



CONSTITUTION ANTITRUST GUIDELINES & GOVERNANCE POLICIES

**North Central Electric Association
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The MISSION OF NCEA is “to enhance the association members’ services to their customers through education and information exchanges among peers.”

THE OBJECTIVE OF NCEA shall be “largely educational and for the fullest development and advancement of the art and science of the production, distribution and ultimate use of electricity for light, heat and power for public service.”

THE GOAL OF NCEA is to “improve sectional workshops by creating better educational programs and networking opportunities through increasing participation in NCEA sponsored events.”

SINCE 1919, NCEA has provided its’ membership with many services. NCEA exclusively serves eight investor-owned electric utilities in the North Central region of the United States.

SERVICES NCEA currently provides include: executive level peer development, safety benchmarking reports, timely invitation only executive level workshops, an annual Leadership Conference, broadcast emailing of news and events, interaction among peers and executive level networking. And more!

NCEA TODAY is ever-changing to address our changing electrical utility industry marketplace. A few of the recent changes implemented include: an NCEA Website -- containing safety reports, member company information, workshop information, registration, survey results, and other member benefits; broader and timely programming at the sectional workshops; and access and information relating to the entire electrical trade through NCEA’s affiliation with the NCEL.

NCEA CURRENT MEMBERSHIP consists of:

- ALLETE-Minnesota Power
- American Transmission Company
- Black Hills Power / Black Hills Corporation
- Montana-Dakota Utilities Co. / MDU Resources
- NorthWestern Energy
- Otter Tail Power / Otter Tail Corporation
- Wisconsin Public Service / Integrys Energy Group
- Xcel Energy Inc.

NCEA’S MANAGEMENT is provided by the staff of the North Central Electrical League -- an industry wide trade association representing all sectors of the Upper Midwest’s electrical industry. NCEL’s “umbrella” membership includes power suppliers, manufacturers, distributors, contractors, engineers, inspectors, allied trade groups/ organizations, individuals and associates. NCEL has served the Upper Midwest Electrical Industry since 1936. For further information, contact the NCEL at 952/854-4405.

CONSTITUTION

North Central Electric Association

ARTICLE I - Name

The name of this Association shall be North Central Electric Association.

ARTICLE II - Objects And Purposes

The object of this Association shall be largely educational and for the fullest development and advancement of the art and science of the production, distribution and use of electricity for light, heat and power for public service. The Association shall not be engaged in business.

ARTICLE III - Membership

Section 1. Members shall be regularly incorporated privately managed electric companies located in the states of Minnesota, North Dakota, South Dakota, Iowa, Wisconsin, and adjacent states, engaged in producing and supplying electricity for light, heat and power for public use. Each member shall be entitled, through its regularly accredited delegate, to attend all meetings of the Association, to vote and to hold office.

Section 2. Every application for membership shall be made in writing to the Secretary, and shall contain an agreement on the part of the applicant to comply with the requirements of the Constitution, if elected. The application shall be referred to the Executive Committee, and if approved by a majority the applicant shall become a member.

Section 3. Membership shall stand in the name of the company, and such company shall have the right to be represented at any meeting of the Association by its accredited delegate.

Section 4. Resignations must be in writing, addressed to the Secretary, and will be accepted if the member is not indebted to this Association.

Section 5. A member may be expelled from the Association upon a report and motion to that effect made by a majority of the Executive Committee at any general meeting of the Association. The vote shall be by ballot and shall require two-thirds of the votes cast for its adoption.

ARTICLE IV - Dues

Section 1. The annual dues of member companies shall be a percentage of the gross revenue from the retail sale of electrical energy for the preceding calendar year as determined by the Executive Committee.

Section 2. All dues shall be payable in advance. Any members in arrears for ninety days from the date of billing shall be suspended from all privileges of membership but may be reinstated by action of the Executive Committee.

ARTICLE V - Officers

Section 1. The officers of this Association shall be a President, a Vice President, a Secretary/Treasurer. The President, Vice President and Treasurer shall be elected annually by members' delegates and shall assume office on their election. They shall hold office for one year or until their successors have been duly elected. The Secretary shall be elected by the Executive Committee.

Section 2. Vacancies of less than one year in the office of President, Vice President, or Treasurer shall be filled by the Executive Committee.

ARTICLE VI - Management

Section 1. The Executive Committee shall be comprised of the President, Vice President, and the Immediate Past President and representatives of the members designated by the members to represent them on the Executive Committee. Each member shall have one vote on the Executive Committee.

Section 2. The Executive Committee shall be the governing body of the Association, subject to the control of the Association by its action in annual or special meetings. All questions before the Executive Committee, except as elsewhere provided, shall be determined by a majority vote of those present. Six members of the Executive Committee shall constitute a quorum. The Executive Committee shall pass on all applications for membership, shall recommend action upon all members in arrears for dues, and shall in the absence of any specially appointed committee, attend to all business in the interests of the members of the Association.

NCEA CONSTITUTION - continued

Section 3. The President shall preside at all meetings of the Association and of the Executive Committee. The President shall name all such Committees as may seem desirable, subject to the approval of the Executive Committee. The President shall be an ex-officio member of all Committees. The President may call meetings of the Committees whenever it is advisable to do so, and the President shall be required to call a meeting of the Executive Committee on the written request of three members of the same. In case of the President's absence or disability, the office shall be filled by the Vice President.

Section 4. The Secretary shall take the minutes of all the proceedings of the Association and of the Executive Committee, and enter them in the proper books. The Secretary shall collect all money, send notices to the members of the meetings and perform whatever other duties required by the Executive Committee.

Section 5. The Treasurer shall receive from the Secretary and safely keep all funds of the Association and keep correct account of the same and pay all bills approved by the Executive Committee. The Treasurer shall submit a report at the annual meeting, approved by the Executive Committee and certified to by an Auditing Committee.

ARTICLE VII - Election Of Officers

Section 1. Prior to each annual meeting the President shall appoint a Nominating Committee, none of whom are officers of the Association, and the said Nominating Committee shall, at such annual meeting, submit a list of nominees for the several offices. Any accredited delegate may make additional nominations, and when such nominations are seconded by any other accredited delegate, that nominee's name shall be placed before the Association and be voted upon. The nominees receiving the greatest number of votes shall be declared elected.

ARTICLE VIII - Meetings

Section 1. The annual meeting shall be held at a time and place set by the Executive Committee.

Section 2. Special meetings of the Association may be called by the Executive Committee, and shall be called on the written request of five (5) members of the Association. Any business not otherwise prohibited may be transacted at these meetings.

Section 3. Notice of the time and place of the annual meeting or of special meetings, shall be mailed to all members at least two weeks before the date set for the same, and shall state the purpose of the meeting.

Section 4. At any meeting of the Association a majority of its members shall constitute a quorum for the transaction of business.

Section 5. A roll call shall be ordered on the demand of five (5) members on any question before the Association. Where it is not otherwise specified, the accredited delegates shall cast their vote by rising.

Section 6. Voting by proxy shall not be allowed at any meeting of the Association or of any of its Committees but an accredited substitute representative without vote may attend.

Section 7. The usual parliamentary rules shall apply to all meetings of the Association or of its Committees.

ARTICLE IX - Amendments

Any amendments to the Constitution shall be proposed by not less than three (3) members and shall be presented in writing to the Secretary, and copies of the same shall be sent to all members at least twenty (20) days before being acted upon. A two-thirds affirmative vote of all members in good standing shall be required to adopt the amendment.

ARTICLE X - Duration Of Corporation

This Association may, with the approval of two-thirds of the members at a meeting called for the purpose, merge with other associations having similar constitution, and all assets of this Association shall forthwith become the property of the resulting Association and the corporate life of this Association shall cease.

AMENDED:

June 20-21, 1938; July 11, 1950; October 22, 1957; November 21, 1957; and November 17, 1993.

NCEA ANTITRUST GUIDELINES POLICY

The purpose of federal and state antitrust statutes is to assure the preservation of a free and competitive economy. To achieve this end, these laws embody a general prohibition against any agreement or combination among competitors which has the effect of unreasonably restraining trade.

Clearly, membership in a trade association does not, without more, constitute an antitrust violation. Competitors may legitimately meet and discuss matters concerning their industry, provided they do so without a specific and continuing purpose, understanding or agreement to pursue actions tending to unreasonably restrict commerce. Activities which ordinarily are considered appropriate for discussion are as follows:

- Reports on general and industry trends (public information);
- Research reports and demonstrations of technology relating to the solution of industry problems;
- Demonstrations of cost control methods by which member companies can become more efficient and profitable;
- Reports on effective marketing or manufacturing techniques and methods;
- Reports on new and improved products
- Discussions of energy supply and utilization; and
- Reports on governmental developments and their impact on the industry.

Meetings, however, afford opportunities for antitrust transgressions. By definition, members of any trade association engage in concerted activities related to mutual commercial concerns. Thus, otherwise lawful association activities may constitute forbidden conduct if these in any way result in explicit or tacit agreements which fix prices, limit production, allocate markets, establish discriminatory standards or otherwise unreasonably restrain free trade, even if these forbidden results occur only in a limited area. Such conduct may be forbidden even if carried out with good motives in pursuit of a goal beneficial to members of the association, and even if resulting in some public benefit.

It is the policy of this association to conduct activities in strict compliance with all applicable federal and state antitrust laws and to avoid impropriety. These objectives can be obtained through the efforts and cooperation of executives, membership and counsel. Toward that end, the following brief set of guidelines is prepared to prevent the initiation of inappropriate discussions or actions.:

GUIDELINES TO AVOID ANTITRUST INFRACTIONS:

1. Do not engage in discussion or activities which may tend to:
 - a. Fix or otherwise restrict the prices charged by members;
 - b. Allocate markets, sales territories or customers between members;
 - c. Initiate or encourage boycotts of specific products or services, or refusals to deal with designated customers or suppliers;
 - d. Limit production levels of members and otherwise restrict the availability of products or services;
 - e. Purposely hinder or disparage the competitive efforts of nonmembers;
 - f. Coerce or encourage members to refrain from competing;
 - g. Limit, impede or exclude anyone from the manufacture, production or sales of goods and services;

NCEA ANTITRUST GUIDELINES - continued

- h. Promulgate or encourage unfair or misleading practices involving advertising or merchandising of products or services; or
 - i. Condition or tie the purchase of one product or service to the purchase of another product or service, or to a promise that another product will not be purchased.
2. Do not discriminate against competitors when (a) developing standards or specifications for products or services; (b) setting ethical standards; or (c) dealing with customer credit information.
 3. Do not exchange data concerning prices, production levels and costs, or customer credit; however, the exchange of past data (as distinguished from future data) does not in itself constitute a violation of antitrust laws if the past data reflects composite or average figures without identifying a company or if the past data is from public sources.
 4. Do not participate in the dissemination of suggested price lists of members.
 5. Do not participate in informal discussions outside the formal sessions which disregard these guidelines.

The above guidelines are not intended and should not be understood as a comprehensive summary of all antitrust problem areas. Deviations from these guidelines will not necessarily contravene antitrust laws. The complexity of the antitrust laws preclude complete explanation in these guidelines. The guidelines are intended to familiarize members with the broad contours of antitrust prohibitions so that the antitrust compliance policies are achieved.

All those involved in forbidden conduct in any way, whether benefiting or not, may be exposed to corporate and individual liability for treble damages. If there is any questions concerning the application of antitrust laws to any discussion or activity, the matter should not be discussed or otherwise acted upon without first reviewing it with legal counsel.

Adopted: June 15, 1988

NCEA CONFLICT OF INTEREST POLICY

This Conflict of Interest Policy of North Central Electric Association: (1) defines conflicts of interest; (2) identifies classes of individuals within the Association covered by this policy; (3) facilitates disclosure of information that may help identify conflicts of interest; and (4) specifies procedures to be followed in managing conflicts of interest.

- **Definition of conflicts of interest.** A conflict of interest arises when a person in a position of authority over the Association may benefit financially from a decision he or she could make in that capacity, including indirect benefits such as to family members or businesses with which the person is closely associated. This policy is focused upon material financial interest of, or benefit to, such persons.
- **Individuals covered.** Persons covered by this policy are the Association's officers, directors, chief employed executive and/or chief employed finance executive.
- **Facilitation of disclosure.** Persons covered by this policy will disclose or update to the President of the Executive Committee on a form provided by the Association their interests that could give rise to conflicts of interest, such as a list of family members, substantial business or investment holdings, and other transactions or affiliations with businesses and other organizations or those of family members.
- **Procedures to manage conflicts.** For each interest disclosed to the President of the Executive Committee, the Executive Committee will determine by majority vote whether to: (a) take no action; (b) assure full disclosure to the Executive Committee and other individuals covered by this policy; (c) ask the person to recuse from participation in related discussions or decisions within the Association; or (d) ask the person to resign from his or her position in at the Association or, if the person refuses to resign, become subject to possible removal in accordance with the Association's removal procedures. The Association's chief employed executive and/or chief employed finance executive will monitor proposed or ongoing transactions for conflicts of interest and disclose them to the President of the Executive Committee in order to deal with potential or actual conflicts, whether discovered before or after the transaction has occurred.

Adopted: June 16, 2009

NCEA WHISTLEBLOWER POLICY

This Whistleblower Policy of North Central Electric Association: (1) encourages staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the Association; (2) specifies that the Association will protect the person from retaliation; and (3) identifies where such information can be reported.

- **Encouragement of reporting.** The Association encourages complaints, reports or inquiries about illegal practices or serious violations of the Association's policies, including illegal or improper conduct by the association itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which the association has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via the Association's human resources channels, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.
- **Protection from retaliation.** The Association prohibits retaliation by or on behalf of the Association against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The Association reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.
- **Where to report.** Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the bases for the complaints, reports or inquiries. They should be directed to the Association's chief employed executive or President of the Executive Committee; if both of those persons are implicated in the complaint, report or inquiry, it should be directed to the Vice President. The Association will conduct a prompt, discreet, and objective review or investigation. Staff or volunteers must recognize that the Association may be unable to fully evaluate a vague or general complaint, report or inquiry that is made anonymously.

Adopted: June 16, 2009

NCEA DOCUMENT RETENTION & DESTRUCTION POLICY

This Document Retention and Destruction Policy of North Central Electric Association identifies the record retention responsibilities of staff, volunteers, members of the Board of Directors, and outsiders for maintaining and documenting the storage and destruction of the Association's documents and records.

- Rules. The Association's staff, volunteers, members of the Board of Directors and outsiders (i.e., independent contractors via agreements with them) are required to honor these rules: (a) paper or electronic documents indicated under the terms for retention below will be transferred and maintained by the Human Resources, Legal or Administrative staffs/departments or their equivalents; (b) all other paper documents will be destroyed after three years; (c) all other electronic documents will be deleted from all individual computers, data bases, networks, and back-up storage after one year; and (d) no paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation.

- Terms for retention.

Retain permanently:

Governance records – Constitution and Amendments, Bylaws, Policies, other organizational documents, governing board and Executive Board minutes.

Tax records – Filed state and federal tax returns/reports and supporting records, tax exemption determination letter and related correspondence, files related to tax audits.

Intellectual property records – Copyright and trademark registrations and samples of protected works.

Financial records – Audited financial statements, attorney contingent liability letters.

Retain for ten (10) years:

Pension and benefit records -- Pension (ERISA) plan participant/beneficiary records, actuarial reports, related correspondence with government agencies, and supporting records.

Retain for three (3) years:

Lease, insurance, and contract/license records – Software license agreements, vendor, hotel, and service agreements, independent contractor agreements, employment agreements, consultant agreements, and all other agreements (retain during the term of the agreement and for three years after the termination, expiration, non-renewal of each agreement).

Retain for one (1) year:

All other electronic records, documents and files – Correspondence files, past budgets, bank statements, publications, employee manuals/policies and procedures, survey information.

- Exceptions. Exceptions to these rules and terms for retention may be granted only by the Association's chief staff executive or President of the Executive Committee.

Adopted: June 16, 2009

NCEA JOINT VENTURE POLICY

This Joint Venture Policy of North Central Electric Association requires that the Association evaluate its participation in joint venture arrangements under Federal tax law and take steps to safeguard the Association's exempt status with respect to such arrangements. It applies to any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity as further defined in this policy.

- Joint ventures or similar arrangements with taxable entities. For purposes of this policy, a joint venture or similar arrangement (or a "venture or arrangement") means any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity without regard to: (1) whether the Association controls the venture or arrangement; (2) the legal structure of the venture or arrangement; or (3) whether the venture or arrangement is taxed as a partnership or as an association or corporation for federal income tax purposes. A venture or arrangement is disregarded if it meets both of the following conditions:

(a) 95% or more of the venture's or arrangement's income for its tax year ending within the Association's tax year is excluded from unrelated business income taxation [including but not limited to: (i) dividends, interest, and annuities; (ii) royalties; (iii) rent from real property and incidental related personal property except to the extent of debt-financing; and (iv) gains or losses from the sale of property]; and

(b) the primary purpose of the Association's contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.

- Safeguards to ensure exempt status protection. The Association will:
 - (a) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that the Association's exempt status is protected; and
 - (b) take steps to safeguard the Association's exempt status with respect to the venture or arrangement. Some examples of safeguards include: (i) control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of the organization; (ii) requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants; (iii) that the venture or arrangement not engage in activities that would jeopardize the Organization's exemption; and (iv) that all contracts entered into with the organization be on terms that are arm's length or more favorable to the Association.

Adopted: June 16, 2009



NORTH CENTRAL ELECTRIC ASSOCIATION Past Presidents

- 1921 - T.D. Crocker, Minneapolis General Electric Co.
1921 - T.D. Crocker, Minneapolis General Electric Co.
1922 - W.S. Heald, Minnesota Power & Light Co.
1923 - R.M. Howard, Mississippi Valley Public Service Co.
1924 - G.O. House, Northern States Power Co.
1925 - C.S. Kennedy, Otter Tail Power Co.
1926 - C.J. Snyder, Minnesota Power & Light Co.
1927 - J.F. McGuire, Union Light, Heat & Power Co.
1928 - L.M. Pharis, Minnesota Power & Light Co.
1929 - T.T. Parker, Northwestern Public Service Co.
1930 - B.W. Cowperthwaite, Northern States Power Co.
1931 - Frank Milhollan, Central West Public Service Co.
1932 - W.H. Burke, Minnesota Power & Light Co.
1933 - Wheelock Whitney, Northern States Power Co.
1934 - R.N. Houger, Wisconsin Hydro Electric Co.
1935 - A.G. Buckholz, Northern States Power Co.
1936 - C.J. Strike, Northwestern Public Service Co.
1937 - J.E. Lynch, Minnesota Power & Light Co.
1938 - J.G. Lynch, Northern States Power Co.
1939 - Elnathan C. Gates, Minnesota Utilities Co.
1940 - A.B. Sanborn, Northwestern Public Service Co.
1941 - B.F. Pickard, Interstate Power Co.
1942 - Allen S. King, Northern States Power Co.
1943 - F.R. Gamble, Montana-Dakota Utilities Co.
1944 - R.F. Pulver, Minnesota Power & Light Co.
1945 - R.A. Phillips, Central Electric & Gas Co.
1946 - Stuart Willson, Northern States Power Co.
1947 - Thomas C. Wright, Otter Tail Power Co.
1948 - E.H. Finkelburg, Mississippi Valley Public Service Co.
1949 - B.A. McTeigue, Minnesota Power & Light Co.
1950 - E.K. Thorgaard, Northern States Power Co.
1951 - George A. Neal, Iowa Public Service Co.
1952 - J.B. French, Black Hills Power & Light Co.
1953 - G.R. McArthur, Northwestern Public Service Co.
1954 - J.F. Owens, Jr., Northern States Power Co.
1955 - M.L. Kapp, Interstate Power Co.
1956 - Howard W. Cooper, Minnesota Power & Light Co.
1957 - C.G. Wright, Otter Tail Power Co.
1958 - Robert H. Engels, Northern States Power Co.
1959 - L.A. Nichols, Superior Water, Light & Power Co.
1960 - E.M. Raun, Iowa Public Service Co.
1961 - S.J. Pettersen, Northern States Power Co.
1962 - Neil Simpson, Black Hills Power & Light Co.
1963 - S.A. Moxness, Northwestern Public Service Co.
1964 - R.W. Steele, Interstate Power Co.
1965 - A.H. Herbert, Minnesota Power & Light Co.
1966 - A.V. Hartl, Otter Tail Power Co.
1967 - D.N. Heskett, Montana-Dakota Utilities Co.
1968 - C.K. Larson, Northern States Power Co.
1969 - Frank W. Griffith, Iowa Public Service Co.
1970 - Robert G. Asheim, Black Hills Power & Light Co.
1971 - Fred Stout, Superior Water, Light & Power Co.
1972 - Albert D. Schmidt, Northwestern Public Service Co.
1973 - K.S. Austin, Lake Superior District Power Co.
1974 - Sylvester Laskin, Minnesota Power & Light Co.
1975 - Glenn Lyshoj, Interstate Power Co.
1976 - David F. McElroy, Northern States Power Co.
1977 - Robert M. Bigwood, Otter Tail Power Co.
1978 - Donald W. McCarthy, Northern States Power Co.
1979 - W.W. Kroeber, Montana-Dakota Utilities Co.
1980 - Jack F. Rowe, Minnesota Power
1981 - James R. Lyon, Iowa Power & Light Co.
1982 - Scott Phelps, Iowa Public Service Co.
1983 - Larry M. Owen, Black Hills Power & Light Co.
1984 - Bob Wilkens, Northwestern Public Service Co.
1985 - Douglas H. Buswell, Interstate Power Co.
1986 - Lee Liu, Iowa Electric Light & Power Co.
1987 - Arend Sandbulte, Minnesota Power
1988 - John MacFarlane, Otter Tail Power Co.
1989 - Gene McGillis, Superior Water, Light & Power Co.
1990 - Joseph R. Maichel, Montana-Dakota Utilities Co.
1991 - Edwin M. Theisen, Northern States Power Co.
1992 - Russell E. Christiansen, Midwest Resources Inc.
1993 - Daniel P. Landguth, Black Hills Corporation
1994 - Merle D. Lewis, Northwestern Public Service Co.
1995 - Wayne H. Stoppelmoor, Interstate Power Co.
1996 - Robert D. Edwards, Minnesota Power
1997 - Stanly J. Bright, MidAmerican Energy
1998 - John MacFarlane, Otter Tail Power Co.
1999 - Roger Engle, Superior Water Light & Power
2000 - Kent Larson, Xcel Energy Inc.
2001 - Ronald Tipton, Montana-Dakota Utilities Co.
2002 - Mike Hanson, NorthWestern Energy
2003 - Donald Shippar, Allete-Minnesota Power
2004 - Tom Mainz, Wisconsin Public Service Corporation
2005 - Chuck MacFarlane, Otter Tail Power
2006 - Stuart Wevik, Black Hills Power
2007 - Kent Larson, Xcel Energy Inc.
2008 - Dave Goodin, Montana-Dakota Utilities Co.
2009 - Curt Pohl, NorthWestern Energy
2010 -
2011 -