

**TERMS AND CONDITIONS FOR THE
PURCHASE OF EQUIPMENT AND MATERIAL ("GOODS")**

ARTICLE I. LEGAL NAME OF CONTRACTING PARTY.

The full legal name of the contracting party as listed on this Order is one of the following: Wisconsin Electric Power Company; Wisconsin Gas LLC; Wisconsin Public Service Corporation; The Peoples Gas Light and Coke Company; North Shore Gas Company; Minnesota Energy Resources Corporation; Michigan Gas Utilities Corporation; Upper Michigan Energy Resources Corporation; WEC Business Services LLC; Wisconsin River Power Company; or Bluewater Gas Storage LLC.

ARTICLE II. ACCEPTANCE.

These Terms and Conditions, along with the Purchase Order or Contract (individually and together "Purchase Order") that they are attached to, when transmitted are an offer to purchase ("Offer"). "Provider's" (which includes references elsewhere in the Offer to Seller or Vendor) acceptance is limited to the terms and conditions embodied in this Offer. Upon Provider's acceptance of the Offer, the Purchase Order along with these Terms and Conditions shall comprise the "Agreement". Company (which includes references elsewhere in the Offer to Buyer) objects to and rejects every additional and/or different term or condition contained in: (a) Provider's acknowledgment of this Offer; (b) any other Provider response to this Offer; and/or (c) any other communication or document relating to this Offer. Provider agrees to and acknowledges all Offer terms and conditions by proceeding with delivery of Goods and/or services. No addition or modification to these terms and conditions will be binding on Company unless agreed to in writing signed by an authorized representative of Company and Provider. Company's acceptance and/or use of Goods or services provided hereunder shall not constitute Company's acceptance of any term or condition in addition to or different from those provided in the Offer and incorporated into this Agreement.

Company may make changes to the Offer and Agreement, such as in drawings, specifications, quantities, delivery schedules, or methods of shipment or packaging, which shall be authorized only by Company's properly executed Change Order or Purchase Order Revision (either a "Change Order"). If such changes result in an increase or decrease in costs or a change in time of performance, an equitable adjustment of price and/or delivery schedules may be made, or Company may, at its option, terminate this Agreement or an Order associated with this Agreement, without liability of any kind to Provider, if agreement on an equitable adjustment cannot be reached. Provider must assert claims for equitable adjustment within ten days of receipt of Company's Change Order or the Change Order will be incorporated into the Agreement. Purchase Orders and Change Orders are collectively referred to as "Order".

ARTICLE III. DOCUMENTS.

Company's Order Number and Item Number must be shown on all packing lists, containers, invoices and correspondence relating to this Agreement. Invoices and original bills of lading shall be submitted to Company as instructed on any Order.

ARTICLE IV. SHIPMENTS.

Shipments shall be made to meet the specified delivery dates and all items shall be suitably packed, marked with Company's Order Number and shipped in accordance with shipping instructions specified on the Order. Provider shall, at no expense to Company, be liable to Company for any loss or damage resulting from Provider's failure to provide adequate protection during shipment. Provider is responsible for any additional expenses, charges or claims incurred as a result of non-compliance with shipping instructions.

Company reserves the right to withhold payment on early shipments until after the specified delivery dates. Company, without waiving any other legal rights, reserves the right to cancel without charge or to postpone deliveries of any of the Goods covered by the Agreement which are not shipped in time to reasonably meet said delivery dates. In the event Provider suffers delay in performance due to an act of God, war, act of the Government, Company's act, fire, flood, sabotage or other causes beyond Provider's control, the time of completion shall be extended a period of time equal to the period of such delay if Provider gives Company written notice of the cause of any such delay within a reasonable time after the beginning thereof.

All items shall be delivered F.O.B. Destination unless otherwise provided on an Order. Company has the right to specify all carriers and route all shipments. Company will not be charged for packing, boxing or cartage unless separately itemized on any Order. Provider is responsible for additional expenses, charges or claims incurred by either party as a result of deviation from the specified carrier or route, noncompliance with other shipping instructions, or improper description of the shipment in shipping documents.

All shippers and transporters of hazardous materials to and from any Company facility must comply with 49 CFR Part 172 Subpart I. This includes the development and implementation of transportation security plans and employee training.

ARTICLE V. INSPECTION.

Goods purchased hereunder shall be subject to Company's count, inspection, and testing at any reasonable time and from time to time before, during or after manufacture or delivery. Notwithstanding any payment that may be made, no Goods are to be deemed accepted until Company has had a reasonable opportunity to inspect and test them. If any inspection or test is to be made on the Provider's premises, Provider without additional charge shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. Company reserves the right to send an inspector into Provider's plant to inspect material or equipment made to Company's specifications at any stage in the process of manufacture without waiving the right of subsequent rejection on account of undiscovered or latent defects. Company's inspection shall never constitute a waiver of the right to subsequent rejection by reason of any undiscovered patent or latent defect.

ARTICLE VI. CONDITIONS TO PAYMENT.

Company shall make payment in accordance with terms of payment specified on any Order from the date of receipt of invoice. Provider shall timely submit invoices within three months of delivery of Goods. Failure to submit invoices to Company on a timely basis may result in nonpayment, at Company's discretion. All claims for money due or to become due from Company shall be subject to deduction or offset by Company by reason of any counterclaim arising under this Agreement.

Company may withhold or, on account of subsequently discovered patent or latent defect, nullify all or a part of any of Provider's payment requests to such extent as Company may deem necessary to protect it from loss on account of, but not limited to: (a) defective Goods not remedied; (b) claims filed or reasonable evidence indicating probable filing of claims; or (c) Provider's failure to make payment properly to subcontractors for material or services.

When the above objections are cured to the Company's satisfaction, payment shall be made for amounts withheld.

ARTICLE VII. INVOICE PREPARATION REQUIREMENTS.

- A. Invoices must include the following information and be supported by attachments documenting the following:
 - (i) Agreement, Order number(s) and line item numbers;
 - (ii) Work description, quantity, unit price and price extension;
 - (iii) Quantities in the same unit of measure as the Order;

- (iv) Sales tax if applicable;
 - (v) Total invoice amount;
 - (vi) Invoice period by actual dates;
 - (vii) For Work performed on a time and material basis, details showing the breakdown of Provider's employees' titles/job classifications and hours and days worked. Offsite and travel hours are to be segregated from on-site Work time;
 - (viii) Details showing costs and description(s) of equipment and/or material provided;
 - (ix) Subcontractor's invoice (as applicable), delivery ticket or other relevant documentation. Provider is responsible for verifying the accuracy of all Subcontractors' documentation, prior to submittal to Company.
 - (x) Mark-up percentage, if applicable;
- B. Each Order must be billed separately.
- C. If a Law requires Company to determine "units of property" segregated costs, Provider agrees to furnish cost breakdowns to assist the Company in such determinations.

ARTICLE VIII. WARRANTY.

In addition to its standard warranty, Provider warrants that the Goods shall: (a) be free and clear of all liens and encumbrances', good and merchantable title to the Good so being in Provider; (b) be free from any defects in design, material or workmanship and of good and merchantable quality; (c) conform to Company's specifications; (d) be fit for the purposes for which purchased hereunder, which Provider acknowledges are known to it; (e) be designed so as to permit reasonable ease of maintenance, operation, repair and replacement; (f) conform to any sample(s) approved by Company; and (g) comply and have been produced, processed, delivered and sold in conformity with all applicable federal, state and other laws, administrative regulations and orders. Any term or condition of Provider's or manufacturer's warranty applicable to such Goods shall apply when such warranty term or condition is more favorable to Company in any respect. Provider further warrants that any services performed with respect to the Goods furnished hereunder shall be performed in a good and workmanlike manner, in accordance with the highest professional standards for such services and the best practices in Provider's industry.

The foregoing warranties shall survive inspection, delivery and payment, and shall run in favor of Company and its successors, assigns and customers (whether direct or indirect).

Company may, at its option, retain Goods found to be non-conforming or unsatisfactory for any reason at an adjusted price or return them to Provider for repair, replacement, or refund, as Company shall direct. Company shall also be reimbursed by Provider for all of its expenses in connection with the handling and transporting of any such non-conforming or unsatisfactory Goods, and Provider shall assume all risks of loss or damage in transit to Goods returned by Company pursuant to this Agreement. If any such repairs or replacements shall be found to be unsatisfactory for any reason, Provider shall, at the request of Company, re-perform the services properly and promptly, without additional cost to Company, and without limiting Company's other remedies. Company's remedies hereunder shall be cumulative.

Provider shall be responsible for complete fulfillment and compliance of all specifications contained in this Agreement.

ARTICLE IX. INTELLECTUAL PROPERTY

Provider shall pay all royalties and license fees associated with providing the Goods. Provider warrants that the sale or use of Goods furnished under this Agreement will not infringe or contribute to the infringement of any intellectual property right in the United States or elsewhere. Provider shall indemnify, defend, and hold harmless Company, its successors, assigns and customers (whether direct or indirect), against any and all losses, liabilities, claims, demands, damages and expenses (including but not limited to attorneys' fees and other costs of defending any infringement action, and attorneys' fees incurred by Company in enforcing this indemnity) which they, or any of them, may sustain or incur as the result of any breach of this warranty.

If any part of the Goods is claimed to constitute infringement, Provider shall within a reasonable time at its cost and expense either: (a) secure for the Company the perpetual right to continue the use of such part of the Goods by procuring for the Company a license or such other permission as will enable Provider to secure the Company's full use of the Goods; or (b) replace such part of the Goods with comparable non-infringing Goods or modify the Goods so that they are deemed non-infringing.

ARTICLE X. INDEMNIFICATION.

Provider shall indemnify, defend, and hold harmless Company and its successors, assigns and insurers from and against any and all claims, demands, losses, liabilities, damages and expenses incurred by or made against any of them in any way actually or allegedly arising out of any Goods furnished under this Agreement, and all attorneys' fees, legal expenses and other costs incurred in defending against said claims, whether said claims are based on negligence or other tort, breach of warranty, strict liability, or any other legal theory, except where the claim is based solely upon the alleged negligence of Company and the Company's negligence is determined to be the sole cause of all the damages claimed.

Company will give Provider prompt written notice of any claim, cooperation in the defense of any such claim, and the assignment of the right to defend against any such claim with counsel of Provider's choosing and to settle and/or compromise any such claim as Provider deems appropriate.

ARTICLE XI. DRAWINGS, TOOLS & EQUIPMENT.

All tools, gauges, dies, jigs, fixtures, molds, and patterns (a) furnished by Buyer, or (b) which Buyer specifically authorizes Seller to acquire for work under this Agreement, shall be handled and maintained in suitable conditions to do the work, by and at the expense of Seller, and returned to Buyer at any time upon request, F.O.B. Destination.

With regard to design work, drawings, tools, molds or other equipment required to perform this Agreement: (a) Company shall not be required to furnish or pay for such items unless otherwise stated herein; (b) Company may, at its option, purchase any such item at its current basis for income tax purposes on Provider's books; and (c) any such item furnished or purchased by Company or included in the price of this Agreement (whether or not separately identified) shall be Company's property, shall be delivered to Company upon request, shall not be used in work for others, while in Provider's possession shall be adequately insured at Provider's expense for Company's benefit against loss, theft or damage, and shall not be modified without Company's prior written consent.

ARTICLE XII. NON-ASSIGNABILITY.

Provider shall not assign, delegate or subcontract the performance of or the provision of Goods under this Agreement, in whole or in part, whether voluntarily or by operation of law, without the prior written consent of Company; but this Article XI shall not restrict Provider in the procurement of component parts or materials.

ARTICLE XIII. FITNESS FOR DUTY.

Provider and its employees shall comply with any and all security procedures and fitness for duty policies of Company if the Agreement covers work to be performed by Provider on Company's premises. These policies include, but are not limited to, prohibiting possession, sales or use of illegal substances, intoxicants, firearms, explosives or dangerous weapons on Company's premises. These policies may also provide Company with the right to require Provider to

have its employees submit to testing if circumstances exist that indicate any of Provider's employees may be under the influence of illegal substances or intoxicants. When the testing procedures are applicable, Provider will be so informed and provided with a copy of the testing procedure.

ARTICLE XIV. SEVERABILITY.

Invalidity of any provision of this Agreement, or in any given application of any provision, shall have no effect upon the legal enforceability of other provisions of this Agreement.

ARTICLE XV. HEADINGS OF ARTICLES.

The articles', sections', paragraphs' and other parts' headings are for convenience only and do not define, limit or construe the contents thereof.

ARTICLE XVI. EXPORT CONTROLS.

For all Goods to be delivered and services to be provided according to this Agreement, Provider shall comply with all applicable export control, customs and foreign trade regulations ("Foreign Trade Regulations") and shall obtain all necessary export licenses, unless Company or any party other than Provider is required to apply for the export licenses pursuant to the applicable Foreign Trade Regulations. Provider shall advise Company in writing as early as possible of any information and data required by Company to comply with all Foreign Trade Regulations for the Goods and services applicable in the countries of export and import.

ARTICLE XVII. TAXES.

Provider shall be responsible for all transaction taxes, including but not limited to, federal, state, regional and local taxes, goods and services taxes, value-added, gross receipts, gross margins, and any and all other transaction taxes, and income, social security, or other employment taxes in effect that are imposed on Provider concerning this Agreement. Sales and use tax instructions shall be included in an Order.

ARTICLE XVIII. COMPANY AUDIT RIGHTS.

Company or its authorized representatives will have: (a) full and complete access to electronic data related to this Agreement; and (b) full and complete access during normal business hours and upon reasonable notice to perform an audit of the Provider's provision of the Goods and performance of the services and related books and records. Provider shall provide the Company and its authorized representatives with such information and assistance as needed to perform the audits.

ARTICLE XIX. WAIVER.

Any waiver of an Agreement provision shall not be deemed a waiver of any other provision or of Company's right to insist upon subsequent strict compliance with such provision.

ARTICLE XX. CANCELTION BY BUYER.

Company shall have the right to cancel this Agreement without cause. Company's liability for cancelation of the Agreement without cause shall be limited to Provider's actual cost for work and materials applicable solely to the canceled Agreement which shall have been expended prior to the time Provider receives notice of cancellation. Due allowance shall be made for salvage value.

ARTICLE XXI. CONFIDENTIALITY AND PUBLICITY.

All commercial information contained in this Offer or Agreement is proprietary to Company and shall be treated as confidential by Provider. Such information shall not be published, released or disclosed, in whole or in part, to any other person without the Company's prior written consent.

Provider shall not use Company's or any affiliates' name for any advertising or promotional purposes (including, but not limited to, advertisements, listings of clients and/or customers or press releases) nor shall Provider grant press interviews, disseminate any information of a promotional nature or publish or provide for the publication of any information (including photographs) regarding this Agreement or the Goods unless, in each instance, Provider first obtains Company's written consent, which consent may be withheld in Company's sole discretion.

ARTICLE XXII. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE INDICATED AS THE GOODS DELIVERY POINT ON ANY ORDER REFERENCING THIS AGREEMENT (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS).

ARTICLE XXIII. FAIR LABOR STANDARDS CERTIFICATE.

Provider hereby certifies that all Goods furnished hereunder shall have been produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the Administrator of the Wage and Hour Division issued under Section 14 thereof, and in accordance with all applicable state and federal laws and regulations governing general conditions for labor employed in the production of such Goods.

ARTICLE XXIV. NOTICE OF UNION RIGHTS.

Provider agrees that it and each subcontractor shall, to the extent applicable, comply with the provisions of the Employee Notice clause contained in 29 C.F.R. Part 471, Appendix A to Subpart A, or its successors.

ARTICLE XXV. COMPLIANCE WITH IMMIGRATION LAWS.

Provider shall, in the performance of its obligations under this Agreement, comply in all respects with all immigration laws, statutes, rules, codes, orders and regulations, including, without limitation, the Immigration Reform and Control Act of 1986, as amended, the Immigration and Nationality Act, as amended, and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, as amended, and any successor statutes, laws, rules and regulations thereto (collectively, the "Immigration Laws"). Provider shall cause its agents and subcontractors to comply with the requirements of this provision.

ARTICLE XXVI. APPLICABLE LAWS AND REGULATIONS.

The Provider shall comply with all requirements of building, sanitary, occupational safety and health, pollution control and other applicable federal, state, county and municipal laws, ordinances, rules and regulations.