

TC PipeLines, LP

Consolidated Financial Statements

December 31, 2025 and 2024

TC PIPELINES, LP
CONSOLIDATED STATEMENTS OF INCOME

<i>(millions of dollars)</i>	Year ended	
	December 31,	
	2025	2024
Transmission revenues, net (Note 2)	411	419
Equity earnings (Note 4)	226	244
Operating and other expenses:		
Operation and maintenance expenses	(93)	(89)
Property taxes	(17)	(24)
Depreciation and amortization	(81)	(86)
Total operating and other expenses	(191)	(199)
Operating income	446	464
Gain on sale of PNGTS (Note 17)	—	420
Financial charges and other (Note 15)	(21)	(49)
Income before income taxes	425	835
Income taxes	—	(2)
Net income	425	833
Less: Net income attributable to non-controlling interest	—	22
Net income attributable to controlling interests	425	811

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

TC PIPELINES, LP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(millions of dollars)</i>	Year ended	
	December 31,	
	2025	2024
Net income	425	833
Other comprehensive income	2	1
Comprehensive income	427	834
Comprehensive income attributable to non-controlling interests	—	22
Comprehensive income attributable to controlling interests	427	812

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

TC PIPELINES, LP
CONSOLIDATED BALANCE SHEETS

<i>(millions of dollars)</i>	December 31, 2025	December 31, 2024
ASSETS		
Current Assets		
Accounts receivable and other (Note 14)	51	31
Demand loan receivable from affiliates (Note 12)	58	131
Inventories	14	13
Other	5	7
Total current assets	128	182
Equity investments (Note 4)	1,039	981
Property, plant and equipment (Note 8) (Net of \$1,373 million accumulated depreciation; 2024 - \$1,299 million)	1,670	1,673
Goodwill (Note 6)	71	71
Other assets (Note 2)	63	9
TOTAL ASSETS	2,971	2,916
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	39	59
Accounts payable to affiliates (Note 12)	7	11
Imbalance payable	3	2
Customer deposits	13	18
Accrued interest	3	8
Current portion of long-term debt (Note 7)	—	350
Total current liabilities	65	448
Long-term debt, net (Note 7)	874	873
Other liabilities (Note 16)	43	38
Total liabilities	982	1,359
Partners' Equity		
Common units	1,858	1,440
Class B units (Note 9)	98	95
General partner	28	19
Accumulated other comprehensive income (AOCI)	5	3
Total partners' equity	1,989	1,557
TOTAL LIABILITIES AND PARTNERS' EQUITY	2,971	2,916

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

TC PIPELINES, LP
CONSOLIDATED STATEMENTS OF CASH FLOWS

(millions of dollars)	Year ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net Income	425	833
Adjustments to reconcile net income to partners to net cash provided by operating activities:		
Depreciation and amortization	81	86
Amortization of debt issue costs reported as interest expense	1	1
Equity earnings from equity investments (Note 4)	(226)	(244)
Distributions received from operating activities of equity investments (Note 4)	271	230
Equity allowance for funds used during construction (AFUDC Equity)	(2)	(4)
Gain on sale of PNGTS (Note 17)	—	(420)
Other	—	(12)
Change in regulatory assets and liabilities	(53)	(14)
Change in other operating assets and liabilities (Note 10)	(35)	6
Net cash provided by operating activities	462	462
Cash flows from investing activities:		
Investment in Northern Border (Note 4)	(101)	—
Capital expenditures	(92)	(77)
Distribution received from Iroquois as return of investment (Note 4)	—	22
Distribution received from Northern Border as return of investment (Note 4)	—	1
Customer advances for construction	2	5
Change in demand loan receivable (Note 12)	74	(5)
Proceeds from sale of PNGTS (Note 17)	—	546
Net cash provided by (used in) investing activities	(117)	492
Cash flows from financing activities:		
Distributions paid to common units, including the General Partner (Note 9)	(300)	(951)
Distributions paid to Class B units (Note 9)	—	(3)
Distributions paid to non-controlling interests	—	(29)
Contribution from parent (Note 9)	305	—
Debt repaid (Note 7)	(350)	—
Net cash used in financing activities	(345)	(983)
Decrease in cash and cash equivalents	—	(29)
Cash and cash equivalents, beginning of period	—	29
Cash and cash equivalents, end of period	—	—
Interest payments paid	43	54
State income taxes paid	—	6
Supplemental information about non-cash investing and financing activities		
Accrued capital expenditures, net	20	40

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

TC PIPELINES, LP
CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' EQUITY

For the year ended December 31, 2025:

	Limited Partners				General Partner	Accumulated Other Comprehensive Income	Non-Controlling Interest	Total Equity
	Common Units		Class B Units					
	<i>millions of units</i>	<i>millions of dollars</i>	<i>millions of units</i>	<i>millions of dollars</i>				
Partners' Equity at December 31, 2024	82.7	1,440	1.9	95	19	3	—	1,557
Net Income	—	413	—	3	9	—	—	425
Other comprehensive income	—	—	—	—	—	2	—	2
Distributions	—	(294)	—	—	(6)	—	—	(300)
Capital contribution from parent	—	299	—	—	6	—	—	305
Partners' Equity at December 31, 2025	82.7	1,858	1.9	98	28	5	—	1,989

For the year ended December 31, 2024:

	Limited Partners				General Partner	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total Equity
	Common Units		Class B Units					
	<i>millions of units</i>	<i>millions of dollars</i>	<i>millions of units</i>	<i>millions of dollars</i>				
Partners' Equity at December 31, 2023	82.7	1,580	1.9	95	22	2	80	1,779
Net Income	—	792	—	3	16	—	22	833
Other comprehensive income (loss)	—	—	—	—	—	1	—	1
Distributions	—	(932)	—	(3)	(19)	—	(29)	(983)
Disposition of non-controlling interest in PNGTS (Note 17)	—	—	—	—	—	—	(73)	(73)
Partners' Equity at December 31, 2024	82.7	1,440	1.9	95	19	3	—	1,557

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

TC PIPELINES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

Unless the context clearly indicates otherwise, TC PipeLines, LP and its subsidiaries are collectively referred to in this annual report as “we,” “us,” “our”, “TC PipeLines” and the “Partnership.” We use “our pipeline systems” and “our pipelines” when referring to the Partnership’s ownership interests in Gas Transmission Northwest LLC (GTN), Northern Border Pipeline Company (Northern Border), Bison Pipeline LLC (Bison), Great Lakes Gas Transmission Limited Partnership (Great Lakes), North Baja Pipeline, LLC (North Baja), Tuscarora Gas Transmission Company (Tuscarora), Portland Natural Gas Transmission System (PNGTS) and Iroquois Gas Transmission System, LP (Iroquois).

Pipeline	Length	Description	Ownership
GTN	1,378 miles	Extends between an interconnection near Kingsgate, British Columbia, Canada at the Canadian border to a point near Malin, Oregon at the California border and delivers natural gas to the Pacific Northwest and to California.	100 percent
Bison	302 miles	Extends from a location near Gillette, Wyoming to Northern Border's pipeline system in North Dakota. Bison can transport natural gas from the Powder River Basin to Midwest markets.	100 percent
North Baja	86 miles	Extends between an interconnection with the El Paso Natural Gas Company pipeline near Ehrenberg, Arizona and an interconnection with a natural gas pipeline near Ogilby, California on the Mexican border transporting natural gas in the Southwest. North Baja is a bi-directional pipeline.	100 percent
Tuscarora	305 miles	Extends between the GTN pipeline near Malin, Oregon to its terminus near Reno, Nevada and delivers natural gas in northeastern California and northwestern Nevada.	100 percent
Northern Border	1,411 miles	Extends between the Canadian border near Port of Morgan, Montana to a terminus near North Hayden, Indiana, south of Chicago. Northern Border is capable of receiving natural gas from Canada, the Bakken, the Williston Basin and Rocky Mountain area for deliveries to the Midwest. ONEOK Northern Border Pipeline Company Holdings, LLC owns the remaining 50 percent of Northern Border.	50 percent
PNGTS ^(a)	296 miles	Connects with the TQM at the Canadian border to deliver natural gas to customers in the U.S. Northeast. Northern New England Investment Company, Inc. owns the remaining 38.29 percent of PNGTS. The 296-mile pipeline includes 107 miles of jointly owned pipeline facilities (the Joint Facilities) with Maritimes and Northeast Pipeline, LLC (MNE). The Joint Facilities extend from Westbrook, Maine to Dracut, Massachusetts and PNGTS owns approximately 52.5 percent of the undivided ownership interest based on contractually agreed upon percentages. The Joint Facilities are maintained and operated by M&N Operating Company, LLC (MNOC), a wholly owned subsidiary of MNE. MNE is a subsidiary of Enbridge Inc.	61.71 percent
Great Lakes	2,115 miles	Connects with the TC Energy Mainline at the Canadian border near Emerson, Manitoba, Canada and St. Clair, Michigan, near Detroit. Great Lakes is a bi-directional pipeline that can receive and deliver natural gas at multiple points along its system. TC Energy Corporation owns the remaining 53.55 percent of Great Lakes.	46.45 percent
Iroquois	416 miles	Extends from the TC Energy Mainline system near Waddington, New York to deliver natural gas to customers in the U.S. northeast. The remaining 50.66 percent is owned by: TC Energy Corporation (0.66 percent) and Berkshire Hathaway (50 percent). Iroquois is maintained and operated by a subsidiary of Iroquois.	49.34 percent

^(a)On August 15, 2024, TC Energy completed the sale of PNGTS to a third party. For more information, see Note 17 PNGTS Divestiture.

The Partnership was formed by TransCanada PipeLines Limited, a wholly-owned subsidiary of TC Energy Corporation (TC Energy Corporation together with its subsidiaries collectively referred to herein as TC Energy), to acquire, own and participate in the management of energy infrastructure assets in North America. The Partnership is managed by its General Partner, TC Pipelines GP, LLC (General Partner), an indirect wholly-owned subsidiary of TC Energy Corporation.

The General Partner provides management and operating services to the Partnership and is reimbursed for its costs and expenses.

NOTE 2 SIGNIFICANT ACCOUNTING MATTERS

The accompanying consolidated financial statements and related notes have been prepared in accordance with United States generally accepted accounting principles (GAAP) and amounts are stated in United States (U.S.) dollars. The financial statements and notes present the financial position of the Partnership as of December 31, 2025 and 2024 and the results of its operations, cash flows and changes in partners' equity for the years December 31, 2025 and 2024.

Basis of Presentation

The Partnership consolidates its interests in entities over which it is able to exercise control. To the extent there are interests owned by other parties, these interests are included as non-controlling interests. The Partnership uses the equity method of accounting for its investments in entities over which it is able to exercise significant influence. The Partnership is considered to have a variable interest in Great Lakes, which is accounted for as an equity investment since the Partnership is not the primary beneficiary (Refer to Note 4 for more details).

U.S. federal and certain state income taxes are the responsibility of the limited partners and are not reflected in these consolidated financial statements. The tax effect of the Partnership's activities accrues to its limited partners. The Partnership's taxable income or loss, which may vary substantially from the net income or loss reported in the Consolidated Statements of Income, can be included in the U.S. federal income tax returns of each partner.

In instances where the Partnership's consolidated entities are subject to state income taxes, the asset-liability method is used to account for taxes. This method requires recognition of deferred tax assets and liabilities for future tax consequences attributable to the differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are classified as non-current on our Consolidated Balance Sheets.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Although management believes these estimates are reasonable, actual results could differ from these estimates.

Regulation

Our pipeline systems' accounting policies conform to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 980 – **Regulated Operations**. As a result, our pipeline systems record assets and liabilities that result from the regulated rate-making process that may not be recorded under GAAP for non-regulated entities.

The Partnership's natural gas pipelines are subject to the authority of the U.S. Federal Energy Regulatory Commission (FERC). The Partnership's natural gas transmission operations are regulated with respect to construction, operations and the determination of rates. Rate-regulated accounting (RRA) standards may impact the timing of the recognition of certain revenues and expenses in these rate-regulated businesses which may differ from that otherwise expected in non-rate-regulated businesses to appropriately reflect the economic impact of the regulator's decisions regarding revenues and rates. Regulatory assets represent costs that are expected to be recovered in customer rates in future periods and regulatory liabilities represent amounts that are expected to be returned to customers through future rate-setting processes. An asset qualifies for the use of RRA when it meets three criteria:

- a regulator must establish or approve the rates for the regulated services or activities
- the regulated rates must be designed to recover the cost of providing the services or products and
- it is reasonable to assume that rates set at levels to recover the cost can be charged to (and collected from) customers because of the demand for services or products and the level of direct or indirect competition.

Cash and Cash Equivalents

The Partnership's cash and cash equivalents consist of cash and highly liquid short-term investments with original maturities of three months or less and are recorded at cost, which approximates fair value.

The Partnership participates in a cash management program with TransCanada PipeLine USA Ltd. (TCPL USA), a TC Energy subsidiary. This program matches short-term cash surpluses and needs of participating affiliates, thus minimizing the total borrowings from outside sources. The regulated entities participating in the cash management program treat monies advanced under the program as a loan, accruing interest and repayable on demand. In addition, the regulated entities shall receive interest on monies advanced to TCPL USA at the rate of interest earned by TCPL USA on its short-term cash investments. The regulated entities shall pay interest on monies advanced from TCPL USA based on the short-term borrowing costs of TCPL USA.

Trade Accounts Receivable

The Partnership's accounts receivable primarily consist of amounts due from customers amounting to \$51 million at December 31, 2025 (December 31, 2024 - \$31 million). These amounts are recorded as trade accounts receivable and reported as "Accounts receivable and other" in the Partnership's Consolidated Balance Sheets (Refer to Note 14, "Accounts Receivable and Other"). Trade accounts receivable are recorded at the invoiced amount and do not bear interest, except for those receivables subject to late charges. Additionally, our accounts receivable represents the Partnership's unconditional right to consideration for services completed which includes billed and unbilled accounts.

Trade accounts receivable are recorded at the invoiced amount and do not bear interest, except for those receivables subject to late charges. The Partnership maintains an allowance for credit losses for estimated losses on accounts receivable, if it is determined the Partnership will not collect all or part of the outstanding receivable balance. The allowance for credit losses is a valuation account deducted from the amortized cost basis to present the net amount expected to be collected. The estimate of expected credit losses includes recoveries of amounts previously written off as well as amounts currently expected to be written off. The Partnership did not recognize any allowances for credit losses and no accounts were written-off in 2025 and 2024.

Natural Gas Imbalances

Natural gas imbalances occur when the actual amount of natural gas delivered to or received from a pipeline system differs from the amount of natural gas scheduled to be delivered or received. The Partnership values these imbalances due to or from shippers and interconnecting parties at current index prices. Imbalances are settled in kind, subject to the terms of the pipelines' tariff.

Imbalances owed to others are reported on the balance sheets as imbalance payable. Imbalances due from others are reported on the balance sheets as imbalance receivable. The determination of the asset or liability classification is based on the net position of the customer. In addition, the Partnership classifies all imbalances as current as the Partnership expects to settle them within a year.

Inventories

Inventories primarily consist of materials and supplies. Inventories are carried at the lower of weighted average cost or net realizable value.

Property, Plant and Equipment

Property, plant and equipment are stated at original cost. Costs of restoring the land above and around the pipeline are capitalized to pipeline facilities and depreciated over the remaining life of the related pipeline facilities. Repair and maintenance costs are expensed as incurred. Costs that are considered a betterment are capitalized. Pipeline facilities and compression equipment have an estimated useful life of 3 to 48 years and metering and other equipment ranges from 0.6 to 73 years. Depreciation of our subsidiaries' assets is based on rates approved by FERC from the pipelines' last rate proceeding and is calculated on a straight-line composite basis over the assets' estimated useful lives. Under the composite method, assets with similar lives and characteristics are grouped and depreciated as one asset. Amounts included in construction work in progress are not depreciated until transferred into service. During the years ended December 31, 2025 and 2024, the Partnership incurred depreciation expenses of \$81 million and \$86 million, respectively.

The Partnership amortizes the cost of commercial nominations and billing software and computer software, both developed for internal use. The largest component of amortization expense is for commercial software costs, which are capitalized upon the completion of the preliminary stage of each project in accordance with ASC 350-40 - *Internal Use Software*. Once installed software is ready for its intended use, such capitalized costs are amortized on a straight-line basis, generally over a period of 5.2 years. Refer to Note 8 for further details regarding our Property, plant and equipment balance.

The Partnership's subsidiaries capitalize a carrying cost on funds invested in the construction of long-lived assets. This carrying cost includes a return on the investment financed by debt and equity allowance for funds used during construction (AFUDC), calculated based on the average cost of debt and equity. Capitalized carrying costs for AFUDC debt and equity are reflected as an increase in the cost of property, plant and equipment on the consolidated balance sheets.

Both capitalized AFUDC debt and equity amounts are reported as part of Financial Charges and Other line item in the Consolidated Statements of Income. Capitalized AFUDC equity is a non-cash expenditure adjustment in the operating cash flows of the Consolidated Statement of Cash Flows. Capitalized AFUDC equity amounts during the years ended December 31, 2025 and 2024 were \$2 million and \$4 million, respectively. Capitalized AFUDC Debt during the year ended December 31, 2025 was \$0.2 million (2024 - \$0.6 million). For more information, refer to Note 15.

The Partnership collects estimated future removal costs related to its transmission and gathering facilities in its current rates (also known as "negative salvage") and recognizes regulatory liabilities in this respect on the Consolidated Balance Sheets. The regulatory liabilities balance is primarily comprised of negative salvage. Estimated costs associated with the future removal of transmission and gathering facilities are collected through depreciation as allowed by FERC. These amounts do not represent asset retirement obligations as defined by ASC 410 - *Accounting for Asset Retirement Obligations*.

When plant, property and equipment are retired, the Partnership charges accumulated depreciation and amortization for the original cost of the assets in addition to the cost to remove, sell, or dispose of the assets, less their salvage value. The Partnership does not recognize a gain or loss unless an entire operating unit is sold or retired. The Partnership includes gains or losses on dispositions of operating units in income.

Impairment of Equity Method Investments

We review our equity method investments when a significant event or change in circumstances has occurred that may have an adverse effect on the fair value of each investment. When such events or changes occur, we compare the estimated fair value to the carrying value of the related investment. We calculate the estimated fair value of an investment in an equity method investee using an income approach and market approach. The development of fair value estimates requires significant judgment including estimates of future cash flows, which is dependent on internal forecasts, estimates of the long-term rate of growth for the investee, estimates of the useful life over which cash flows will occur, and determination of weighted average cost of capital. The estimates used to calculate the fair value of an investee can change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and our assessment as to whether an investment in an equity method investee has suffered an impairment.

If the estimated fair value of an investment is less than its carrying value, we are required to determine if the decline in fair value is other than temporary. This determination considers the aforementioned valuation methodologies, the length of time and the extent to which fair value has been less than carrying value, the financial condition and near-term prospects of the investee, including any specific events which may influence the operations of the investee, the intent and ability of the holder to retain its investment in the investee for a period of time sufficient to allow for any anticipated recovery in market value, and other facts and circumstances. If the fair value of an investment is less than its carrying value and the decline in value is determined to be other than temporary, we record an impairment charge.

Impairment of Long-lived Assets

The Partnership reviews long-lived assets, such as property, plant and equipment for impairment whenever events or changes in circumstances that indicate the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the assets, an impairment loss is recognized for the excess of the carrying value over the fair value of the assets.

Partners' Equity

Costs incurred in connection with the issuance of units are deducted from the proceeds received.

Revenue Recognition

The Partnership's revenues are generated from contractual arrangements for committed capacity and from transportation of natural gas which are treated as a single performance obligation. For the years ended December 31, 2025 and 2024, effectively all of the Partnership's revenues were from capacity arrangements and transportation contracts with customers.

Revenues earned from firm contracted capacity arrangements are recognized over the term of the contract regardless of the amount of natural gas that is transported. Transportation revenues for interruptible or volumetric-based services are recognized when the service is performed. The Partnership utilizes the practical expedient of recognizing revenue as invoiced. In the application of the right to invoice practical expedient, the Partnership's revenues from regulated capacity arrangements are recognized based on rates specified in the contract. Therefore, the amount invoiced, which includes the capacity contracted and available volume of natural gas transported, corresponds directly to the value the customer received. Revenues are invoiced and paid on a monthly basis.

The Partnership's pipeline systems do not take ownership of the natural gas that is transported for customers. Revenues from contracts with customers are recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

The Partnership's pipeline systems are subject to FERC regulations and, as a result, a portion of revenues collected may be subject to refund if invoiced during an interim period when a rate proceeding is ongoing. Allowances for these potential refunds are recognized using management's best estimate based on the facts and circumstances of the proceeding. Any allowances that are recognized during the proceeding process are refunded or retained, as applicable, at the time a regulatory decision becomes final. As of December 31, 2025 and 2024, there are no refund provisions reflected in these financial statements.

Long-Term Debt Transaction Costs and Issuance Costs

Costs related to the issuance of debt are deferred and amortized using the effective interest rate method over the term of the related debt. Consistent with debt discount, long-term debt transaction costs and issuance costs are presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability. The amortization of debt issuance costs is reported as interest expense. For more information, refer to Note 15.

Acquisitions and Goodwill

The Partnership accounts for business acquisitions from third parties using the acquisition method of accounting and, accordingly, the assets and liabilities of the acquired entities are recorded at their estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of net assets acquired is attributed to goodwill.

Goodwill is not amortized and is tested for impairment on an annual basis or more frequently if any indicators of impairment are evident. The Partnership can initially assess qualitative factors to determine whether events or changes in circumstances indicate that the goodwill might be impaired. The factors the Partnership considers include, but are not limited to, macroeconomic conditions, industry and market considerations, cost factors, historical and forecasted financial results, and events specific to that reporting unit. If the Partnership concludes there is not a greater than 50 percent likelihood that the fair value of the reporting unit is greater than its carrying value, the Partnership will then perform the quantitative goodwill impairment test. The Partnership can also elect to proceed directly to the quantitative goodwill impairment test for any of its reporting units. If the quantitative goodwill impairment test is performed, the Partnership compares the fair value of the reporting unit to its carrying value, including its goodwill. If the carrying value of a reporting unit including its goodwill exceeds its fair value, goodwill impairment is measured at the amount by which the reporting unit's carrying value exceeds its fair value.

We calculate the estimated fair value of the reporting unit using an income approach and market approach. The development of fair value estimates requires significant judgment including estimates of future cash flows, which is dependent on internal forecasts, estimates of the long-term rate of growth for the reporting unit, estimates of the useful life over which cash flows will occur, and a determination of weighted average cost of capital. The estimates used to calculate the fair value of the reporting unit can change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and our assessment as to whether the goodwill in the reporting unit has suffered an impairment.

Fair Value Measurements

For cash and cash equivalents, accounts receivables and other, demand loan receivable from affiliates, demand loan payable to affiliates, accounts payable, certain accrued expenses and short-term debt, the carrying amount approximates fair value due to the short maturities of these instruments. For long-term debt instruments, interest rate swap agreements, and natural gas imbalances, fair value is estimated based upon market values (if applicable) or on the current interest rates available to us for debt with similar terms and remaining maturities. Judgment is required in developing these estimates.

Asset Retirement Obligation

The Partnership recognizes the fair value of a liability for asset retirement obligations in the period in which it is incurred, when a legal obligation exists, and a reasonable estimate of fair value can be made. The fair value is added to the carrying amount of the associated asset and the liability is accreted through charges to operating expenses.

The Partnership has determined it has legal obligations associated with its natural gas pipelines and related transmission facilities. The obligations relate primarily to purging and sealing the pipelines if they are abandoned. The Partnership is also required to operate and maintain its natural gas pipeline system and intends to do so as long as supply and demand for natural gas exists, which the Partnership expects for the foreseeable future. Therefore, the Partnership believes its natural gas pipeline system's assets have indeterminate lives and, accordingly, has recorded no asset retirement obligation as of December 31, 2025 and 2024.

Customer Deposits

At times, our customers may endure financial challenges resulting from commodity price and market volatility, economic instability and political or regulatory changes. In addition to actively monitoring these situations, there are a number of factors that reduce our counterparty credit risk exposure in the event of default, including:

- contractual rights and remedies together with the utilization of contractually-based financial assurances
- current regulatory frameworks governing certain of our operations
- the competitive position of our assets and the demand for our services
- potential recovery of unpaid amounts through bankruptcy and similar proceedings

As Counterparty Risk performs credit checks on our customers, some customers are deemed to be of higher risk than others. If required, cash security deposits are provided by the customers as a form of financial assurance related to contract(s) with counterparties. From time to time, Counterparty Risk may adjust the amount held on deposit as the contractual exposures change. These deposits are not used to pay invoices; they are used to mitigate any damages suffered by the Partnership because of the counterparty's default. If there is no default by the end of the relationship, the deposit is returned.

Contingencies

The Partnership and its pipeline systems are subject to various legal proceedings in the ordinary course of business. Our accounting for contingencies covers a variety of business activities, including contingencies for legal and environmental liabilities. The Partnership accrues for these contingencies when the assessments indicate it is probable that a liability has been incurred or an asset will not be recovered, and an amount can be reasonably estimated in accordance with ASC 450 - *Contingencies*. We base these estimates on currently available facts and the estimates of the ultimate outcome or resolution. Actual results may differ from estimates resulting in an impact, positive or negative, on earnings and cash flow. Contingencies that might result in a gain are not accrued in our consolidated financial statements.

At December 31, 2025, the Partnership is not aware of any contingent liabilities that would have a material adverse effect on the Partnership's financial condition, results of operations or cash flows.

GTN Carbon Emission Credit

In 2021, the state of Washington passed its Climate Commitment Act establishing a market-based cap-and-invest program to reduce carbon emissions. This program took effect on January 1, 2023, and sets a limit, or cap, on overall carbon emissions in the state and requires businesses to obtain allowances equal to their annual covered carbon emissions. The current compliance period being January 1, 2023 through December 31, 2026. The state's cap will be reduced over time to meet the state's carbon emissions reduction targets, which means fewer carbon emissions allowances will be available to purchase each year. These allowances can be purchased through quarterly auctions hosted by the state or bought and sold on a secondary market. In 2023, GTN began purchasing allowances for the carbon emissions from three compressor stations within the state whose annual carbon emissions exceed 25,000 metric tons of carbon dioxide equivalent. The 2024 GTN Settlement allows for the recovery of the costs of purchasing allowances under the program through a regulatory asset. (See Note 5)

GTN records the purchased emission allowances at cost and the associated accumulated interest to Other Assets on the Balance Sheet. A total of \$62.4 million was included in Other Assets on the Consolidated Balance Sheets for December 31, 2025, and \$9.4 million as of December 31, 2024.

NOTE 3 ACCOUNTING CHANGES

Reference Rate Reform

In March 2020, the FASB issued optional guidance with respect to the expected cessation of certain reference interest rates. The guidance provides optional expedients for contracts and hedging relationships that are affected by reference rate reform if certain criteria are met. In December 2022, FASB issued an update to defer the sunset date of the guidance to December 31, 2024. For eligible hedging relationships, the Partnership has applied the optional expedient allowing an entity to assume that the hedged forecasted transaction in a cash flow hedge is probable of occurring. The Partnership expects to use practical expedients available in the guidance to treat contract modifications as events that do not require contract remeasurement or reassessment of previous accounting determinations. As such, these changes are not expected to have a material impact on the Partnership's consolidated financial statements.

NOTE 4 EQUITY INVESTMENTS

The Partnership has equity interests in Northern Border, Great Lakes and Iroquois. The pipeline systems owned by these entities are regulated by FERC. The Northern Border and Great Lakes pipeline systems are operated by subsidiaries of TC Energy. The Iroquois pipeline system is operated by Iroquois Pipeline Operating Company, a wholly owned subsidiary of Iroquois. The Partnership uses the equity method of accounting for its interests in its equity investees.

	Ownership Interest at December 31,	Equity Earnings ^(a) Year ended December 31,		Equity Investments	
<i>(millions of dollars)</i>	2025	2025	2024	December 31, 2025	December 31, 2024
Northern Border	50.00%	104	95	558	448
Great Lakes	46.45%	73	77	323	380
Iroquois	49.34%	49	72	158	153
		226	244	1,039	981

^(a) Equity Earnings represents our share in an investee's earnings and does not include any impairment charge on the equity method investment recorded as a reduction of carrying value of these investments.

Distributions from Equity Investments

Distributions received from equity investments in the year ended December 31, 2025 totaled \$271 million (December 31, 2024 - \$253 million).

During the year ended December 31, 2025, nil of the total \$271 million distributions received from equity investments (December 31, 2024 - \$23 million) was considered as return of capital and included in "Investing Activities" of the Partnership's Consolidated Statements of Cash Flows. The return of capital in 2024 was related to our investment in Iroquois and Northern Border (see further discussion below).

Northern Border

During the year ended December 31, 2025, the Partnership made equity contributions in the total amount of \$101 million to Northern Border. This amount represents the Partnership's 50 percent share of \$202 million in cash calls from Northern Border to partially repay outstanding debt and fund certain capital expenditures. For the year ended December 31, 2024, the Partnership made no equity contributions to Northern Border.

During the year ended December 31, 2025, the Partnership received total distributions from Northern Border amounting to \$95 million (December 31, 2024 - \$100 million), which includes nil (December 31, 2024 - \$1 million) non-recurring distribution from Northern Border, reported as return of capital investing activity in the statement of cash flows.

The Partnership did not have undistributed earnings from Northern Border for the year ended December 31, 2025 and 2024. At December 31, 2025, the Partnership had a \$115 million (December 31, 2024 - \$115 million) difference between the carrying value of Northern Border and the underlying equity in the net assets primarily resulting from the recognition and inclusion of goodwill in the Partnership's investment in Northern Border relating to the Partnership's April 2006 acquisition of an additional 20 percent general partnership interest in Northern Border.

The summarized financial information provided to us by Northern Border is as follows:

<i>(millions of dollars)</i>	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	39	60
Other current assets	51	47
Property, plant and equipment, net	1,250	1,005
Other assets	9	10
	1,349	1,122
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities	130	73
Deferred credits and other	53	51
Long-term debt, net ^(a)	279	331
Partners' equity	887	667
	1,349	1,122

<i>(millions of dollars)</i>	Year ended	
	December 31,	
	2025	2024
Transmission revenues	320	320
Operating expenses	(82)	(79)
Depreciation	(60)	(62)
Financial charges and other	30	11
Net income	208	190

^(a) Includes current maturities of nil as of December 31, 2025 for Northern Border's 2.97% Series A Senior Notes (December 31, 2024 - nil), net of unamortized debt issuance costs and debt discounts. At December 31, 2025, Northern Border was in compliance with all of its financial covenants.

Great Lakes, a variable interest entity

The Partnership is considered to have a variable interest in Great Lakes, which is accounted for as an equity investment as we are not its primary beneficiary. A variable interest entity is a legal entity that either does not have sufficient equity at risk to finance its activities without additional subordinated financial support, is structured such that equity investors lack the ability to make significant decisions relating to the entity's operations through voting rights or do not substantively participate in the gains or losses of the entity.

During the years ended December 31, 2025 and 2024, the Partnership made no equity contributions to Great Lakes.

During the year ended December 31, 2025, the Partnership received distributions from Great Lakes amounting to \$130 million (December 31, 2024 - \$63 million).

The Partnership did not have undistributed earnings from Great Lakes for the years ended December 31, 2025 and 2024. At December 31, 2025, the equity method goodwill related to Great Lakes amounted to \$39 million (December 31, 2024 - \$39 million). The equity method goodwill relates to the Partnership's February 2007 acquisition of a 46.45 percent general partner interest in Great Lakes and is the difference between the carrying value of our investment in Great Lakes and the underlying equity in Great Lakes' net assets.

The summarized financial information provided to us by Great Lakes is as follows:

<i>(millions of dollars)</i>	December 31, 2025	December 31, 2024
ASSETS		
Current assets	104	141
Property, plant and equipment, net	933	795
	1,037	936
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities	111	75
Net long-term debt, including current maturities ^(a)	288	104
Other long term liabilities	25	22
Partners' equity	613	735
	1,037	936

<i>(millions of dollars)</i>	Year ended December 31,	
	2025	2024
Transmission revenues	273	282
Operating expenses	(83)	(79)
Depreciation	(39)	(39)
Financial charges and other	6	1
Net income	157	165

^(a) Includes current maturities of \$21 million as of December 31, 2025 (December 31, 2024 - \$21 million). At December 31, 2025, Great Lakes was in compliance with all of its financial covenants.

Iroquois

During the years ended December 31, 2025 and 2024, the Partnership made no equity contributions to Iroquois.

During the year ended December 31, 2025 the Partnership received total distributions from Iroquois amounting to \$46 million (December 31, 2024 - \$91 million) which includes nil (December 31, 2024- \$22 million) non-recurring distribution from Iroquois, reported as return of capital investing activity in the consolidated statements of cash flows. The 2024 non-recurring distribution from Iroquois relates to the return of equity contributions due to delays in the permitting of the EXC project, which were reported as a return of investment in the Partnership's Consolidated Statements of Cash Flows.

The Partnership did not have undistributed earnings from Iroquois for the years ended December 31, 2025 and 2024. At December 31, 2025, the Partnership had a \$39 million (December 31, 2024 - \$38 million) difference between the carrying value of Iroquois and the underlying equity in the net assets primarily from the Partnership's carrying value due to the fair value assessment of Iroquois' assets at the time of its acquisition of interests from third parties (refer to Note 2 - Acquisitions and Goodwill for our accounting policy on acquisitions from TC Energy).

The summarized financial information provided to us by Iroquois is as follows:

<i>(millions of dollars)</i>	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	48	45
Other current assets	46	50
Property, plant and equipment, net	453	448
Other assets	26	24
	573	567
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities	22	19
Long-term debt, net ^(a)	295	299
Other non-current liabilities	15	17
Partners' equity	241	232
	573	567

<i>(millions of dollars)</i>	Year ended December 31,	
	2025	2024
Transmission revenues	210	254
Operating expenses	(71)	(69)
Depreciation	(32)	(32)
Financial charges and other	(7)	(7)
Net income	100	146

^(a) Includes current maturities of \$4 million as of December 31, 2025 (December 31, 2024 - \$4 million). At December 31, 2025, Iroquois was in compliance with all of its financial covenants.

NOTE 5 RATE-REGULATED BUSINESS

The Partnership's businesses that apply RRA currently include natural gas pipelines. Regulatory Assets and Liabilities represent future revenues that are expected to be recovered from or refunded to customers based on decisions and approvals by the applicable regulatory authorities. Depending on whether they are current or long-term in nature, Regulatory Assets are included on the balance sheets as either Other Current Assets or Regulatory Assets; Regulatory Liabilities are included in Accounts Payable and Accrued Interest or Regulatory Liabilities.

Great Lakes

Great Lakes operates under a rate settlement approved by FERC on April 26, 2022 (2022 Settlement), which maintains Great Lakes's existing maximum transportation rates through October 31, 2025. The 2022 Settlement contains a moratorium until October 31, 2025. In April 2025, Great Lakes filed a Section 4 Rate Case with FERC requesting an increase to maximum transportation rates effective November 1, 2025, subject to refund. As of December 31, 2025, Great Lakes is pursuing a collaborative process to find a mutually beneficial outcome with customers.

Northern Border

Northern Border has operated under a settlement approved by FERC effective January 1, 2018. On December 29, 2023, Northern Border filed a general Natural Gas Act (NGA) Section 4 Rate Case with FERC requesting an increase to Northern Border's maximum rates to become effective July 1, 2024, and subject to refund. On August 30, 2024, Northern Border filed a settlement with FERC resolving all issues in the general NGA Section 4 Rate Case (2024 Settlement). On November 25, 2024 FERC approved the 2024 Settlement. The 2024 Settlement reduced the previously effective mainline reservation rates ("pre-filed rates") by 12.5%, effective July 1, 2024, through April 30, 2027, and

restated the rates to the “pre-filed rates” from May 1, 2027, through October 31, 2028. The 2024 Settlement also includes a moratorium on further rate changes through October 31, 2028, and Northern Border must file for new rates to be effective November 1, 2028.

GTN

GTN operates under rates established as part of the FERC-approved rate settlement effective November 18, 2021 (2021 Settlement). On September 29, 2023, GTN filed a general NGA Section 4 Rate Case with FERC, requesting an increase to GTN's maximum rates to become effective April 1, 2024, and subject to refund. On August 9, 2024 GTN filed a settlement with FERC resolving all issues in the general NGA Section 4 Rate Case. The 2024 settlement approved by FERC on October 21, 2024, will maintain the currently-effective rates (“pre-filed rates”) from April 1, 2024 through March 31, 2026. GTN will then reduce its pre-filed rates by 11% starting on April 1, 2026 through March 31, 2027. The 2024 settlement also includes a moratorium on further rate changes through March 31, 2027, and GTN must file for new rates to be effective no later than April 1, 2027. Previously accrued rate refund liabilities amounting to \$19.4 million were refunded to customers, including interest in the fourth quarter of 2024.

Tuscarora

Tuscarora operates under the rates established as part of the FERC-approved rate settlement on September 6, 2023 (2023 Settlement). The 2023 Settlement provided for phased rate reductions effective February 1, 2023 and additionally effective February 1, 2025. The 2023 Settlement contained a moratorium that expires December 1, 2028. Tuscarora is required to file new rates by December 1, 2028.

Iroquois

In anticipation of Iroquois's obligation to file a Section 4 rate case no later than September 1, 2022, Iroquois entered into discussions with the RP16-301 and the RP19-445 interested parties. These discussions resulted in an agreement in principal resolving all rate case issues (2022 Settlement). The 2022 Settlement was filed with FERC and approved by order dated August 31, 2022, with new rates being placed into effect September 1, 2022. Pursuant to the 2022 Settlement, there will be a rate moratorium wherein no new firm recourse rates can be placed into effect on Iroquois's mainline or Eastchester facilities until September 1, 2026. Following the conclusion of the moratorium, if no rate case is filed or if no new rate settlement is reached, Iroquois must file a Section 4 rate case no later than September 1, 2027.

NOTE 6 GOODWILL

At December 31, 2025 the Partnership's Goodwill of \$71 million (December 31, 2024 - \$71 million) related to the Tuscarora (\$23 million) and North Baja (\$48 million) acquisitions. Adverse changes to our key considerations could, however, result in future impairments on our goodwill.

As part of the annual goodwill impairment assessment at December 31, 2025, the Partnership evaluated qualitative factors impacting the fair value of the underlying reporting unit. It was determined that it was more likely than not that the fair value of the reporting unit exceeded its carrying amount, including goodwill.

NOTE 7 DEBT

<i>(millions of dollars)</i>	December 31, 2025	Weighted Average Interest Rate for the Year Ended December 31, 2025		December 31, 2024	Weighted Average Interest Rate for the year ended December 31, 2024	
TC PipeLines, LP						
4.375% Unsecured Senior Notes due 2025	—	4.375%	(a)	350	4.375%	(a)
3.90% Unsecured Senior Notes due 2027	500	3.90%	(a)	500	3.90%	(a)
GTN						
3.12% Series A Senior Notes due 2030	175	3.12%	(a)	175	3.12%	(a)
4.92% Series B Senior Notes due 2030	50	4.92%	(a)	50	4.92%	(a)
5.69% Unsecured Senior Notes due 2035	150	5.69%	(a)	150	5.69%	(a)
Less: unamortized debt issuance costs and debt discount	(1)			(2)		
Less: current portion	—			(350)		
Total long-term debt, net	874			873		

(a) Fixed interest rate

GTN

On June 1, 2020, GTN entered into a Note Purchase and Private Shelf Agreement (GTN Private Shelf Facility) whereby GTN issued \$175 million of 10-year Series A Senior Notes (GTN Series A Notes) with a coupon of 3.12 percent per annum, maturing on June 1, 2030. The GTN Private Shelf Facility allows for the issuance of up to an additional \$75 million of Senior Notes within a period extending to June 1, 2023. On June 1, 2023, GTN extended the issuance period of the GTN Private Shelf Facility until May 1, 2026 and increased the availability to \$350 million. The 3.12 percent Series A Notes do not require any principal payments until maturity on June 1, 2030.

On June 14, 2023, GTN issued an additional \$50 million of 7-year Series B Senior Notes (GTN Series B Notes) at a coupon of 4.92 percent from the existing GTN Private Shelf Facility. The 4.92 percent GTN Series B Notes require two \$25 million principal payments on June 14, 2029 and 2030.

GTN's Series A Notes and Series B Notes contain a covenant that limits total funded debt to no greater than 70 percent of total consolidated capitalization and GTN's Unsecured Senior Notes contain a covenant that limits total debt to no greater than 65 percent of GTN's total capitalization. GTN's total consolidated funded debt to adjusted capitalization ratio at December 31, 2025 was 31.8 percent and GTN's total debt to total capitalization ratio at December 31, 2025 was 30.4 percent. As of December 31, 2025, GTN was in compliance with all its financial covenants.

Partnership

At December 31, 2025, the Partnership was in compliance with all debt terms and conditions including its financial covenants and its other covenants including restrictions on entering into mergers, consolidations, sales of assets, and granting of liens. The Partnership was also in compliance with the related provisions of the Fourth Amended and Restated Agreement of Limited Partnership (Partnership Agreement), including restrictions on incurring additional debt and distributions to unitholders. There are currently no plans to refinance the TCP LP notes at this time. Maturities are expected to be funded with commercial paper at TCPL USA.

The principal repayments required of the Partnership on its debt at December 31, 2025 are as follows:

<i>(millions of dollars)</i>	Principal Payments
2026	—
2027	500
2028	—
2029	—
2030	225
Thereafter	150
	875

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

The following table includes property, plant and equipment of our consolidated entities:

December 31 <i>(millions of dollars)</i>	2025			2024		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Pipeline facilities	1,574	(921)	653	1,558	(886)	672
Compression equipment	1,211	(362)	849	1,169	(335)	834
Metering and other equipment	223	(90)	133	218	(78)	140
Construction in progress	35	—	35	27	—	27
	3,043	(1,373)	1,670	2,972	(1,299)	1,673

NOTE 9 PARTNERS' EQUITY

Class B units issued to TC Energy

The Class B units entitle TC Energy to an annual distribution from 2020 onward based on 30 percent of GTN's annual distributable cash flow less \$20 million, multiplied by 25 percent (Class B Distribution). Additionally, for any calendar year for which the cash distributions payable on the Partnership's common units are less than \$3.94 per common unit, the Class B Distribution will be reduced by the same percentage as the percentage by which distributions payable on the common units are reduced below \$3.94 per common unit (Class B Reduction).

For the year ended December 31, 2025, the Class B distribution was \$3.0 million and was declared and paid in Q1 2026. During the second quarter of 2024, the Partnership declared and paid a Class B distribution to TC Energy amounting to \$2.6 million.

Partnership

On November 10, 2025, the board of directors of our General Partner declared a cash distribution by the Partnership in the amount of \$300 million to the partners, which included \$270 million paid to TransCan Northern LLC, a subsidiary of TC Energy Corporation, and \$30 million paid to the General Partner. The distribution was paid on November 25, 2025.

On May 15, 2025, the board of directors of our General Partner declared a cash contribution to the Partnership in the amount of \$305 million from the partners, which included \$275 million paid by TransCan Northern LLC, a subsidiary of TC Energy Corporation, and \$30 million paid by the General Partner. The contribution was received on May 27, 2025.

For the year ended December 31, 2024, the board of directors declared a cash distribution in the amount of \$951 million, which included \$856 million paid to TransCan Northern LLC and \$95 million paid to the General Partner.

NOTE 10 CHANGE IN OTHER OPERATING ASSETS AND LIABILITIES

<i>(millions of dollars)</i>	Year ended	
	December 31,	
	2025	2024
Change in accounts receivable and other	(20)	10
Change in imbalance receivable	(2)	6
Change in inventories	(1)	—
Change in other current assets	2	(1)
Change in accounts payable and accrued liabilities ^(a)	(1)	4
Change in customer deposits	(5)	(7)
Change in imbalance payable	1	(5)
Change in accounts payable to affiliates	(4)	1
Change in accrued interest	(5)	(2)
Change in other operating assets and liabilities	(35)	6

^(a) Excludes certain non-cash items primarily related to capital accruals and credits.

NOTE 11 TRANSACTIONS WITH MAJOR CUSTOMERS

The following table represents the shippers providing significant operating revenues to the Partnership for the year ended December 31, (in millions):

<i>Year Ending</i>	2025	2024
DRW Energy Trading LLC	60	—
Tourmaline Oil Marketing Corp.	49	47

The following table represents the amounts in the Partnership's trade or related party accounts receivable for shippers with accounts receivable balances greater than 10 percent of the Partnership's accounts receivable (in millions):

<i>Year Ending</i>	2025	2024
DRW Energy Trading LLC	7	—
Tourmaline Oil Marketing Corp.	4	4

NOTE 12 RELATED PARTY TRANSACTIONS

The Partnership does not have any employees. The management and operating functions are provided by its General Partner. The General Partner does not receive a management fee in connection with its management of the Partnership. The Partnership reimburses the General Partner for all costs of services provided, including the costs of employee, officer and director compensation and benefits, and all other expenses necessary or appropriate to conduct the business of, and allocable to the Partnership. Such costs include (i) overhead costs (such as office space and equipment) and (ii) out-of-pocket expenses related to the provision of such services. The Partnership Agreement provides that the General Partner will determine the costs that are allocable to the Partnership in any reasonable manner determined by the General Partner in its sole discretion. Total costs charged to the Partnership by the General Partner were nil for the years ended December 31, 2025 and 2024.

As operator of our pipelines, except Iroquois, TC Energy provides capital and operating services to our pipeline systems. TC Energy incurs costs on behalf of our pipeline systems, including, but not limited to, employee salary and benefit costs, and property and liability insurance costs. These costs are reimbursed by our pipeline systems. Iroquois does not receive any capital and operating services from TC Energy (Refer to Note 4, "Equity Investments"). The Iroquois pipeline system is operated by Iroquois Pipeline Operating Company, a wholly owned subsidiary of Iroquois. Therefore, Iroquois and does not receive capital and operating services from TC Energy.

Prior to the August 15, 2024 sale of PNGTS, TC Energy was the operator of PNGTS, except for a certain portion of the PNGTS facilities, jointly owned with Maritimes and Northeast Pipeline LLC (MNE) (the Joint Facilities). The Joint Facilities were operated by M&N Operating Company, LLC. Therefore, the Joint Facilities did not receive capital and operating services from TC Energy.

Capital and operating costs charged to our pipeline systems, except for Iroquois, for the twelve months ended December 31, 2025 and 2024 by TC Energy and amounts payable to TC Energy at December 31, 2025 and 2024 are summarized in the following tables:

<i>(millions of dollars)</i>	Year ended December 31,	
	2025	2024
Capital and operating costs charged by TC Energy to:		
Great Lakes ^(a)	50	44
Northern Border ^(a)	49	47
PNGTS ^{(a) (c)}	—	4
GTN	53	55
Bison	1	1
North Baja	5	5
Tuscarora	4	4
Impact on the Partnership's net income ^(b):		
Great Lakes	16	16
Northern Border	18	18
PNGTS ^(c)	—	2
GTN	40	41
Bison	1	1
North Baja	5	4
Tuscarora	4	4

<i>(millions of dollars)</i>	December 31,	
	2025	2024
Net amounts receivable (payable) from/to TC Energy are as follows:		
Great Lakes ^(a)	8	8
Northern Border ^(a)	(5)	(5)
GTN	(6)	(9)
North Baja	(1)	(1)
Tuscarora	(1)	(1)

(a) Represents 100 percent of the costs.

(b) Represents the Partnership's proportionate share-based ownership percentage of these pipelines.

(c) Represents total amount from January 1, 2024 - August 15, 2024 due to sale of PNGTS.

Cash Management Program

The Partnership participates in TransCanada PipeLine USA Ltd. (TCPL USA)'s cash management program. As a result, all of the Partnership's cash including Great Lakes, with the exception of cash generated by Iroquois and Northern Border, is managed by TCPL USA. This program matches short-term cash surpluses and needs of participating related parties, thus minimizing total borrowings from outside sources. Monies advanced under the program are considered loans, accruing interest and repayable on demand. The Partnership receives interest on monies advanced to TCPL USA at the rate of interest earned by TCPL USA on its short-term cash investments. The Partnership pays interest on monies

advanced from TCPL USA based on TCPL USA's short-term borrowing costs. For the year ended, December 31, 2025, the net interest income associated with the cash management program is \$1 million, (December 31, 2024 - \$1 million net interest expense). At December 31, 2025 the Partnership had a demand loan receivable from TC Energy of \$58 million (December 31, 2024 - \$131 million).

Great Lakes

Great Lakes earns significant transportation revenues from TC Energy and its affiliates, some of which are provided at discounted rates and some at maximum recourse rates. For the year ended December 31, 2025, Great Lakes earned 46 percent of its transportation revenues from TC Energy (December 31, 2024 - 45 percent).

At December 31, 2025, \$9 million was included in Great Lakes' receivables with regard to the transportation contracts with TC Energy (December 31, 2024 - \$8 million).

Great Lakes holds a 10-year transportation agreement with TransCanada Pipelines Limited (Canadian Mainline), a related party, effective from November 1, 2017, for transporting up to 0.711 billion cubic feet of natural gas per day. This contract includes options to reduce volumes from the third year onwards. Canadian Mainline exercised their reduction rights to decrease the transport volume to 0.346 billion cubic feet of natural gas per day, starting November 1, 2022, and further to 0.307 billion cubic feet of natural gas per day, effective November 1, 2024. Annual volume reduction is permissible November 1 of any year with 349 days' notice.

Additionally, Great Lakes holds multiple long-term service contracts with ANR Pipeline Company (ANR), also a related party, including one 15-year service contract, initially effective from April 16, 2018, for transporting up to 0.160 billion cubic feet of natural gas per day. Over time, the service contract was amended to decrease the transport volume capacity to 0.155 billion cubic feet of natural gas per day starting October 1, 2022, the anticipated in-service date of ANR's Alberta XPress Project. The Alberta XPress Project was placed in-service on January 19, 2023, resulting in an amendment which terminated the aforementioned service contract, but also the execution of a 16-year Capacity Lease Agreement for the same capacity with the firm transportation service of 0.155 billion cubic feet of natural gas per day, with fees according to Great Lakes' tariff rates for firm transportation from the Western to Central zone.

NOTE 13 FAIR VALUE MEASUREMENTS

Fair Value Hierarchy

Under ASC 820 - *Fair Value Measurements and Disclosures*, fair value measurements are characterized in one of three levels based upon the inputs used to arrive at the measurement. The three levels of the fair value hierarchy are as follows:

Levels	How fair value has been determined
Level I	Quoted prices in active markets for identical assets and liabilities that the Partnership has the ability to access at the measurement date. An active market is a market in which frequency and volume of transactions provides pricing information on an ongoing basis.
Level II	Valuation based on the extrapolation of inputs, other than quoted prices included within Level I, for which all significant inputs are observable directly or indirectly. Inputs include published interest rates, interest rate swap curves, yield curves and broker quotes from external data service providers. This category includes interest rate derivative assets and liabilities where fair value is determined using the income approach and commodity derivatives where fair value is determined using the market approach. Transfers between Level I and Level II would occur when there is a change in market circumstances.
Level III	Valuation of assets and liabilities are measured using a market approach based on extrapolation of inputs that are unobservable or where observable data does not support a significant portion of the derivative's fair value. This category mainly includes long-dated commodity transactions in certain markets where liquidity is low and the Partnership uses the most observable inputs available or, if not available, long-term broker quotes to estimate the fair value for these transactions. Assets and liabilities measured at fair value can fluctuate between Level II and Level III depending on the proportion of the value of the financial instruments that extends beyond the time frame for which significant inputs are considered to be observable. As the financial instruments near maturity and observable market data becomes available, they are transferred out of Level III and into Level II.

Fair Value of Financial Instruments

The carrying value of "cash and cash equivalents", "demand loan receivable from affiliates," "accounts receivable and other," "accounts payable and accrued liabilities," "demand loan payable to affiliates," "customer deposits," "accounts payable to affiliates," and "accrued interest" approximate their fair values because of the short maturity or duration of these instruments, or because the instruments bear a variable rate of interest or a rate that approximates current rates. The fair value of the Partnership's debt is estimated by discounting the future cash flows of each instrument at estimated current borrowing rates. The fair value of interest rate derivatives is calculated using the income approach, which uses period-end market rates and applies a discounted cash flow valuation model.

The Partnership has classified the fair value of natural gas imbalance receivable and payable as a Level 2 of the fair value hierarchy for fair value disclosure purposes, as the valuation approach includes quoted prices in the market index and observable volumes for the imbalance.

Long-term debt is recorded at amortized cost and classified as Level 2 of the fair value hierarchy for fair value disclosure purposes. Interest rate derivative assets and liabilities are classified as Level 2 for all periods presented where the fair value is determined by using valuation techniques that refer to observable market data or estimated market prices. The estimated fair value of the Partnership's debt as of December 31, 2025 and December 31, 2024 was \$873 million and \$1,197 million, respectively.

Market risk is the risk that changes in market interest rates may result in fluctuations in the fair values or cash flows of financial instruments. The Partnership's floating rate debt is subject to SOFR benchmark interest rate risk. The Partnership uses derivatives to manage its exposure to interest rate risk. We regularly assess the impact of interest rate fluctuations on future cash flows and evaluate hedging opportunities to mitigate our interest rate risk.

NOTE 14 ACCOUNTS RECEIVABLE AND OTHER

<i>(millions of dollars)</i>	Year ended December 31,	
	2025	2024
Trade accounts receivables	36	29
AR - Other	15	2
	51	31

NOTE 15 FINANCIAL CHARGES AND OTHER

<i>(millions of dollars)</i>	Year ended December 31,	
	2025	2024
Interest expense ^(a)	40	56
AFUDC	(2)	(4)
Other income	(17)	(3)
	21	49

^(a) Includes amortization of debt issuance costs and discount costs.

NOTE 16 OTHER LIABILITIES

<i>(millions of dollars)</i>	Year ended December 31,	
	2025	2024
Regulatory liabilities	43	38
	43	38

NOTE 17 PNGTS DIVESTITURE

On August 15, 2024, TC Energy Corporation, the parent of the Partnership, and its partner Northern New England Investment Company, Inc., a subsidiary of Énergir L.P. (Énergir), completed the sale of PNGTS to a third party for a gross purchase price of approximately \$1.1 billion, including the third-party's assumption of \$250 million of senior notes outstanding at PNGTS, split pro-rata according to the PNGTS ownership interests (TC Energy - 61.7 per cent, Énergir - 38.3 per cent), resulting in proceeds to the Partnership of \$546 million. The gain on sale attributable to the Partnership of \$420 million was included in Gain on sale of PNGTS in the Consolidated Statements of Income. TC Energy provided customary transition services, which was fully terminated on August 31, 2025.

NOTE 18 SUBSEQUENT EVENTS

Management of the Partnership has reviewed subsequent events through March 12, 2026, the date the consolidated financial statements were issued, and concluded there were no events or transactions during this period that would require recognition or disclosure in the consolidated financial statements other than what is disclosed here and/or those already disclosed in the preceding notes.

Distributions

On January 26, 2026, the board of managers of our General Partner declared distributions to Class B unitholders in the amount of \$3 million, which was paid on January 30, 2026.

Northern Border declared its December 2025 distribution of \$11.3 million on January 14, 2026, which the Partnership received its 50 percent share of \$5.6 million on January 30, 2026.

Northern Border declared its January 2026 distribution of \$26.5 million on February 23, 2026, which the Partnership received its 50 percent share of \$13.3 million on February 27, 2026.

Management's Discussion and Analysis of Financial Condition and Results of Operations

This report includes certain forward-looking statements. Forward-looking statements are identified by words and phrases such as: "anticipate," "assume," "estimate," "expect," "project," "intend," "plan," "believe," "forecast," "should," "predict," "could," "will," "may," and other terms and expressions of similar meaning. The absence of these words, however, does not mean that the statements are not forward-looking. These statements are based on management's beliefs and assumptions and on currently available information and include, but are not limited to, statements regarding anticipated financial performance, future capital expenditures, liquidity, market or competitive conditions, regulations, organic or strategic growth opportunities, contract renewals and ability to market open capacity, business prospects and outcome of regulatory proceedings. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these factors. All forward-looking statements are made only as of the date made and except as required by applicable law, we undertake no obligation to update any forward-looking statements to reflect new information, subsequent events or other changes.

RESULTS OF OPERATIONS

Our ownership interests in eight pipelines were our only material sources of income during the period. Therefore, our results of operations and cash flows were influenced by, and reflect the same factors that influenced, our pipeline systems.

<i>(millions of dollars)</i>	Year ended December 31,		\$ Change ^(a)	% Change ^(a)
	2025	2024		
Transmission revenues	411	419	(8)	(2)
Equity earnings	226	244	(18)	(7)
Operating, maintenance and administrative costs	(110)	(113)	3	3
Gain on sale of PNGTS	—	420	(420)	100
Depreciation and amortization	(81)	(86)	5	6
Financial charges and other	(21)	(49)	28	57
Net income before taxes	425	835	(410)	(49)
Income taxes	—	(2)	2	100
Net income	425	833	(408)	(49)
Less: Net income attributable to non-controlling interests	—	22	(22)	(100)
Net income attributable to controlling interests	425	811	(386)	(48)

^(a) Positive number represents a favorable change; bracketed or negative number represents an unfavorable change.

Twelve Months Ended December 31, 2025 Compared to the Same Period in 2024

The Partnership's net income attributable to controlling interests in the twelve months ended December 31, 2025 decreased compared to the same period in 2024, mainly due to the following:

Transmission revenues - Revenue decreased \$8 million largely due to:

- decrease in PNGTS revenues for 2025 due to sale on August 15, 2024; partially offset by
- higher demand revenues from GTN

Equity Earnings - Equity earnings decreased \$18 million primarily due to:

- lower equity earnings from our investment in Iroquois due to lower discretionary revenues compared to the same period in 2024 offset by;
- higher equity earnings from our investment in Northern Border due to higher Other Income primarily related to AFUDC - Equity

Gain on sale of PNGTS - Net gain on the sale of assets decreased \$420 million due to the sale of PNGTS on August 15, 2024

Operating, maintenance and administrative (OM&A) costs - OM&A costs decreased \$3 million primarily due to:

- decrease in PNGTS OM&A costs due to sale on August 15, 2024; partially offset by
- increase in GTN's OM&A costs primarily due to increase in operational costs related to GTN's compliance programs, including higher personnel and G&A expenses

Depreciation and amortization - Depreciation and amortization decreased \$5 million primarily due to:

- decrease in PNGTS depreciation expense due to classification as Asset Held for Sale beginning March 2024; and
- decrease in GTN depreciation and amortization expenses due to rate case settlement terms

Financial charges and other - Financial charges and other decreased \$28 million primarily due to:

- decrease in interest on long term debt primarily related to Partnership's debt repayment in March 2025

LIQUIDITY AND CAPITAL RESOURCES

The Partnership strives to maintain financial strength and flexibility in all parts of the economic cycle. Our principal sources of liquidity and cash flows currently include distributions received from our equity investments and operating cash flows from our subsidiaries and access to TC Energy's cash management program, which matches short-term cash surpluses and needs of participating related parties, thus minimizing total borrowings from outside sources.

We continue to be financially disciplined by using our available cash to fund ongoing operating expenses and capital expenditures and maintaining debt at prudent levels and we believe we are well positioned to fund our obligations as required.

We believe our (1) overall cash position, (2) operating cash-flows and (3) access to cash through TC Energy's cash management program are sufficient to fund our short-term liquidity requirements, ongoing capital expenditures, required debt repayments and other financing needs such as capital contribution requests from our equity investments.

SIGNATURES

The Partnership has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 12th day of March 2026.

TC PIPELINES, LP
(A Delaware Limited Partnership)
by its General Partner, TC PipeLines GP, LLC.

By: /s/ Jayson Antolin
Jayson Antolin
Member of Board of Managers
TC PipeLines GP, LLC.

By: /s/ Burton D. Cole
Burton D. Cole
Controller and Treasurer
TC PipeLines GP, LLC.