

**North American Energy Standards Board
Wholesale Gas Quadrant – Request No. 15003**

Comments of WEC Energy Group, Inc. Utilities¹ (“WEC Energy Utilities”)

Re: Wholesale Gas Quadrant; Request No. R15003

The North American Energy Standards Board, on October 6, 2015, opened an industry comment period on Request No. R15003. WEC Energy Utilities submit the following comments on that request. Request No. 15003 proposed adding a representation and warranty to the Base Contract for Sale and Purchase of Natural Gas (Standard 6.3.1). The request is to add a clause that conveys the following concept: “The parties to this Contract represent and warrant that at least one of the parties has a valid right to use this Contract, either through a contract purchase from NAESB or another valid acquisition method.”

WEC Energy Utilities do not oppose the concept, but the specific wording of that concept in the Base Contract must make it unambiguous which party is making the suggested representation and warranty. WEC Energy Utilities propose that a reasonable way to effectuate the concept is to add to the cover page a section for the parties to elect if either or both is making the representation and warranty. For example:

- Party A represents and warrants that it has a valid right to use this Contract, either through a contract purchase from NAESB or another valid acquisition method.
- Party B represents and warrants that it has a valid right to use this Contract, either through a contract purchase from NAESB or another valid acquisition method.
 - If this item needs to be tied to a particular section of the Base Contract, WEC Energy Utilities propose that it reference Section 15.8. However, WEC Energy Utilities do not believe it is essential that it be linked to any particular Base Contract section.
 - Neither option should be a “default” as is the case with all (except choice of law) other cover sheet elections.
 - One or both boxes could be selected, but only one need be selected for the parties to use the contract form.

WEC Energy Utilities support this approach for the following reasons. First, this form makes it clear which party is making the warranty and representation. Given the potential ramifications of breaching a warranty and representation, clarity is critical. Second, as stated in Request No. 15003, the proposal requires only one of the parties to have a valid right to use the form. This approach allows a party not having a valid right and not choosing to purchase the right to use the NAESB form, to accept a counterparty’s preference to use the NAESB form, assuming that counterparty has a

¹ WEC Energy Group, Inc. is a holding company and the following gas utilities or combination gas and electric utilities are wholly-owned subsidiaries: Michigan Gas Utilities Corporation; Minnesota Energy Resources Corporation; North Shore Gas Company; The Peoples Gas Light and Coke Company; Wisconsin Electric Power Company; Wisconsin Gas LLC; and Wisconsin Public Service Corporation.

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valid right to use the NAESB form. A party that would not otherwise use the NAESB form may be willing to do so if the validity of its use is warranted.

Respectfully submitted,
WEC Energy Group, Inc. Utilities

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