting, either in person or by telecommunications device, shall constitute a quorum for the transaction of business by the Membership at any meeting or special meeting. Votes may be collected via fax, mail and email.

ARTICLE XII: AMENDMENTS

Section 1: Amendment at Annual Conference

These By-Laws may be amended at a MACRUC annual Conference by a two-thirds (2/3) vote of the member states present and voting, provided that 1) such amendment has been submitted in writing to the Executive Director of the Association and 2) the Executive Director or Designee transmits to each member state represented in the Association at least thirty days before such annual Conference.

Section 2: Amendment at Special Session

These By-Laws may also be amended at a special session of the Association provided that 1) such special session is authorized by a majority vote of the Board of Directors; 2) the Executive Director or Designee provides written notice of the special session to all delegates at least thirty days prior to such session and 3) proposed amendments must be submitted in writing to the Executive Director of the Association, and 4) the Executive Director or Designee transmits to each member state represented in the Association at least thirty days before such special session.

Section 3: Notice and Requirements

At least thirty days prior to any meeting where a proposal to amend MACRUC By-Laws, notice shall be given to the member states in writing or by telecommunications device. Such notice shall specify the time and place of the meeting and set forth, in exact language, the affected article or articles in the present and proposed forms. Any changes outside of the language contained in the bylaw amendments proposed for voting will be referred back to the By-Laws Committee for consideration and presentation to the membership at a future meeting.

Section 4: Severability

In the event that any article or section of the MACRUC "By-Laws" is adjudicated unenforceable by an administrative body or court, the remaining articles and sections shall remain in force.

ARTICLE XIII: CONFLICT OF INTEREST

Section I: General

An actual or potential conflict of interest arises when a proposed matter, pending consideration by the Board of Directors, or Executive Committee members, or opportunity that presents or has the appearance of presenting, a pecuniary or professional interest to such members or the familial relations of such members.

Section 2: Disclosure

In the event that a member of the Board of Directors, or the Executive Committee, becomes aware of an actual, or potential conflict of interest in a matter pending consideration, such member shall immediately disclose the material facts underlying the conflict of interest. If a member of the Board of Directors or the Executive Committee has reason to believe that a Director, or Executive Committee member may have an actual or potential conflict of interest in a matter pending consideration, such person shall immediately make his or her concern known to the Board of Directors, or the Executive Committee.

Section 3: Resolution of Conflict of Interest Issues

The Executive Committee shall review and resolve all matters involving actual or potential conflict of interests. If in the determination of the Executive Committee a conflict exists the involved member shall be recused from the participation and consideration of the matter in question, and shall abstain from the vote on said matter.

ARTICLE XIV: LIABILITY OF DIRECTORS

Section I: General

A Director of MACRUC shall stand in fiduciary relation to MACRUC, and shall perform all duties in good faith, and in a manner reasonably believed to be in the best interests of MACRUC, and with such care, including reasonable inquiry, skill, and diligence, as a person of ordinary prudence would use under similar circumstances.

Section 2: Exception

A Director of MACRUC shall not be personally liable, as such, for monetary damages for any action taken, or for the failure to take action, unless the Director has breached, or has failed to perform the duties of office, and the breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness. This liability provision shall not apply, in the event that a Director is found liable, or culpable pursuant to any criminal statute, or pursuant to federal or state tax codes.

ARTICLE XV: INDEMNIFICATION

Section 1: General

Any individual made a party to, or threatened with any civil, criminal, or administrative action, suit, or proceeding while serving as Director or Officer of MACRUC, may be indemnified by MACRUC, against reasonably incurred expenses, including attorney's fees, in connection with such action, suit, or proceeding, or in connection with any appeal therein. Such indemnification shall not be exclusive of any other rights of indemnification to which such Director or Officer may be entitled. MACRUC may purchase and maintain insurance against liability, on behalf of any individual who serves as a Director or Officer of MACRUC.

Section 2: Exceptions

Notwithstanding the provision in Article XVI, Section 1, supra, any Director or Officer deemed culpable of negligence, recklessness, breach, or failure to perform the duties of the office, or responsible for self-dealing, or misconduct in the performance of his or her duties shall be excepted from indemnification by MACRUC.

ARTICLE XVI: DISSOLUTION

MACRUC may be dissolved, by a resolution adopted by a two-thirds (2/3) vote of the Board of Directors. In the event of dissolution, the Board of Directors, or a committee appointed thereby, shall be responsible for its liquidation, if required. The Board of Directors shall authorize the payment of all indebtedness of MACRUC and arrange to make any necessary payments of the remaining assets.

ARTICLE XVII: APPLICABLE LAW

These By-Laws shall be construed in accordance with and governed by the laws of the State of Maryland.