

**ARTICLES OF INCORPORATION  
OF  
ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR ASSOCIATION**

The undersigned, having associated ourselves together for the purpose of forming a non-profit corporation under and by virtue of the laws of the State of Arizona, do hereby adopt the following original Articles of Incorporation:

**I.**

**Name and Period of Duration**

The name of the corporation is ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR ASSOCIATION (the "Corporation"). The Corporation shall exist for a period of five (5) years from the date of its incorporation unless dissolved at an earlier date.

**II.**

**Incorporators**

The names and addresses of the incorporators are:

Cary B. Deise  
502 South 2<sup>nd</sup> Avenue, Station 2260  
Phoenix, Arizona 85003

Thomas E. Parrish  
400 North 5<sup>th</sup> Street, Station 9820  
Phoenix , Arizona 85004

**III.**

**Purpose and Character of Initial Affairs**

The purpose for which this Corporation is organized is exclusively for purposes within the meaning of Section 501(c) (6) of the Internal Revenue Code of 1986. The Corporation initially intends to serve as the scheduling administrator on behalf of the owners and users of the electric transmission grid within the State of Arizona ("the Grid").

The character of the affairs which the Corporation intends to conduct is to facilitate open, non-discriminatory transmission access on the Grid.

**IV.**

**Board of Directors**

The initial Board of Directors shall consist of ten (10) directors. The names and addresses of those persons who shall serve as directors until the first annual election of directors or until their successors are elected and qualify are:

<u>Name</u>	<u>Address</u>
Mike Raezer	Tucson Electric Power Company P.O. Box 711 3950 East Irvington Road (SC202) Tucson, AZ 85702
Cary Deise	Arizona Public Service Company P.O. Box 53999, Station 2260 502 South Third Avenue Phoenix, AZ 85072-3999
Leroy Michael	Suite 100F 4359 East Camelback Road Phoenix, AZ 85018
Alan Propper	RMI 302 North First Avenue, Suite 810 Phoenix, AZ 85003
Carl Imparato	Tabors Carmanis & Associates 1205 Garfield Avenue Albany, CA 94706
Tom Delaney	Enron Corp. One World Trade Center 121 S.W. Salmon St., Suite 1100 Portland, OR 97204
Larry Huff	Arizona Electric Power Cooperative P.O. Box 670 Benson, AZ 85602
Barry Huddleston	Dynegy, Inc. 1000 Louisiana Street, Suite 5800 Houston, TX 77002
Kevin Higgins	Energy Strategies, Inc. 39 Market Street, Suite 200 Salt Lake City, UT 84101
Gordon Fox	Residential Utility Consumer Office 2828 North Central, Suite 1200 Phoenix, AZ 85004

V.

Attendance at Board Meetings

Any Member's authorized representative may attend any meeting of the Member Chairs or the Board and any committee or subcommittee of either, except meetings of the Board in executive session held solely for the purpose of (i) considering personnel matters, or (ii) consulting with the Board's attorneys regarding matters for which the Board's attorney-client privilege would, in the Board's attorneys' opinion, be jeopardized by Member attendance. The Board shall establish procedures for the Director to provide Members reasonable notice of all such meeting.

VI.

Limitation on Director Liability

To the fullest extent that the law of the State of Arizona, as it now exists or as it may hereafter be amended, permits the elimination of or limitation on the liability of directors, no director of the corporation shall be liable for monetary damages for any action taken or for any failure to take action. Any repeal or modification of this Article shall be prospective only and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification.

VII.

Exempt Organization

This Corporation is not organized for pecuniary profit nor organized to engage in an activity ordinarily carried on for profit and it shall not have the power or authority to issue shares of stock or declare or pay dividends. Except to the extent permitted by law, no part of the net earnings or assets of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, Members or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Articles of Incorporation.

Notwithstanding any other provision of these Articles, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law) and its regulations (as they now exist or may hereafter be amended).

VIII.

Distribution of Assets

In the event of dissolution or final liquidation of the Corporation, none of the property or the Corporation nor any proceeds thereof shall be distributed or divided among any of the directors, officers, or Members of the Corporation or inure to the benefit of any other private person.

After the liabilities and obligations of the corporation have been paid, satisfied, or discharged, or adequate provision made therefore, all remaining property and assets of the Corporation shall be distributed to one or more organizations that have established their tax exempt status under Section 501(a) of the Internal Revenue Code of 1986, or any amendment thereof or any governmental agency operated for the same purpose as the Corporation, as designated by the Board of Directors.

IX.

Amendment of Bylaws

The Bylaws of the Corporation shall be adopted by the first elected Board of Directors of the Corporation and may thereafter be amended by an affirmative vote of two-thirds of the Board of Directors, except that the power to amend the Bylaws providing for Membership Class composition and powers and procedures relating to the nomination and election of directors shall be reserved exclusively to the Members in accordance with the voting requirements set forth in the Bylaws.

X.

Statutory Agent

The name and address of the initial statutory agent of the Corporation is Herbert I. Zinn, 400 North 5<sup>th</sup> Street, Station 9820, Phoenix, AZ 85004.

IN WITNESS WHEREOF, the undersigned hereunto affix their signatures this \_\_\_\_ day of September 1998.

CARY DEISE, Incorporator

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THOMAS E. PARRISH, Incorporator

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Arizona Corporation Commission  
Post Office Box 6019  
Phoenix, Arizona 85005

Re: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR  
ASSOCIATION

The undersigned, having been designated to serve as Statutory Agent for the above corporation, hereby consents to serve in such capacity until resignation or removal is submitted in accordance with the Arizona Revised Statutes.

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Herbert I. Zinn

Dated: \_\_\_\_\_, 1998