

**TEXAS EASTERN TRANSMISSION, LP**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
*(unaudited)*

**June 30, 2025**

# TEXAS EASTERN TRANSMISSION, LP

## CONSOLIDATED STATEMENTS OF EARNINGS

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<i>(unaudited; millions of United States dollars)</i>				
Operating revenues				
Transportation of natural gas	492	465	999	944
Storage of natural gas and other services	29	28	61	58
Total operating revenues	521	493	1,060	1,002
Operating expenses				
Operating, maintenance and other	139	156	282	312
Depreciation and amortization	99	95	196	187
Property and other taxes	18	22	50	53
Total operating expenses	256	273	528	552
Operating income	265	220	532	450
Other income/(expenses)				
Allowance for funds used during construction - equity	10	4	14	9
Other income	18	1	18	1
Interest expense	(29)	(29)	(58)	(59)
Total other expenses	(1)	(24)	(26)	(49)
Earnings before income taxes	264	196	506	401
Income tax expense	(1)	(1)	(1)	(1)
Earnings	263	195	505	400

*The accompanying notes are an integral part of these interim consolidated financial statements.*

# TEXAS EASTERN TRANSMISSION, LP

## CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL

	Six months ended June 30,	
	2025	2024
<i>(unaudited; millions of United States dollars)</i>		
Balance at beginning of period	8,070	7,503
Earnings	505	400
Attributed deferred tax benefit	6	4
Rate case settlement	13	13
Balance at end of period	8,594	7,920

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# TEXAS EASTERN TRANSMISSION, LP

## CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended June 30,	
	2025	2024
<i>(unaudited; millions of United States dollars)</i>		
<b>Operating activities</b>		
Earnings	505	400
Adjustments to reconcile earnings to net cash provided by operating activities:		
Depreciation and amortization	196	187
Allowance for funds used during construction - equity	(14)	(9)
Deferred income tax expense	1	1
Other	16	10
Change in operating assets and liabilities	(106)	(63)
Net cash provided by operating activities	598	526
<b>Investing activities</b>		
Capital expenditures	(313)	(340)
Changes in advances receivable, net - affiliates	(275)	(186)
Net cash used in investing activities	(588)	(526)
Net change in cash	10	—
Cash and cash equivalents at beginning of period	—	—
Cash and cash equivalents at end of period	10	—

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# TEXAS EASTERN TRANSMISSION, LP

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2025	December 31, 2024
<i>(unaudited; millions of United States dollars)</i>		
<b>Assets</b>		
Current assets		
Cash and cash equivalents	10	—
Accounts receivable and other	197	188
Accounts receivable from affiliates	14	5
Gas imbalance receivable	153	169
Inventory	37	40
Fuel tracker	52	10
	463	412
Advances receivable, net - affiliates	443	168
Goodwill	136	136
Right-of-use assets	373	379
Property, plant and equipment, net	10,900	10,765
Regulatory assets	239	241
Other	80	75
Total assets	12,634	12,176
<b>Liabilities and partners' capital</b>		
Current liabilities		
Accounts payable and other	206	196
Accounts payable to affiliates	70	72
Property and other taxes accrued	66	98
Interest payable	37	37
Collateral liabilities	15	22
Gas imbalance payable	154	168
Lease liabilities	17	17
	565	610
Long-term debt	2,539	2,539
Deferred state income tax	11	11
Lease liabilities	348	355
Regulatory and other liabilities	577	591
	4,040	4,106
Contingencies <i>(Note 5)</i>		
Partners' capital	8,594	8,070
Total liabilities and partners' capital	12,634	12,176

*The accompanying notes are an integral part of these interim consolidated financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

## 1. BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of Texas Eastern Transmission, LP ("we", "our", "us" and "Texas Eastern") have been prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP) for interim consolidated information. They do not include all of the information and notes required by US GAAP for annual consolidated financial statements and should therefore be read in conjunction with our audited consolidated annual financial statements and notes for the year ended December 31, 2024. In the opinion of management, the interim consolidated financial statements contain all normal recurring adjustments necessary to present fairly our financial position, results of operations and cash flows for the interim periods reported. These interim consolidated financial statements follow the same significant accounting policies as those included in our audited consolidated financial statements for the year ended December 31, 2024. Amounts are stated in United States (US) dollars unless otherwise noted.

## 2. REVENUES

### REVENUE FROM CONTRACTS WITH CUSTOMERS

#### Major Services

All operating revenues for the periods ended June 30, 2025 and 2024 were earned from contracts with customers for the transportation of natural gas, storage of natural gas and other services.

#### Contract Balances

	Receivables	Contract assets	Contract liabilities
<i>(millions of US dollars)</i>			
Balance as at June 30, 2025	184	61	22
Balance as at December 31, 2024	185	59	23

Contract receivables represent the amount of receivables derived from contracts with customers.

Contract assets represent the amount of revenue which has been recognized in advance of payments received for performance obligations we have fulfilled (or partially fulfilled) and prior to the point in time at which our right to the payment is unconditional. Amounts included in contract assets are transferred to accounts receivable when our right to the consideration becomes unconditional.

Contract liabilities represent payments received for performance obligations which have not been fulfilled.

### SIGNIFICANT JUDGMENTS MADE IN RECOGNIZING REVENUE

#### Long-Term Transportation Agreements

For long-term transportation agreements, significant judgments pertain to the period over which revenue is recognized. Transportation revenue earned from firm contracted capacity arrangements is recognized ratably over the contract period. Transportation revenue from interruptible or volumetric-based arrangements is recognized when services are performed.

#### Estimates of Variable Consideration

Revenue from arrangements subject to variable consideration is recognized only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Uncertainties associated with variable consideration relate principally to differences between estimated and actual volumes and prices. These uncertainties are resolved each month when actual volumes are sold or transported and actual tolls and prices are determined.

**Performance Obligations Satisfied Over Time**

For arrangements involving transportation where the transportation services or commodities are simultaneously received and consumed by the shipper or customer, we recognize revenue over time using an output method based on volumes of commodities delivered or transported. The measurement of the volumes transported or delivered corresponds directly to the benefits received by the shippers or customers during that period.

**Determination of Transaction Prices**

Prices for gas processing and transportation services are determined based on the capital cost of the facilities, pipelines and associated infrastructure required to provide such services plus a rate of return on capital invested that is determined either through negotiations with customers or through regulatory processes for those operations that are subject to rate regulation.

**Payment Terms**

Payments are received monthly from customers under long-term transportation and commodity contracts.

**3. DEBT****DEBT COVENANTS**

As at June 30, 2025, we were in compliance with all debt covenants.

**4. REGULATORY MATTERS**

We record assets and liabilities that result from the regulated ratemaking process that may not be recorded under US GAAP for non-regulated entities.

We are subject to cost-based regulation and consequently record a regulatory tax asset in connection with the tax gross up of Allowance for funds used during construction - equity. The corresponding deferred tax liability is recognized as an Attributed deferred tax benefit in the Consolidated Statements of Partners' Capital, since we are a pass-through entity.

On September 10, 2018, Spectra Energy Partners, LP (SEP) filed with the Federal Energy Regulatory Commission (FERC) in Docket No. AC18-220-000 a request on behalf of certain of SEP's pipeline affiliates, including Texas Eastern, to adjust Accumulated Deferred Income Taxes (ADIT) and the Excess Accumulated Deferred Income Tax (EDIT) recorded in the respective official books in accordance with the Commission's March 15, 2018 and July 18, 2018 orders on its revised income tax allowance policy. The AC18-220 proceeding is currently pending before the Commission and, as such, Texas Eastern continues to reflect ADIT and EDIT on the books.

On June 1, 2019, Texas Eastern started amortizing the EDIT regulatory liability over the remaining average useful life of the assets, as agreed to in the rate case settlement approved by the Commission in Docket No. RP19-343 (2019 Settlement).

On November 27, 2023, SEP, a subsidiary of Enbridge Inc., filed with the Commission in Docket No. AC18-220-000 a request on behalf of certain of SEP's pipeline and affiliates, including Texas Eastern, for a Motion for Action on its September 10, 2018, request for approval of accounting entries in this proceeding.

On June 3, 2024, Texas Eastern filed its petition for approval of the Stipulation and Agreement (2024 Settlement) related to the May 3, 2024, prepackaged settlement and, on July 31, 2024, Texas Eastern received approval from the FERC of its uncontested rate settlement (July 2024 Order), in which the Commission directed Texas Eastern to file two actual tariff records consistent with the 2024 Settlement.

Pursuant to the July 2024 Order and terms of the 2024 Settlement, on September 3, 2024, Texas

Eastern filed actual tariff records reflecting a rate effective date of October 1, 2024. Texas Eastern will continue to operate under these rates through December 31, 2025, then Texas Eastern must file another set of actual tariff records at least thirty (30) days prior to January 1, 2026, reflecting rates that are to become effective on January 1, 2026.

## **5. CONTINGENCIES**

### **GENERAL INSURANCE**

We are included in the comprehensive insurance program maintained by Enbridge for its subsidiaries to mitigate a certain portion of our risks. However, not all potential risks arising from our operations are insurable, or are insured as a result of availability, high premiums and for various other reasons.

Enbridge self-insures a significant portion of certain risks through its wholly-owned captive insurance subsidiaries, which require certain assumptions and management judgments regarding the frequency and severity of claims, claim development and settlement practices and the selection of estimated loss among estimates derived using different methods. Enbridge's insurance coverage is also subject to terms and conditions, exclusions and large deductibles or self-insured retentions which may reduce or eliminate coverage in certain circumstances.

Enbridge's insurance policies are generally renewed on an annual basis and, depending on factors such as market conditions, the premiums, terms, policy limits and/or deductibles can vary substantially. We can give no assurance that we will be able to maintain adequate insurance in the future at rates or on other terms we consider commercially reasonable. In such case, we may decide to self-insure additional risks.

In the unlikely event multiple insurable incidents occur which exceed coverage limits within the same insurance period, the total insurance coverage will be allocated among Enbridge entities on an equitable basis based on an insurance allocation agreement we have entered into with Enbridge and other Enbridge subsidiaries.

### **ENVIRONMENTAL**

We are subject to various US federal, state and local laws relating to the protection of the environment. These laws and regulations can change from time to time, imposing new obligations on us.

Environmental risk is inherent to natural gas pipeline and storage operations, and we are, at times, subject to air emissions limitations and environmental remediation obligations at various sites where we operate. We manage this environmental risk through appropriate environmental policies, programs and practices to minimize any impact our operations may have on the environment. To the extent that we are unable to recover payment for environmental liabilities from insurance or other potentially responsible parties, or from recovery through cost of service rate increases, we will be responsible for payment of costs arising from environmental obligations or incidents associated with the operating activities of our natural gas business.

### **LITIGATION**

We are involved in various legal and regulatory actions and proceedings which arise in the normal course of business, including interventions in regulatory proceedings and challenges to regulatory approvals and permits. While the final outcome of such actions and proceedings cannot be predicted with certainty, management believes that the resolution of such actions and proceedings will not have a material impact on our consolidated financial position or results of operations.

Legal costs related to the defense of loss contingencies are expensed as incurred. We had no material reserves for legal matters recorded as at June 30, 2025 or December 31, 2024, related to litigation.

## **6. SUBSEQUENT EVENTS**

We have evaluated significant events and transactions that occurred from July 1, 2025 through August 26, 2025, the date the interim Consolidated Financial Statements were issued, and have identified no subsequent events for disclosure.