

**Excerpts of the 2018 Amended By-Laws of PEMC (on Voting Rights):  
(Section 9, Article VIII):**

ARTICLE VIII  
MEETINGS OF MEMBERS

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Section 9. Voting Rights. A Sectoral Member in good standing shall vote in accordance with its Voting Rights as determined in this Section. An Individual Member shall have no Voting Rights. A Sectoral Member's Voting Rights is equivalent to the number of votes it can cast during the meeting. Voting Rights are not consistent and are determined at the start of every meeting.

The Total Voting Rights allocated to each Sector are computed as follows:

a) A Voting Factor shall be determined by applying the following procedure:

i. The Secretary shall within five (5) business days prior to a regular or special meeting of the Members determine the number of Sectoral Members in good standing in each Sector.

ii. The Secretary shall thereafter multiply the number of Sectoral Members in good standing in each Sector and the product thereof shall result in the Voting Factor.

By way of example, given that:

Generation Sector has 3 members in good standing,  
Transmission Sector has 1 member in good standing,  
Distribution Sector has 25 members in good standing,  
Supply Sector has 20 members in good standing,

Voting Factor =  $3 \times 1 \times 25 \times 20$   
Voting Factor = 1,500

b) Unless otherwise determined and agreed upon by a majority of the Sectoral Members within a Sector pursuant to subsection (c) below, the number of Voting Rights of a Sectoral Member in good standing within a particular Sector shall be determined as follows:

i. For the Generation Sector

(i) Obtain the total number of Megawatts (MW) owned, operated or controlled by all Sectoral Members in good standing within

the Generation Sector as provided in the Certificate of Compliance issued by the ERC ("the Total MW");

- (ii) Divide the number of MW owned, operated or controlled by each Sectoral Member in good standing in the Generation Sector by the Total MW ("the MW Quotient");
- (iii) Multiply the MW Quotient of each Sectoral Member in good standing within the Generation Sector by the Voting Factor to obtain the number of Voting Rights for each Sectoral Member in good standing within the Generation Sector rounded off to the nearest one.

By way of example, assuming that:

Voting Factor:	1,500
Generator A:	100MW
Generator B:	200MW
Generator C:	300MW

Then:

Total MW = 600MW  
MW Quotient for Generator A =  $100/600 = .1666666$   
MW Quotient for Generator B =  $200/600 = .3333333$   
MW Quotient for Generator C =  $300/600 = .5000000$

Voting Rights for Generator A =  $.1666666 \times 1,500 = 250$   
Voting Rights for Generator B =  $.3333333 \times 1,500 = 500$   
Voting Rights for Generator C =  $.5000000 \times 1,500 = 750$

ii. For the Distribution Sector

- (i) Voting Factor shall be divided equally between Distribution Utilities that are not Electric Cooperatives ("Distribution Subsector 1") and Electric Cooperatives ("Distribution Subsector 2");
- (ii) For Distribution Sub-sector 1, their Voting Rights shall be allocated as follows:
  - 1. Obtain the total number of customers, served by all Sectoral Members in good standing within the Distribution Sector 1 as determined in the latest documents filed with the ERC fifteen (15) days prior to the scheduled meeting (the "Total Customers");

2. Divide the number of customers served by each Sectoral Member in good standing within the Distribution Sub-sector 1 by the Total Customers (the "Customer Quotient");
3. Multiply the Customer Quotient of each Sectoral Member in good standing within the Distribution Subsector 1 with the Voting Factor of the Distribution Subsector 1 to obtain the number of Voting Rights for each Sectoral Member in good standing with the Distribution Sub-sector 1 rounded off to the nearest one.

By way of example, assuming that:

Voting Factor: 1,500

Distribution Utility A ("DU A") 100,000 Customers  
 Distribution Utility B ("DU B") 200,000 Customers  
 Distribution Utility C ("DU C") 300,000 Customers

Then:

Voting Factor for Sub-sector 1 750

Total Customers = 600,000  
 Customer Quotient for DU A =  $100,000/600,000 = .166$   
 Customer Quotient for DU B =  $200,000/600,000 = .333$   
 Customer Quotient for DU C =  $300,000/600,000 = .500$

Voting Rights for DU A =  $.166 \times 750 = 125$   
 Voting Rights for DU B =  $.333 \times 750 = 250$   
 Voting Rights for DU C =  $.500 \times 750 = 375$

(iii) For Distribution Sub-sector 2, their Voting Rights shall be allocated as follows:

1. Obtain the number of Sectoral Members in good standing in Distribution in Distribution Sub-sector 2;
2. Divide the Voting Factor allocated to Distribution Subsector 2 by the Number 2 by the number of Sectoral Members in good standing:

By way of example, assuming that:

Voting Factor: 1,500

Sectoral Members in good standing= 22  
in Distribution  
Sub-sector 2

Then

Voting Factor for Sub-sector 2 = 750  
Voting Rights per Sectoral Member  
in good standing of Distribution = 750  
Sub-sector 2 ----- = 34  
22

iii. For the Transmission Sector

by dividing the Voting Factor by the number of Sectoral Members in good standing within the Transmission Sector.

By way of example, assuming the figures under the example in Subsection a(ii) of Section 9 of Article VIII.

Number of Voting Rights of each  
Sectoral Member on good standing of =  $\frac{1,500}{1} = 1,500$   
the Transmission Sector

iv. For the Supply Sector

by dividing the Voting Factor by the number of Sectoral Members in good standing within the Supply Sector:

By way of example, assuming the figures under the example in Subsection a(ii) of Section 9 of Article VIII,

Number of Voting Rights of each  
Sectoral Member in good standing of =  $\frac{1,500}{20} = 75$   
the Transmission Sector

c) The Sectoral Members within a Sector may establish and agree on a different formula for determining the Voting Rights within their Sector or Sub-sector. In such event, the Sector or Sub-sector must submit to the Secretary of the Corporation such formula within six (6) months from the date of incorporation of the Corporation, which formula shall form part of these By-Laws. Failure of the Sector or Sub-sector to submit an agreed formula within the prescribed period shall automatically mean that the formula provided in subsection (b) shall apply.

Section 10. Indivisibility of Voting Rights. Unless otherwise agreed upon by the Sectoral Members within a Sector as provided in Article VIII, Section 9 of these By-Laws, the number of Voting Rights for each Sectoral Member shall be indivisible for all purposes (whether for proxies, quorum determination or voting) under these By-Laws. Notwithstanding the foregoing, the Members of the Transmission Sector shall not be allowed to divide their Voting Rights for all purposes (whether for proxies, quorum determination or voting) under these ByLaws.

Section 11. Voting Requirements. Each Sectoral Member in good standing shall have such number of votes as its Voting Rights determined under Article VIII, Section 9.

Subject to the limitations under the WESM Rules, a Sectoral Member's right to vote shall consist of the following:

- a) The right to vote on matters presented before the Members for resolution;
- b) The right to be nominated as representative to the Board;
- c) The right to nominate a Sectoral representative to the Board (in accordance with Article VIII Section 12) and vote for the same; and
- d) The right to nominate and vote for the Independent Directors of the Board.