

GENERAL TERMS AND CONDITIONS

56. SEGMENTATION OF CAPACITY

Segmentation may be accomplished in Northern's Market and Field Areas by submitting a request in accordance with Section 26, "Requests for Service" and Section 27, "Information Required for a Request for Service," of the GENERAL TERMS AND CONDITIONS of this Tariff.

A. MARKET AREA

1. A Shipper utilizing firm transportation service under Rate Schedules included in Northern's F.E.R.C. Gas Tariff may request, subject to the limitations set forth below, to segment its Market Area contractual firm entitlement into two segments as follows:
 - a. A Segmentation Point shall be established for Market Area capacity and shall be the Market Area Segmentation Point and Market Area Segmentation Deferred Delivery Point. These segmentation points are only valid for nominations on the segmented contracts. A Shipper's segmented entitlement will be separated into two separate service agreements, one for the Access Segment and another for the Delivery Segment.
 - b. Access Segment: The "Access Segment" shall be from the Shipper's Primary Receipt Point, excluding non-physical pooling points, to the applicable Segmentation Point. The Access Segment MDQ shall be limited to the available MDQ in the Shipper's service agreement. Alternate physical receipt points shall be available within MID 17. The Access Segment shall use the applicable Segmentation Point as its delivery point. Volumes delivered to the Segmentation Point shall not be subject to otherwise-applicable commodity rates or mainline fuel charges.
 - c. Delivery Segment: The "Delivery Segment" shall be from the Market Area Segmentation Point to the Shipper's Primary Delivery Point. The Delivery Segment shall be limited to the available MDQ in the Shipper's Service Agreement, and shall be subject to all applicable transportation rates and charges provided thereunder. The Delivery Segment shall use the Market Area Segmentation Point as its receipt point.
2. All nominations for both the Access and Delivery Segments must be balanced at the Market Area Segmentation Point during each nomination cycle. Shipper may exercise virtual segmentation rights for its own use by making a nomination to utilize the Market Area Segmentation Point; or by posting and releasing capacity pursuant to the terms of Section 47 of the GENERAL TERMS AND CONDITIONS. Segmented firm service agreements shall be treated as all other firm agreements under this Tariff for purposes of nominations and scheduling, except that deliveries to and receipts from the Market Area Segmentation Points shall have an alternate scheduling priority.