

GENERAL TERMS AND CONDITIONS

B. FIELD AREA -

A Shipper utilizing firm transportation service under TF and TFX Rate Schedules included in Northern's F.E.R.C. Gas Tariff may, subject to the limitations set forth below, segment its Field Area contractual firm entitlement.

1. Northern shall grant Field Area segmentation if the criteria listed below are met. If the Field Area segmentation involves the release of capacity, the requirements of Section 47 of the GENERAL TERMS AND CONDITIONS of this Tariff must be satisfied.
2. General Criteria for Segmentation in Northern's Field Area. The following criteria for segmentation have been established to ensure that segmentation is provided to the greatest extent possible without detriment to, or degradation of, any Shipper's service.
 - a. The boundary between MID 7 and MID 8, hereinafter referred to as the MID 7B Segmentation Point, shall be established for purposes of Field Area segmentation. An associated MID 7B Segmentation Point Deferred Delivery location shall also be established.
 - b. Field Area segmentation will be permitted as long as the Shipper's existing contract has a primary receipt point located south of the MID 7B Segmentation Point and a primary delivery point located north of the MID 7B Segmentation Point (or vice-versa).
 - c. The segmented MDQ shall be limited to the available MDQ on the Shipper's service agreement. The Shipper will retain its existing contract, and the same MDQ assigned to both the Shipper's primary receipt point(s) south of the MID 7B Segmentation Point and the primary delivery point(s) north of the MID 7B Segmentation Point will be available to the Shipper in both the south and north segments, respectively. Shipper nominations that are at or below the MDQ in the segment will be scheduled on a primary or alternate basis. Shipper nominations that exceed the MDQ in the segment will be scheduled on an interruptible basis. Furthermore, nominations within the segment that are scheduled on an alternate basis will be designated as Alternate 1 (for nominations within the path) or Alternate 2 (for nominations outside the path).
 - d. Shipper may realign primary receipt or delivery point(s), subject to capacity availability, other than the MID 7B Segmentation Point. This includes segmented contracts acquired under capacity release.
 - e. To the extent it is operationally feasible and subject to subpart 2(d), a segmented transaction consisting of a backhaul and a forwardhaul nominated to the same point will be permitted to the extent capacity is available at the delivery point. The forwardhaul and backhaul delivered to the same point can exceed the MDQ of the original agreement.
 - f. All original contract provisions regarding rates apply to the segmented contracts. The reservation charge will be billed on the contract(s) as agreed to by Northern and the Shipper. The commodity rates and fuel use and unaccounted for will be billed on the contracts that have been nominated during the month.
 - g. If a contract segment is released, Northern's capacity release tariff provisions will apply, including all provisions for rates and billing.