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EXECUTIVE SUMMARY

The 2025 Annual Plan provides NGTL's[1] customers and other interested parties an overview of proposed System facilities that are expected to be applied for in the 2026 Gas Year. The 2025 Annual Plan describes the long-term outlook for receipts, deliveries, peak expected flows, and Design Flow requirements supporting proposed facilities. This 2025 Annual Plan is based on NGTL's 2025 Design Forecast of receipts and deliveries using information and assumptions developed during the first quarter of 2025 and subsequently updated to include awarded contracts of completed commercial offerings throughout the year. NGTL acknowledges that the market continues to evolve and the accelerated interest at the end of 2025 is under active consideration and will be incorporated in the 2026 Annual Plan, targeting late Q4 2026 or early Q1 2027 release. Facility projects identified and/or facility status updates occurring between the 2024 and 2025 Annual Plans are summarized in the *Facility Status Update (NGTL 2025 Update)*. NGTL's Tolls, Tariff, Facilities and Procedures (TTFP) Committee were also notified throughout 2025 Gas Year.

In accordance with the Integration Agreement between NGTL and ATCO Pipelines (AP), NGTL provides commercial services under the NGTL Tariff across facilities of the NGTL System and the AP System. NGTL follows facility planning processes to identify facilities required for the combined assets in the NGTL and AP footprints. For an overview of these processes, see the *Facilities Design Methodology* document and the *Guidelines for New Facilities* document. NGTL files facility applications with the Canada Energy Regulator (CER) for facility additions on the NGTL System within the NGTL footprint. AP files facility applications with the Alberta Utilities Commission (AUC) for facility additions on the AP System within the AP footprint.

The facilities identified in this Annual Plan were presented to the TTFP Committee on February 24, 2026. Subsequent updates to these facilities and notifications prior to filing

[1] On March 1, 2024, NGTL GP Ltd. (NGTL GP), as general partner on behalf of NGTL Limited Partnership (NGTL LP) (collectively NGTL) became the successor of NOVA Gas Transmission Ltd.

for their applications will be presented to the TTFP as required. These updates, as well as any new facilities proposed after issuance of this Annual Plan, will be shown in the *Facility Status Update (NGTL 2026 Update)*, which can be accessed at http://www.tccustomerexpress.com/871.html.

Table E-1 lists the proposed facilities with need, timing and commercial support confirmed during the 2025 Annual Plan. The aggregate system Facilities are required to transport growing aggregate system supply in the Peace River Project Area to satisfy growing aggregate system demands.

Table E-1: Proposed Facility Additions

Project Area	Facility	Annual Plan Reference	Description	Target In-Service Date	Regulator	Capital Cost ($ Millions)
Aggregate System Facilities						
Peace River	GPML Loop (Greenview)	Section 2	15 km NPS 48	April 2029	CER	253
Peace River	GPML Loop (Karr North)*	Section 2	16 km NPS 48	April 2029	CER	227
					Total	**480**
Note *: subject to NGTL final investment decision.						

This 2025 Annual Plan includes the following sections:

Executive Summary

Chapter 1: Design Forecast

Chapter 2: Design Flow and Mainline Facilities

Chapter 3: Extensions, Lateral Loops and Meter Stations

Appendix 1: Glossary of Terms

Appendix 2: Facility Status Update

Appendix 3: System Map (expected in June 2026)

Appendix 4: Unit Transportation Costs

Electronic versions of the Annual Plan, the *Facilities Design Methodology* document, and the *Guidelines for New Facilities* document can be accessed at http://www.tccustomerexpress.com/871.html.

Customers and other interested parties are encouraged to communicate their suggestions, comments, and questions to NGTL regarding the 2025 Annual Plan to:

Joanne Unger, Director, Capacity Management (403) 920-5281

Cory Costanzo, Director, Forecasting & Fundamentals (403) 920-7158

1.0 DESIGN FORECAST

1.1 INTRODUCTION

This Annual Plan is based on the 2025 Design Forecast of receipts and deliveries for the System. An overview of the 2025 Design Forecast was presented at the February 24, 2026 TTFP meeting.

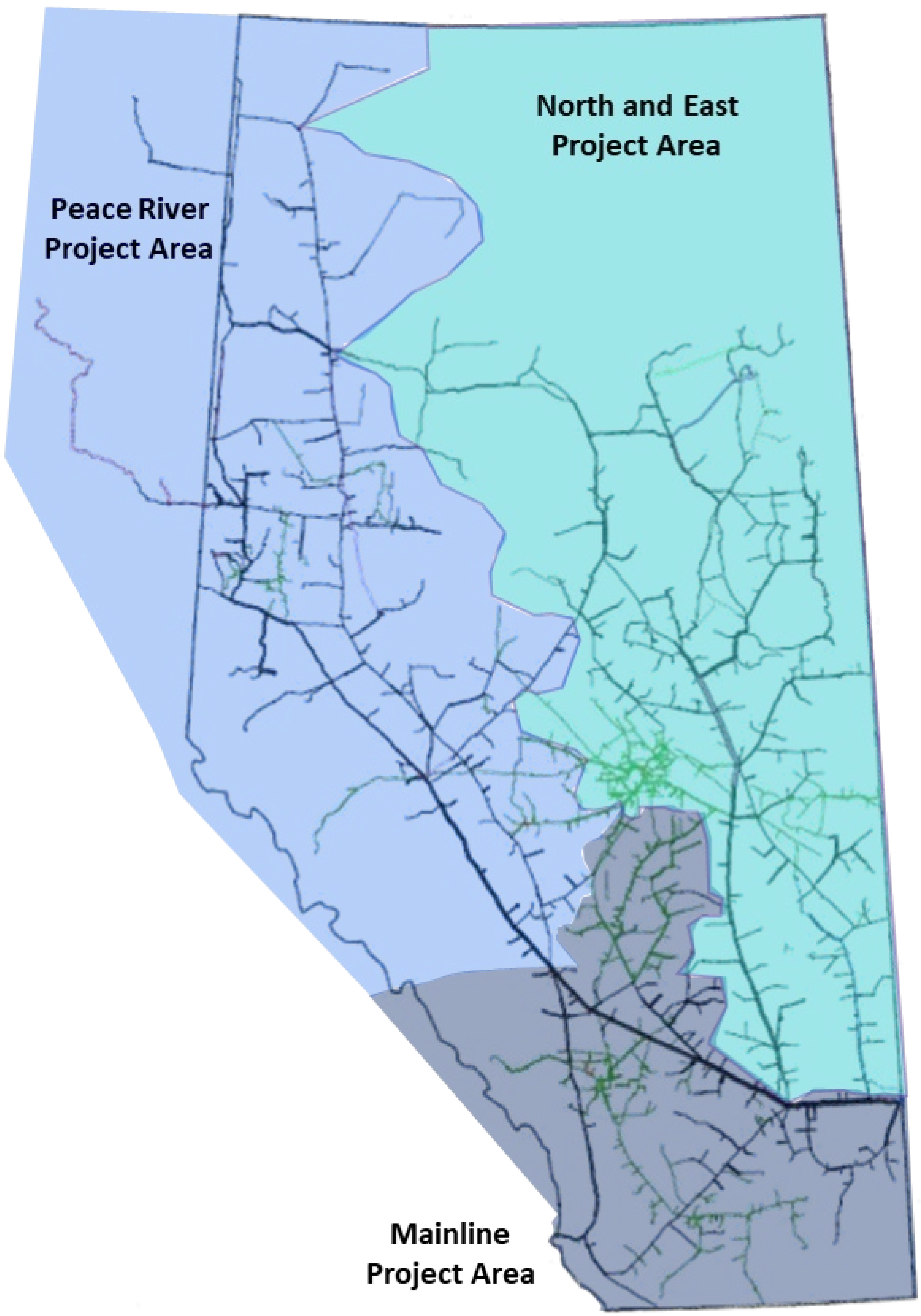
This section describes:

- economic assumptions used in developing the 2025 Design Forecast
- receipt and delivery forecasts for the System
- the role of storage withdrawals in the design forecast

For further information on forecasting methodology, see Facilities Design Methodology, Section 4.4: Design Forecast Methodology, which can be accessed at http://www.tccustomerexpress.com/871.html

In order to highlight the regional forecast differences on the System, this section references the three Project Areas as per the NGTL tariff. Figure 1-1 depicts the three Project Areas.

Figure 1-1: NGTL Project Areas



1.2 ECONOMIC ASSUMPTIONS

1.2.1 General Assumptions

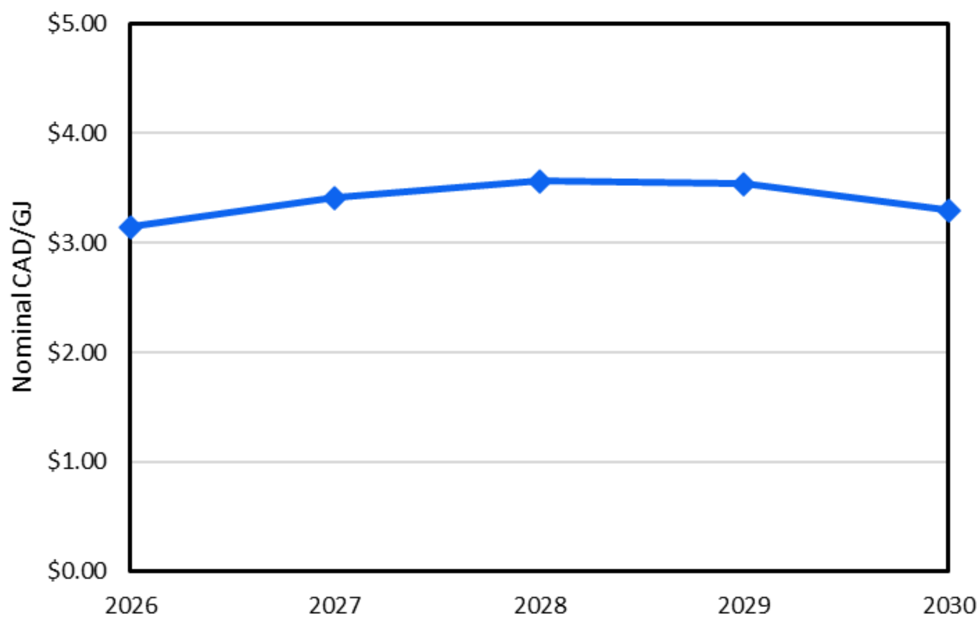
The following assumptions, developed in early 2025, reflect broader trends in the North American economy and energy markets, and underlie the forecast of receipts and deliveries:

- As the WCSB remains a resource-abundant basin, production growth is increasingly governed by domestic demand thresholds, downstream takeaway capacities and the pace of LNG exports rather than upstream potential. Other factors will include the adoption of new technologies, evolving provincial and federal policies and the ability to attain timely regulatory approvals.
- In the US, domestic gas demand is projected to be driven by the broad electrification of residential, commercial, industrial and transportation sectors, alongside ongoing coal-to-gas switching and the rapid expansion of data center infrastructure. Oil sands, power generation and petrochemical projects will lead the domestic gas demand growth in Western Canada.
- LNG export projects are operating in Canada, U.S. and Mexico, with additional export projects being developed. North American LNG exports are expected to reach around 20 Bcf/d in 2026, a growth of over 11 Bcf/d from 2020 levels.
- Associated gas supplies from oil plays and liquids rich gas plays will continue to be robust, supported by strong oil prices, exerting downward influence on North American natural gas prices.
- New natural gas supply must continually be developed to maintain and/or grow the supply in key basins due to the natural declines of existing supply wells.
- NIT/AECO prices are expected to average $3.39 CAD/GJ over the forecast period.
- The average annual outlooks of receipts, deliveries, and System throughput volumes reported in this section are understood to be within a range of outcomes due to factors such as changing market conditions and variances in the pace of WCSB supply and infrastructure development.

1.2.2 Average Natural Gas Price Forecast

TC Energy considers commodity pricing when determining the economic viability of future natural gas production. The 2025 natural gas price forecast range developed by TC Energy is shown in Figure 1-2.

Figure 1-2: Average Nominal NIT Price

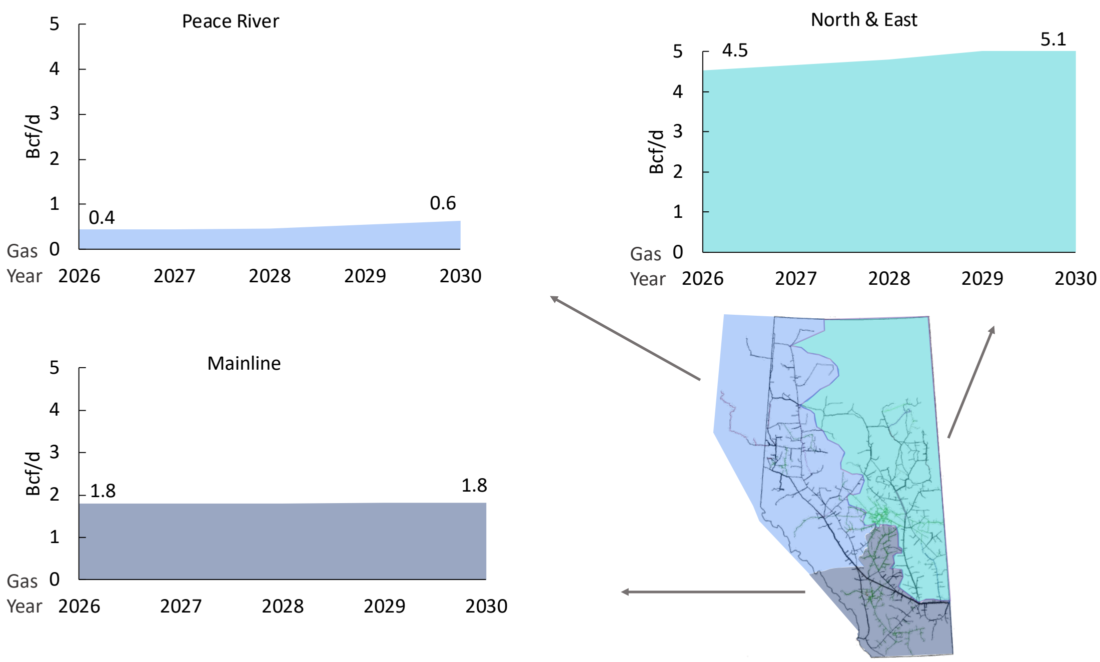


1.3 GAS DELIVERY FORECAST

Several sources of information were considered in developing the gas delivery forecast. First, operators of downstream facilities such as connecting pipelines, local distribution companies (LDCs), and industrial plants were requested to provide a forecast of their maximum, average, and minimum requirements for deliveries from the NGTL System. The forecasts were analyzed and compared with historical flow patterns at NGTL Delivery Points. In cases where the operator did not provide a forecast, NGTL based its forecast on historical flows and growth rates for specific demand sectors.

Deliveries to intra markets on the NGTL System are forecast to rise due to increased demand in the oil sands sector, gas-fired electrical generation and growing petrochemical investments.

Figure 1-3: System Intra Deliveries by Project Area



1.3.1 Average Annual Delivery Forecast

Forecast deliveries are expressed as an average daily flow. The Average Annual Delivery Forecast is the aggregate forecast of deliveries for the NGTL System. The Average Annual Delivery Forecast, for Gas Years 2026 through 2030 are listed by Delivery Type in Table 1-1 and further detailed by Project Area in Table 1-2. The 2025 Forecast indicates the demand in the Peace River Project Area is expected to grow, rather than remain stable as previously forecasted in the 2024 Annual Plan.

Table 1-1: System Average Annual Delivery Forecast by Delivery Type

Delivery Type	2025 Design Forecast (10^6m^3/d)				
	GY 2026	GY 2027	GY 2028	GY 2029	GY 2030
Export	226.9	225.7	226.3	236.0	242.7
Intra System	191.6	195.6	200.2	208.8	214.2
Total System	418.4	421.3	426.5	444.7	456.9
Delivery Type	**2025 Design Forecast (Bcf/d)**				
	GY 2026	**GY 2027**	**GY 2028**	**GY 2029**	**GY 2030**
Export	8.0	8.0	8.0	8.3	8.6
Intra System	6.8	6.9	7.1	7.4	7.6
Total System	14.8	14.9	15.1	15.7	16.1

* Fuel is included

Note**:** Totals for Receipt & Delivery may not align due to rounding.

Volumes expressed as an average daily flow for each gas year, at 101.325 kPa and 15°C.

Table 1-2: Intra System Deliveries – Average Annual Delivery Forecast by Project Area

Project Area	2025 Design Forecast (10^6m^3/d)				
	GY 2026	GY 2027	GY 2028	GY 2029	GY 2030
Peace River	12.3	12.3	12.9	15.4	18.0
North and East	128.4	132.4	136.3	142.0	144.5
Mainline	50.8	50.9	51.0	51.4	51.7
Total	191.6	195.6	200.2	208.8	214.2
Project Area	**2025 Design Forecast (Bcf/d)**				
	GY 2026	**GY 2027**	**GY 2028**	**GY 2029**	**GY 2030**
Peace River	0.4	0.4	0.5	0.5	0.6
North and East	4.5	4.7	4.8	5.0	5.1
Mainline	1.8	1.8	1.8	1.8	1.8
Total*	6.8	6.9	7.1	7.4	7.6

* Fuel is included

1.3.2 Maximum Day Delivery Forecast

Peak deliveries (Maximum Day Delivery) are also forecast for the NGTL Delivery Points and are based on historical flows.

A summary of the 2025 Design Forecast winter and summer Maximum Day Delivery by Project Area for Intra System Deliveries is provided in Table 1-3 for winter and Table 1-4 for summer.

Table 1-3: Winter Maximum Day Intra System Delivery Forecast

Project Area	2025 Design Forecast ($10^6m^3/d$)				
	GY 2026	GY 2027	GY 2028	GY 2029	GY 2030
Peace River	29.6	29.8	30.0	32.7	35.1
North and East	187.6	193.9	199.1	207.6	211.2
Mainline	99.4	99.7	100.4	101.6	102.6
Total	316.7	323.4	329.4	341.9	348.9
Project Area	**2025 Design Forecast (Bcf/d)**				
	GY 2026	**GY 2027**	**GY 2028**	**GY 2029**	**GY 2030**
Peace River	1.0	1.1	1.1	1.2	1.2
North and East	6.6	6.8	7.0	7.3	7.5
Mainline	3.5	3.5	3.5	3.6	3.6
Total*	11.2	11.4	11.6	12.1	12.3
* Fuel is included					

Table 1-4: Summer Maximum Day Intra System Delivery Forecast

Project Area	2025 Design Forecast ($10^6m^3/d$)				
	GY 2026	GY 2027	GY 2028	GY 2029	GY 2030
Peace River	28.7	28.7	29.0	31.6	34.0
North and East	168.0	172.6	177.5	182.6	185.1
Mainline	75.0	74.7	74.7	75.5	76.0
Total	271.7	276.0	281.2	289.7	295.0
Project Area	**2025 Design Forecast (Bcf/d)**				
	GY 2026	**GY 2027**	**GY 2028**	**GY 2029**	**GY 2030**
Peace River	1.0	1.0	1.0	1.1	1.2
North and East	5.9	6.1	6.3	6.4	6.5
Mainline	2.6	2.6	2.6	2.7	2.7
Total*	9.6	9.7	9.9	10.2	10.4
* Fuel is included					

1.4 RECEIPT FORECAST

NGTL develops a Receipt Forecast on an average annual basis using information collected from several sources, including upstream information from customers, historical flows, industry publications and government agencies.

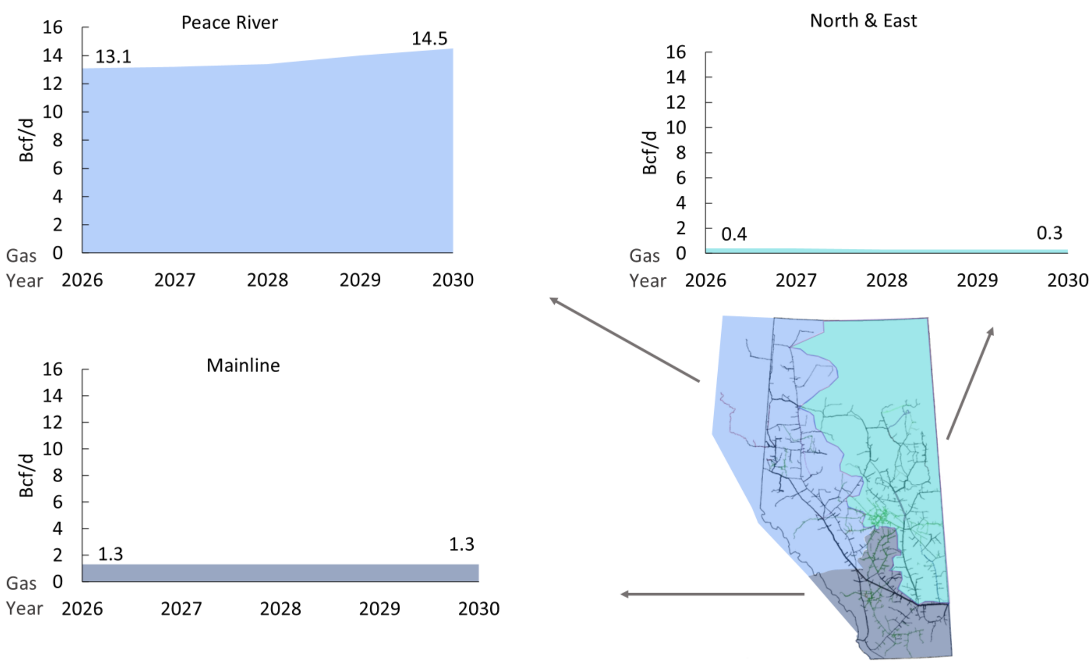
NGTL uses activity-based forecasting methods and models to generate forecasts of future production. Factors such as gas price, liquids content in the gas, economics, total number of drilling locations available, well production profiles, pace of development, material and equipment availability, potential capital requirements, land access constraints, and gas gathering capacities are considered when developing a forecast of supply.

Exploration activity focused on shale and tight sandstone reservoirs has resulted in increasing Montney and Deep Basin gas volumes entering the System, primarily from the Peace River Project Area. The incremental shale gas and tight sandstone gas supply is expected to more than offset existing basin production declines and will gradually increase system supply to 16 Bcf/d by 2030. The 2025 Forecast indicates that supply in the Mainline Project Area is expected to remain stable through 2030, rather than declining as previously forecasted in the 2023 Annual Plan.

For conventional production, there has been little to no development in the last few years. NGTL anticipates that conventional supply will continue to decline. This production decline will be noticed mostly in the northeast and east parts of the basin, which are areas outside of the Peace River Project Area.

The decline rate of legacy gas and the more recent supply from shale and tight sandstone reservoirs varies across the basin and from year to year. In 2024, base production in the basin declined by approximately 26% in aggregate.

Figure 1-4: System Receipts by Project Area



Gas supplied from storage facilities was not included in the data presented in this section. For information pertaining to gas supply from Commercial Storage Facilities, see Section 1.6.

1.4.1 Average Receipt Forecast

The Average Receipt Forecast is the aggregate receipts forecast for the System for the 2026 through 2030 Gas Years. A summary of System Average Receipts by Project Area is expressed as an average daily flow and shown in Table 1-5.

Table 1-5: System Average Receipts

Project Area	2025 Design Forecast ($10^6m^3/d$)				
	GY 2026	GY 2027	GY 2028	GY 2029	GY 2030
Peace River	371.1	373.9	379.6	396.6	410.8
North and East	11.3	11.3	8.5	8.5	8.5
Mainline	36.8	36.8	36.8	36.8	36.8
Total	419.3	422.1	424.9	441.9	456.1
Project Area	**2025 Design Forecast (Bcf/d)**				
	GY 2026	**GY 2027**	**GY 2028**	**GY 2029**	**GY 2030**
Peace River	13.1	13.2	13.4	14	14.5
North and East	0.4	0.4	0.3	0.3	0.3
Mainline	1.3	1.3	1.3	1.3	1.3
Total	14.8	14.9	15	15.6	16.1

1.5 SUPPLY DEMAND BALANCE

Supply received on to the System is balanced with System deliveries (net of gas in storage). System deliveries by destination are shown in Figure 1-5, while System receipts by Project Area are shown in Figure 1-6.

Figure 1-5: System Deliveries by Destination

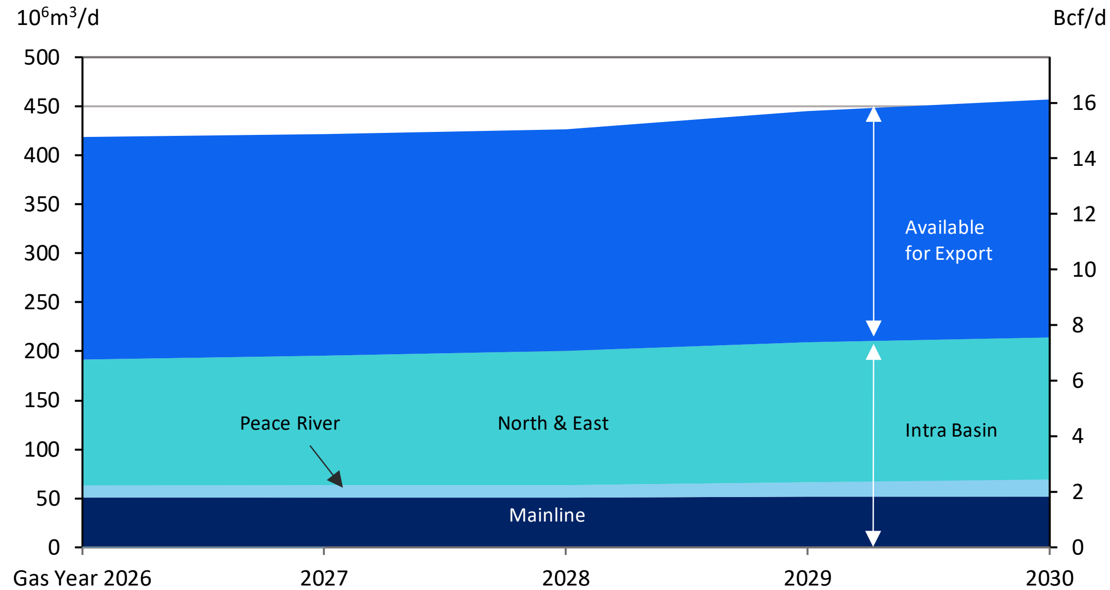
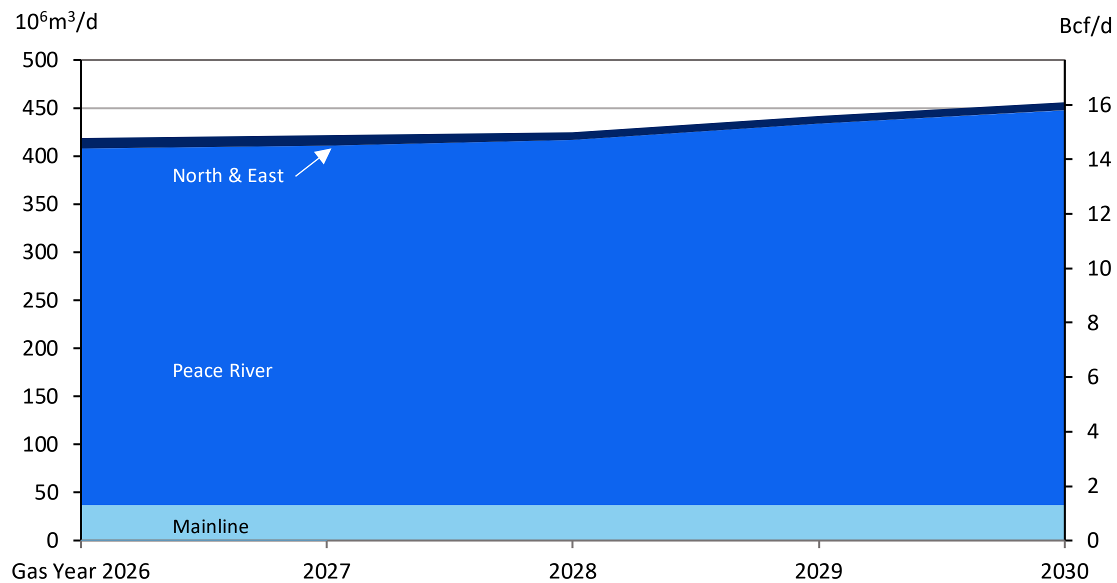


Figure 1-6: System Receipts by Project Area



The average annual outlooks of receipts, deliveries, and System throughput volumes reported in this section are understood to be within a range of outcomes due to factors such as changing market conditions and normal fluctuations in the pace of WCSB supply development.

1.6 STORAGE FACILITIES

1.6.1 Commercial Storage

There are nine commercial storage facilities connected to the System (AECO 'C', Aitken Creek, Big Eddy, Carbon, Chancellor, Crossfield East #2, January Creek, Severn Creek, and Warwick Southeast Meter Stations). The total deliverability from storage facilities is significant, but actual maximum day receipts from storage are dependent on a number of factors, including market conditions, level of working gas, compression power at each storage facility, and System operations.

For design purposes, a supply contribution from storage facilities is used to meet peak day winter delivery requirements and provide for a better correlation between forecast design flow requirements and historical actual flows for the winter period. Historical withdrawals during recent winter periods for each storage facility were used to determine a reasonable expected rate of withdrawal for future winter seasons. For the receipt meter capacity for each of the connected commercial storage facilities, see Table 1-6.

Table 1-6: Receipt Meter Capacity from Commercial Storage Facilities

Storage Facility	Receipt Meter Capacity from Commercial Storage Facilities	
	$10^6m^3/d$	Bcf/d
AECO C	41.0	1.4
Aitken Creek (B.C.)	37.5	1.3
Big Eddy	42.5	1.5
Carbon	22.2	0.8
Chancellor	35.0	1.2
Crossfield East 2	16.0	0.6
January Creek	19.1	0.7
Severn Creek	10.3	0.4
Warwick Southeast	8.0	0.3
Total	**231.6**	**8.2**

Note:

Storage is considered an interruptible supply source.

Totals have been rounded.

1.6.2 Peak Shaving Storage

The Fort Saskatchewan Salt Caverns are a peak shaving storage facility in the Greater Edmonton Area within the ATCO Pipeline footprint. Similar to commercial storage facilities, the total deliverability from the peak shaving storage facility is significant, and the actual maximum day receipt from this storage also depends on a number of factors, including market conditions, level of working gas, compression power at the storage facility and System operations.

For design purposes, a supply contribution from the peak shaving storage facility is used to meet peak day winter delivery requirements and provide for a better correlation between forecast Design Flow requirements and historical actual flows for the winter period. The maximum withdrawal rate and the maximum working inventory of the storage facility are used as the upper limits for the supply contribution provided.

2.0 DESIGN FLOWS AND MAINLINE FACILITIES

2.1 INTRODUCTION

This section contains the proposed natural gas transportation mainline facilities that may be necessary to meet the Design Flow requirements. Included is information regarding facility size, routes, locations, and cost estimates.

The Design Flows are presented for Design Areas where new mainline facilities may be required. Design flows are based on the 2025 Design Forecast presented in Section 1, and were determined using the methodology described in *Facilities Design Methodology*, Section 3.5: Mainline Facilities Flow Determination. This document can be accessed at http://www.tccustomerexpress.com/871.html. Design charts for key areas are presented to provide an understanding of how the System is evolving.

This section includes a comparison of historical flows to the Design Flows. Additionally, the expected design capability is shown for the Gas Year when facilities are required in each applicable Design Area. Where there is a shortfall between Design Flow and the design capability, a facility solution has been proposed. A facility application to the regulator for construction and operation is triggered by Firm Transportation (FT) contracts in excess of design capability and submitted to ensure the facility is in place in time to meet the FT requirements. Aggregated FT contract levels are also presented to indicate commercial support of the proposed facilities.

An overview of the Design Flows and proposed facilities resulting from the 2025 Design Forecast were presented to the TTFP on February 24, 2026. These facilities will continue to be reassessed as more information becomes available; scope and in-service timing are subject to change. Subsequent updates to these facilities and notifications prior to filing for their applications will be presented to the TTFP as they occur. These updates, as well as any new facilities proposed after issuance of this Annual Plan, will be shown in the *Facility Status Update (NGTL 2026 Update)*, which can be accessed at http://www.tccustomerexpress.com/871.html.

For a summary of the status of mainline facilities that have been proposed, applied for, under construction or placed in-service since the 2024 Annual Plan, see *Appendix 2: Facility Status Update*.

2.2 AGGREGATE SYSTEM REQUIREMENTS

As described in Section 1, average aggregate system demand continues to grow. From the figures provided in Table 1-1, system demand is forecast to grow from 14.8 Bcf/d to 16.1 Bcf/d from Gas Years 2026 to 2030. Also described in Section 1 is the continued supply growth in the Peace River Project Area to meet the increasing aggregate system demand. From the figures provided in Table 1-5, average supply in the Peace River Area is forecast to grow from 13.1 Bcf/d to 14.5 Bcf/d from Gas Years 2026 to 2030.

The forecasted annual average daily flowrates described in Section 1 are translated into peak day Design Flows and used for sub-area facility design. Figure 2-1 shows illustrative[2] system Design Flows which reflect the forecasted trend in average annual total system supply and demand, as well as the historical and future aggregate system FT-R and FT-D levels as of November 1 annually. As can be seen in the chart, aggregated Design Flows are forecast to increase, along with system FT-R and FT-D contracts levels.

The system receipts that meet these growing system deliveries come from three sources:

1. Storage withdrawals, which have no associated FT-R contracting and are not driving additional facilities
2. Receipts from unconstrained areas outside the Peace River Project Area, which have minimal associated FT-R contracting and are not driving additional facilities
3. Growing receipts from the Peace River Project Area, where additional FT-R contracting is required to commercially support the additional facilities.

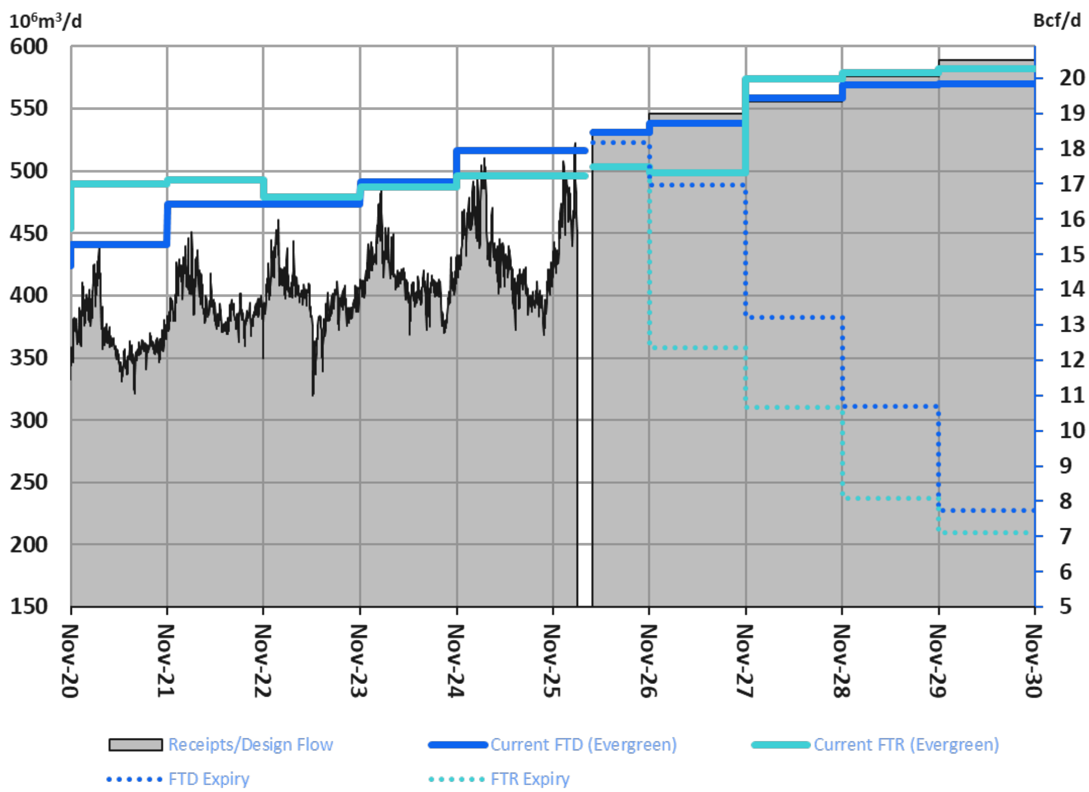
Although Figure 2-1 depicts aggregate system FT-R, the proposed additional facilities that meet the growing aggregate system requirements are required only for the growing receipts

[2] For assessing facilities requirements, the Integrated Alberta System is divided into sub-areas with seasonal design flows that best reflect the flow pattern of each specific area. As such, there is no single design flow for the entire system however this illustrative chart provides a sum of all the sub-area flows.

in the Peace River Project Area. As such, it is only the FT-R in the Peace River Project Area that represents the commercial contract support for receipts at the aggregate system level. As provided later in Figure 2-2 in Section 2.3.1, FT-R contracting in the Peace River Project Area continues to exceed the increasing receipt Design Flows in that particular area, thereby commercially supporting the proposed facilities.

Figure 2-1 also depicts the hypothetical FT expiry profiles if all contracts non-renewed. Although all previously proposed facilities continue to be required and contractually supported, contract renewals are closely monitored to ensure this remains true. Should contractual support change and impact the Design Flows, NGTL will appropriately adjust facility plans and/or repurpose capacity.

Figure 2-1: Illustrative Aggregate System Flows, Design Flows, and Contracts



2.3 FACILITIES FOR AGGREGATE SYSTEM REQUIREMENTS

As described in Section 2.2, supply in the Peace River Area represents the majority of total system supply. Ensuring that flows out of the Peace River Area and into the various demand markets is critical to the overall balancing of aggregate system requirements.

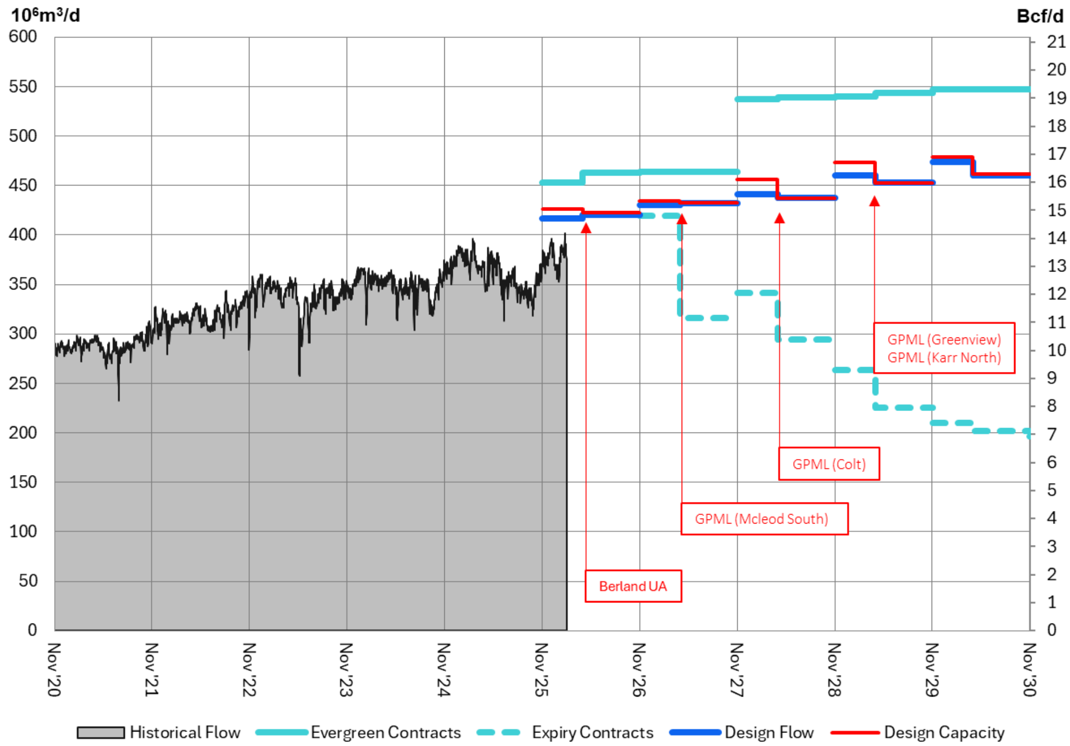
The design condition for the Peace River Area is very interdependent with total system conditions. The prevailing design condition for the Peace River Area is therefore best represented by a Total System Flow-Within condition: When total system deliveries are at their maximum and total system receipts, a vast majority of which are from the Peace River Area, also peak. System facilities must be capable of transporting enough gas out of the Peace River Project Area to meet expected peak deliveries throughout the rest of the system.

2.3.1 Design Flows – Peace River Project Area

The Design Flows for the Total System Flow-Within design condition in the Peace River Project Area are the maximum expected local receipts in the area. The forecasted continued receipt growth in the area can be accommodated by the proposed facilities. Compared to the 2024 Annual Plan, the facilities required to meet aggregate System requirements are now a subset of the facilities previously identified as “Potential Peace River Facility Additions” due to less gas moving through the constrained area attributed to the beneficial demand growth in Peace River (see Section 1.3) as well as the stability in supply in the Mainline area (see Section 1.4).

Figure 2-2 shows historical receipts, receipt Design Flow, contract levels and design capability for the Peace River Project Area. Receipt Design Flow rises throughout this forecast period, attributable to increasing supply in the Peace River Project Area. The proposed facilities are required to keep the design capability above the rising Design Flow as highlighted in red in Figure 2-2. Further details on the proposed facilities are provided in Section 2.3.2.

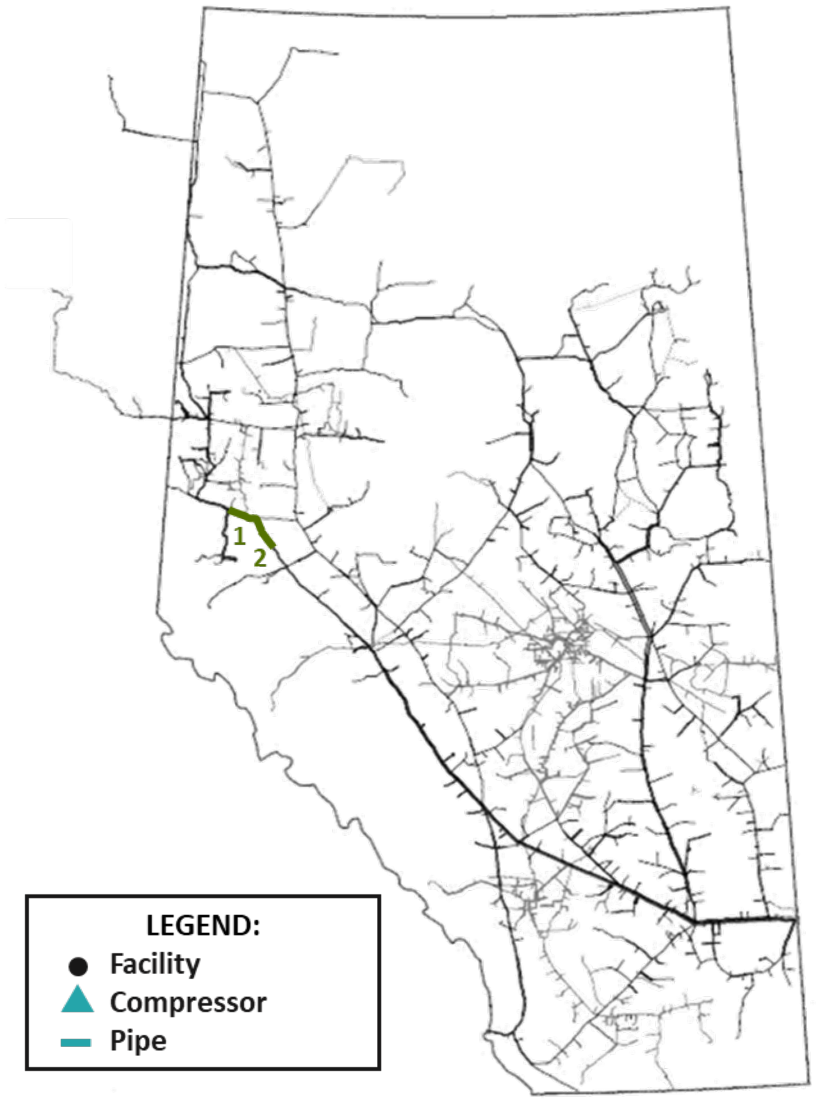
Figure 2-2: Peace River Project Area Design Chart



2.3.2 Proposed Facilities for Aggregate System Requirements

Figure 2-3 shows the locations of the proposed facilities required to meet the Peace River flows in the Total System Flow-Within design condition. These facilities increase the receipt capability for the Peace River Project Area, enabling aggregate system supply to meet aggregate system demand.

Figure 2-3: Proposed Facilities for Aggregate System Requirements



The applications for the proposed GPML Loop (Greenview) and GPML Loop (Karr North) facilities are expected to be filed with the CER in Gas Year 2026 and targeted to be in-service for 2029. For details on the proposed facilities see Table 2-1.

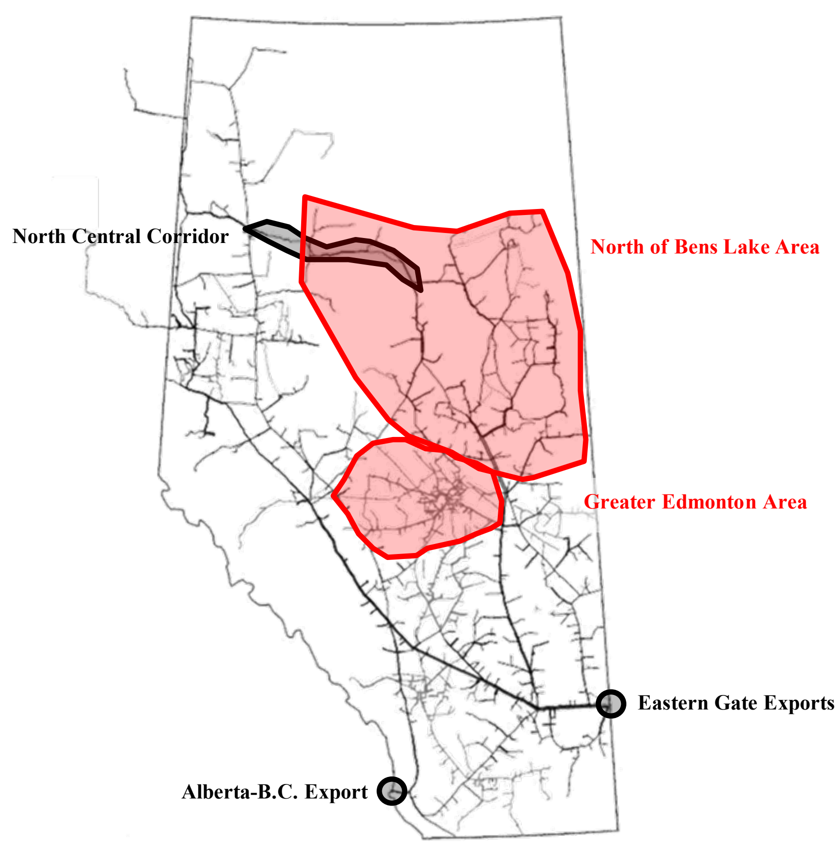
Table 2-1: Proposed Facilities for Aggregate System Requirements

Map Location	Proposed Facility	Description	Target In-Service Date	Forecast Cost ($Millions)
1	GPML Loop (Greenview)	15 km NPS 48	April 2029	253
2	GPML Loop (Karr North)*	16 km NPS 48	April 2029	227
			Total	**480**
Note *: subject to NGTL final investment decision.				

2.4 OTHER KEY AREAS

Design charts for other areas are presented in this section. The intent is to provide an understanding of the impact of previously proposed facilities in these other areas, and relay how the System is evolving in general. Figure 2-7 shows the locations of these key areas.

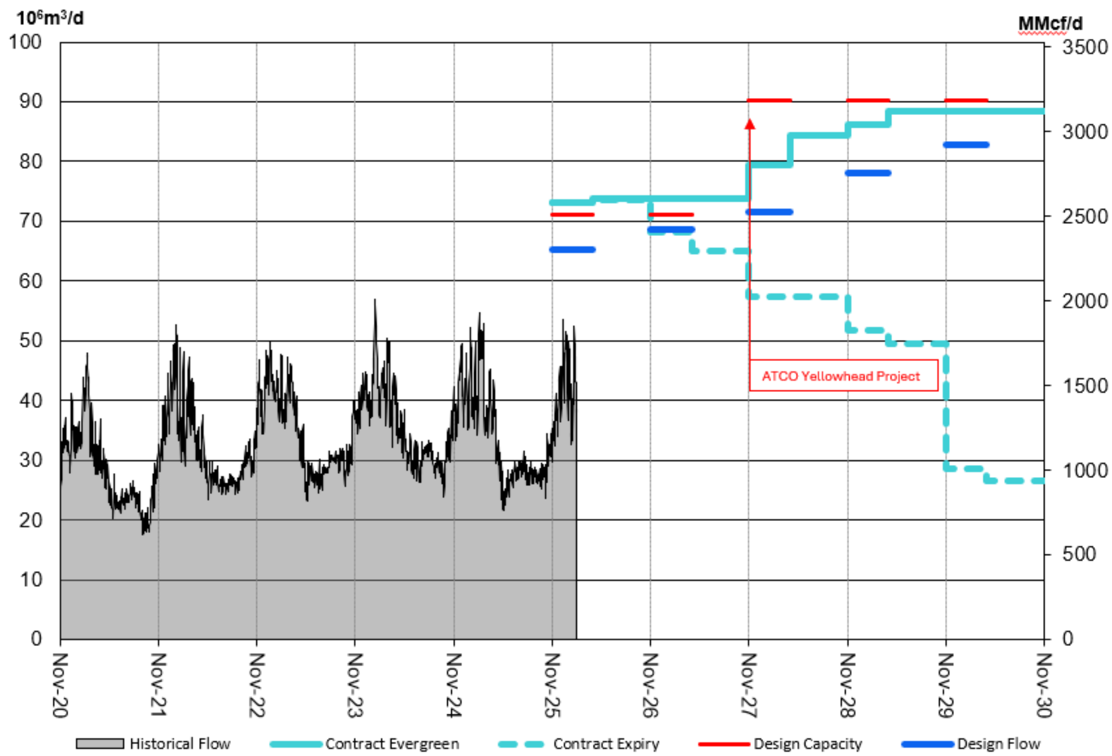
Figure 2-7: Key Areas



2.4.1 Design Flows – Greater Edmonton Area (GEA)

The Greater Edmonton Area comprises of the deliveries in the city of Edmonton and its surrounding municipalities such as Fort Saskatchewan. Growing Design Flows in this area, shown in Figure 2-8, are a mix of power generation, other industrial, and residential/commercial deliveries. The supply required to meet Greater Edmonton Area demands is currently transported through several major corridors with the most significant ones on the eastern side of Edmonton. As highlighted in red in Figure 2-8, the previously discussed Yellowhead Project increase delivery capacity to this area and creates an additional major corridor on the western side of Edmonton.

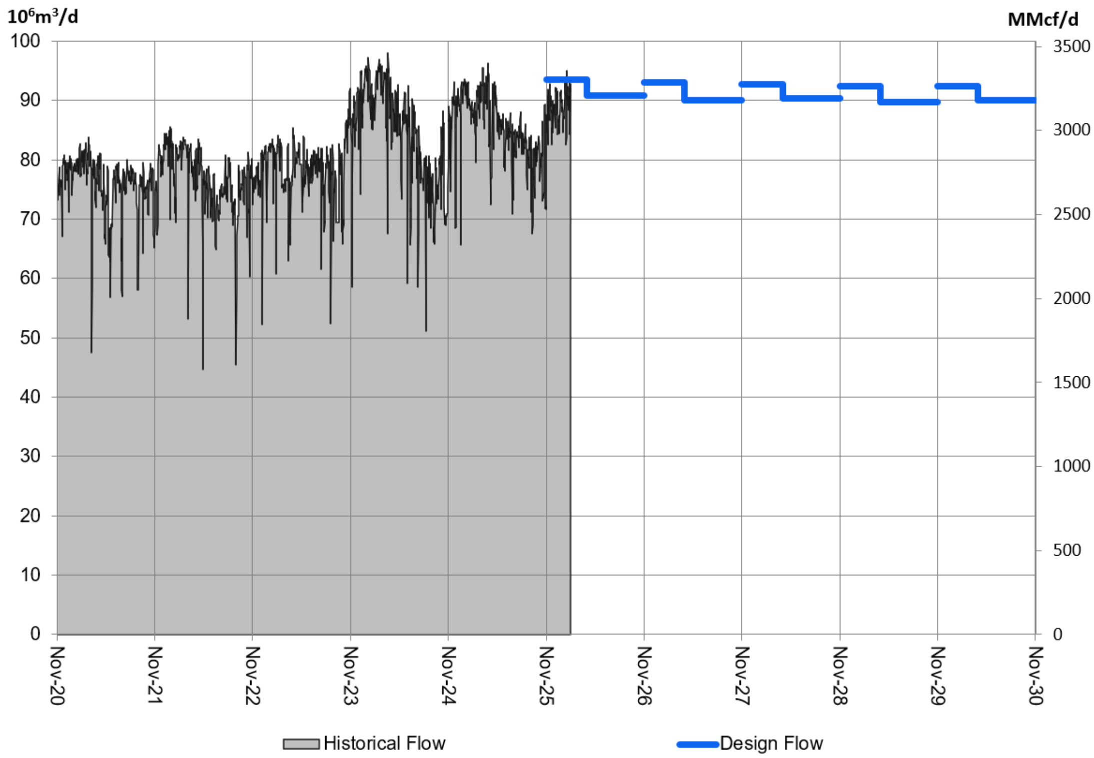
Figure 2-8: GEA Design Chart



2.4.2 Design Flows – North Central Corridor (NCC)

The NCC is the primary corridor feeding demands in northeast Alberta, which includes major oilsands deliveries. NGTL's North Central Corridor is expected to continue to be fully utilized going forward.

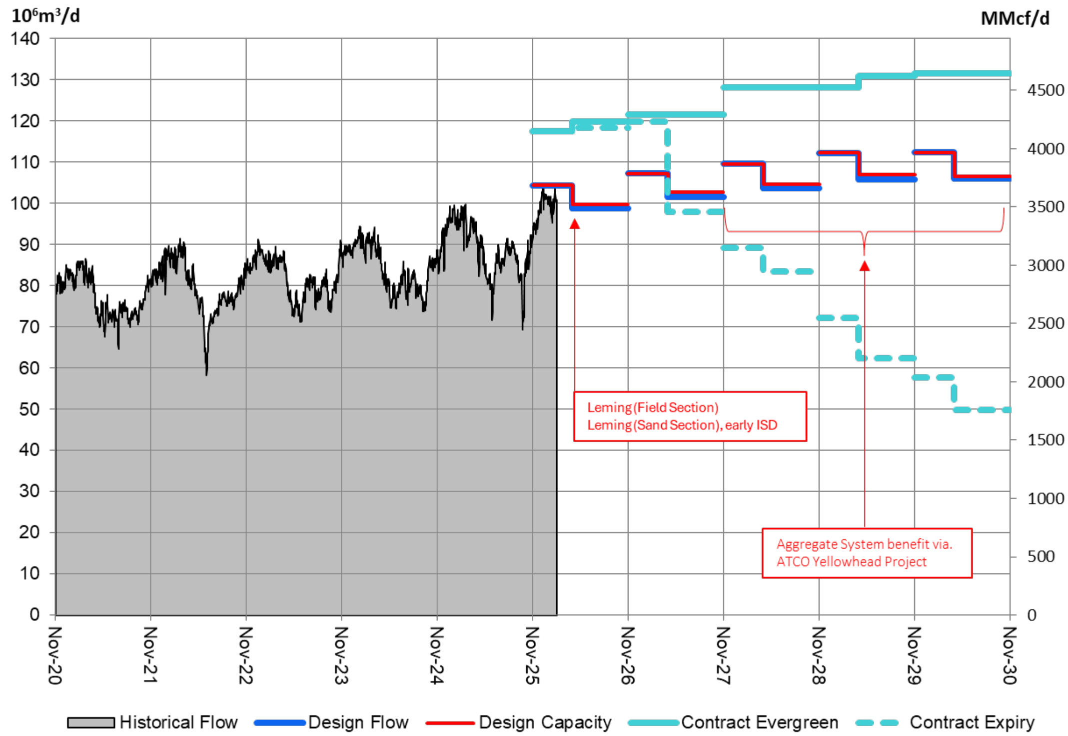
Figure 2-9: NCC Design Chart



2.4.3 Design Flows – North of Bens Lake Area

The North of Bens Lake area in northeast Alberta includes major oilsands deliveries. As highlighted red in Figure 2-10, the previously discussed Leming (Field and Sand Sections) will increase the local area capability to help satisfy growing deliveries in this area. On the aggregate system, the ATCO Yellowhead Project is also required to feed gas to the North of Bens Lake area

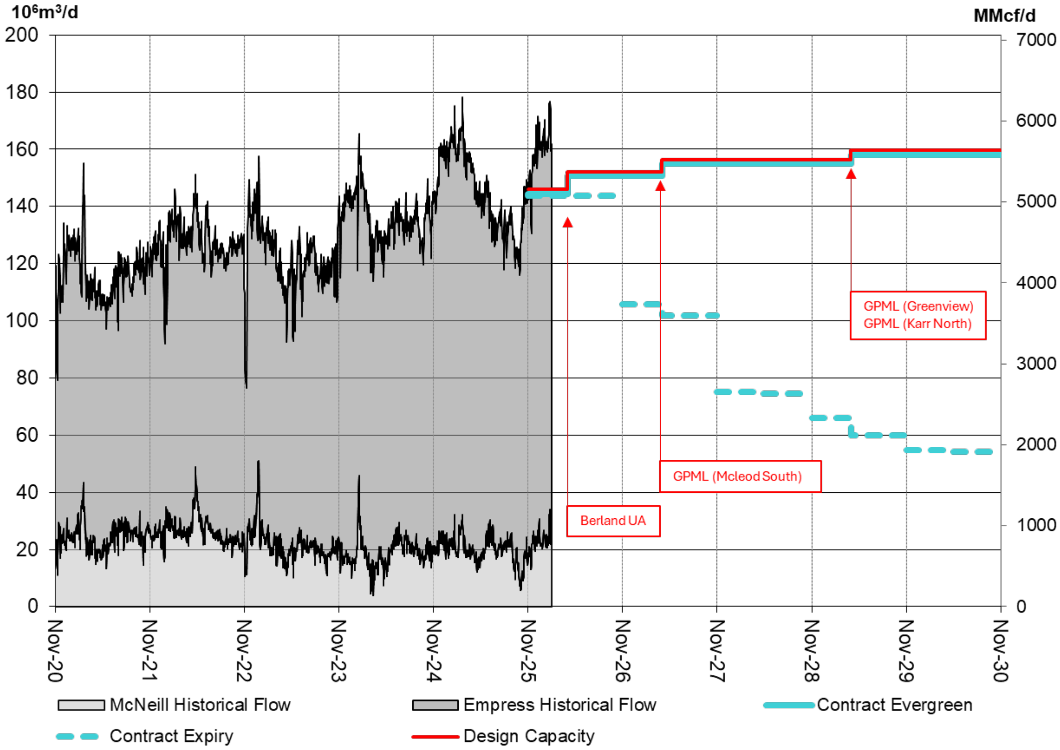
Figure 2-10: North of Bens Lake Design Chart



2.4.4 Design Capability – Eastern Gate Exports (EGAT)

EGAT exports comprises of the deliveries to the Empress and McNeill export points. As highlighted red in Figure 2-11, the previously discussed Berland UA, GPML McLeod South, GPML Greenview and Karr North will increase EGAT delivery capability to meet the increase in contracted export flowrates.

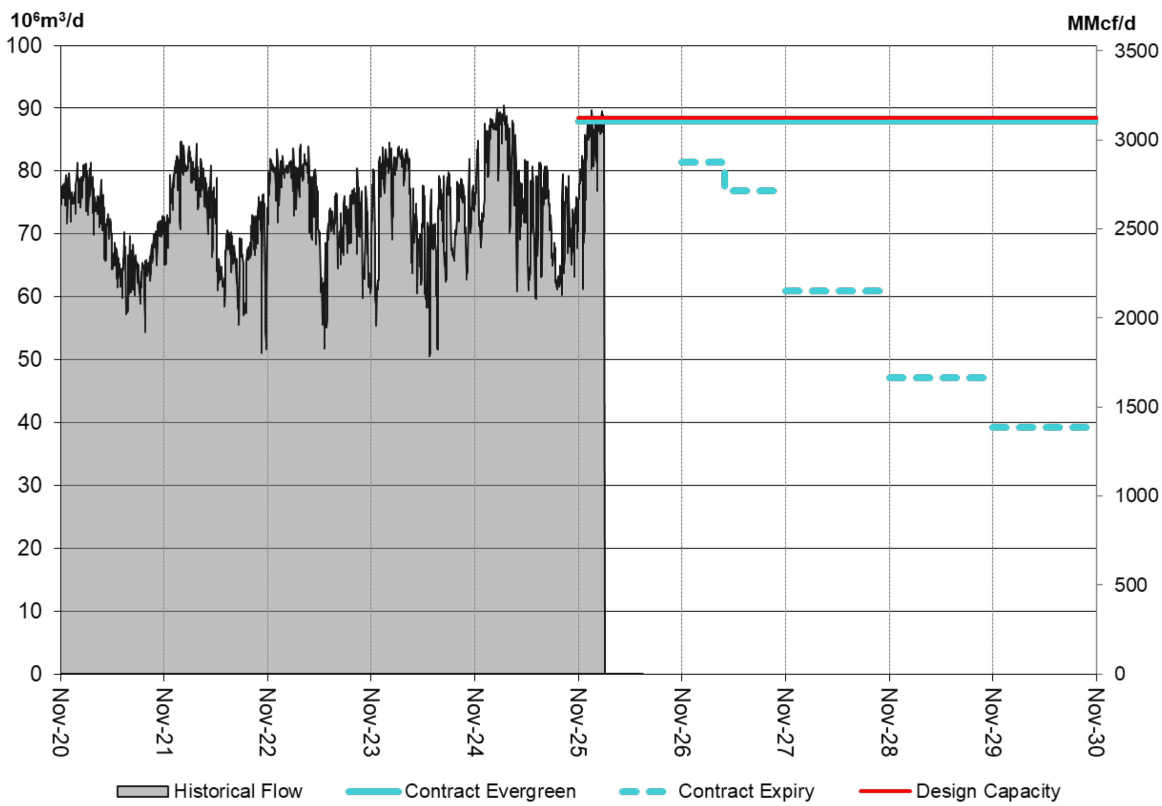
Figure 2-11: EGAT Design Chart



2.4.5 Design Capability – Alberta-British Columbia Export Point (ABC)

The ABC export point is where NGTL delivers to the Foothills B.C. system. The NGTL West Path facilities are expected to continue to be fully utilized up to the contracted export flowrates.

Figure 2-12: ABC Design Chart



3.0 EXTENSION FACILITIES, LATERAL LOOPS AND METER STATIONS

No additional extension facilities, lateral loops or receipt and delivery meter stations have been identified for this Annual Plan.

For a summary of the status of facilities that have been proposed, applied for, under construction or placed in-service since the 2024 Annual Plan, see *Appendix 2: Facility Status Update*.

Planned Meter Stations

Meter station projects are identified and planned to meet customer requests for service on an ongoing basis throughout the year. As new meter station projects are triggered the TTFP will be informed and the new meter station projects will be included in the *Facility Status Update (NGTL 2026 Update)*, which can be accessed at http://www.tccustomerexpress.com/871.html

Appendix 1: Glossary of Terms

The following definitions are provided to help the reader understand the Annual Plan. The definitions are not intended to be precise or exhaustive and have been simplified for ease of reference. These definitions should not be relied on to interpret NGTL's Gas Transportation Tariff or any Service Agreement. Capitalized terms not defined here are defined in NGTL's Gas Transportation Tariff.

Allowance for Funds Used During Construction (AFUDC)

The capitalization of financing costs incurred during construction of new facilities before the facilities are included in rate base.

Annual Plan

A document outlining NGTL's planned facility additions and major modifications.

Average Annual Delivery

The average day delivery determined for the period of one Gas Year. All forecast years are assumed to have 365 days.

Average Day Delivery

The average day delivery over a given period, determined by summing the total volumes delivered divided by the number of days in that period. It is determined for either a Delivery Point or an aggregation of Delivery Points.

Average Receipt Forecast

The forecast of average flows expected to be received onto the System at each receipt point.

Coincidental

Occurring at the same time.

Delivery Meter Station

A facility that measures gas volumes leaving the System.

Delivery Point

The point where gas might be delivered to customer by company under a Schedule of Service, which shall include but not be limited to Group 1 Delivery Point, Group 2 Delivery Point, Group 3 Delivery Point, Extraction Delivery Point and Storage Delivery Point.

Delivery Design Area

The System is divided into five delivery design areas used to facilitate delivery service within or between Delivery Design Areas:
Northwest Alberta and Northeast BC Delivery Area
Northeast Delivery Area
Southwest Delivery Area
Southeast Delivery Area
Edmonton and Area Delivery Area

Demand Coincidence Factor

A factor applied to adjust the system maximum and minimum day deliveries in a design area to a value more indicative of the expected actual peak day deliveries.

Design Area

Project areas (Peace River Project Area, North and East Project Area and Mainline Project Area) can be further subdivided into design and sub design areas. This subdivision allows the system to be modelled in a way that best reflects the pattern of flows in each area of the system when determining facility requirements.

Design Capability

The maximum volume of gas that can be transported in a pipeline system considering design assumptions. Usually presented as a percentage of Design Flow requirements.

Design Flows

Forecast of Peak Expected Flow required to be transported in a pipeline system considering design assumptions.

Design Forecast

Forecast of the most current projection of receipts and deliveries over a five-year design horizon.

Expansion Facilities

Facilities that will expand the existing System to/from the point of customer connection, including any pipeline loop of the existing system, metering and associated connection piping and system compression.

Extension Facilities

Facilities that connect new or incremental supply or markets to the System.

Firm Transportation

Service offered to customers to receive gas onto the System at Receipt Points or deliver gas off the System at Delivery Points with a high degree of reliability.

Flow-Through Design Condition

For the purposes of facility design, a condition for a specified area when deliveries are at their minimum and receipts are at their maximum in that area.

Flow-Within Design Condition

For the purposes of facility design, a condition for a specified area when deliveries are at their maximum and receipts are at their minimum in that area.

Gas Year

A period beginning at 800 hours (08:00) Mountain Standard Time on the first day of November in any year and ending at 800 (08:00) Mountain Standard Time on the first day of November of the next year.

Interruptible Transportation

Service offered to customers to receive gas onto the System at Receipt Points or deliver gas off the System at Delivery Points, provided capacity exists in the facilities, that is not required to provide firm transportation.

Lateral

A section of pipe that connects one or more Receipt or Delivery Points to the mainline.

Liquified Natural Gas (LNG)

Natural gas that has been cooled down to liquid form for ease of transport.

Loop

The paralleling of an existing pipeline by another pipeline.

Mainline

A section of pipe, identified through application of the mainline system design assumptions, necessary to meet the aggregate requirements of all customers.

Maximum Day Delivery

The forecast maximum volume, included in the design, to be delivered to a Delivery Point.

Maximum Operating Pressure

The maximum operating pressure at which a pipeline is operated.

Minimum Day Delivery

The forecast minimum volume, included in the design, to be delivered to a Delivery Point.

NPS

Nominal pipe size, in inches.

Non-coincidental

Non-simultaneous occurrence.

Peak Expected Flow

The peak flow expected to occur at a point or points on the System. For a design area or sub design area, this is the coincidental peak of the aggregate flow. For a single receipt point, it is equivalent to field deliverability.

Project Area

For design purposes, the System is divided into three project areas – Peace River Project Area, North and East Project Area and Mainline Project Area.

Receipt Meter Station

A facility that measures gas volumes entering the System.

Receipt Point

The point on the System at which gas may be received from customer by company under a Schedule of Service.

Storage Facility

Any commercial facility where gas is stored, that is connected to the System, and that is available to all customers.

Summer Season

The period starting April 1 and ending on October 31 of any calendar year.

System

The combined NGTL and ATCO Pipelines systems.

System Average Receipts

The forecast of aggregate average receipts at all Receipt Points.

Transportation Design Process

The process that includes qualifying a customer’s applications for service, designing additions to the system, sourcing all required facilities and installing facilities to meet firm transportation requests.

Winter Season

The period starting November 1 of any year and ending on March 31 of the following year.

Appendix 2: Facility Status Update

The Facility Status Update (NGTL 2026 Update) is available as an Adobe Acrobat PDF or MS Excel version with sort and search functionality. It is maintained as a separate document(s) which can be accessed at http://www.tccustomerexpress.com/871.html

Appendix 3: System Map

The System Map, including the 2025 Annual Plan facilities, is expected to be available in June 2026 and can be accessed at https://www.tccustomerexpress.com/855.html

Appendix 4: Unit Transportation Cost Data

This expanded Appendix 4 is being provided pursuant to Order TG-001-2020 through which the Canada Energy Regulator (CER) directed NGTL to extend its narrative accompanying unit cost of transportation data that the National Energy Board initially directed NGTL to provide as part of its Annual Plan in Order TG-004-2018.

Specifically, the CER directed NGTL to extend the narrative to include the following:

a) A commentary on whether NGTL considers the trend in unit transportation costs to be a reasonable proxy for the general trend in transportation tolls for the same period. If not, NGTL must explain the reasons for the divergence. The Commission encourages NGTL, where appropriate, to use scenarios to illustrate the influence of market forces on pipeline transportation costs; and
b) NGTL's views on the future competitiveness of its tolls and its perspective on emerging market factors that might affect the long-term viability of NGTL and the competitiveness of the WCSB.

This Appendix 4 provides unit transportation cost data for three historical years and the five forecast years covered in the 2025 Annual Plan.

Unit Transportation Cost Data (2023 to 2030)

	2023	2024	2025	2026	2027	2028	2029	2030
A: Revenue Requirement ($ million)	3,358[1]	3,681[1]	3,988[2]	3,943[3]	4,071[4]	4,443[4]	4,497[4]	4,644[4]
B: Throughput[5] (10^9m^3)	139	147	150	156[3]	154[6]	156[6]	162[6]	167[6]
C: A/B Unit Cost ($ million/10^9m^3)	24.2	25.0	26.6	25.3	26.4	28.5	27.8	27.8

Sources:
1. NGTL Quarterly Surveillance Reports for the period ending December 31.
2. NGTL 2025 Final Rates Application. [C29388]
3. NGTL 2026 Interim Rates Application. [C32183]
4. Based on an illustrative escalation of NGTL's 2026 Revenue Requirement and forecast capital additions using simplified assumptions for cost escalations and in-service dates.
5. Based on the sum of all NGTL deliveries excluding storage injections.
6. Based on NGTL's 2025 Design Forecast.

NGTL views the forecast unit transportation costs to be a reasonable proxy for the general trend in system average transportation tolls for the 5-year period covered in this Annual Plan. There may, however, be some divergence over time due to uncertainty associated with a multitude of factors, market outcomes and capacity scenarios that can influence future transportation costs and/or tolls, including the following:

- WCSB supply/demand changes and the related change in system capacity requirements;
- Location of supply relative to system demand, which influences the extent of facilities required;
- Capacity expansion cost (e.g., depending on system requirements at the time, expansion costs could be higher or lower for an equivalent volume of firm contracts);
- Firm contracting levels (e.g., can influence system capacity requirements, and billing determinants for tolls);
- Supply/Demand characteristics (e.g., base vs. peak loads, which influence pipeline transportation costs);
- Government policy (e.g., can impact costs, firm contract levels or both, and relatedly, pipeline transportation costs);

- Environmental/Social considerations (e.g., concerns over wildlife impacts or landowner considerations and associated cost impacts);
- Technology improvements (e.g., efficiency gains leading to cost reductions);
- Services development (e.g., new services that attract and retain volumes to the system providing a net benefit to the system); and
- Repurposing facilities (e.g., change in utilization in response to changes in requirements).

The WCSB is one of the largest supply basins in North America and provides access to vast relatively low-cost reserves, with an estimated resource of 1105 Tcf[3] which represents 19% of the total North American gas resource. Production of this resource is particularly economic due to the liquids uplift that producers realize, especially for wells drilled in the Montney formation. Connecting to this supply allows NGTL and its customers to maintain access to diverse intra-basin and downstream markets in order to compete with other basins and to compete for market share within the basin.

NGTL regularly assesses the competitiveness of its tolls and the WCSB's competitive access to downstream markets, inclusive of transportation costs. In addition to pipeline transportation toll levels, competitive access to downstream markets is influenced by many other factors including NGTL's multiple service offerings, flexibility of supply and demand options, and the reliability of supply, among others. NGTL notes that customers have subscribed for the full export capacity currently available on the System as well as for expansion projects to serve both intra-system and downstream demand. This demand for transportation on the System demonstrates the near-term and longer-term competitiveness of the System and the WCSB.

The upward trend in unit transportation cost (in nominal terms) shown above reflects that new facilities need to be added over time in order to maintain the connectivity between the WCSB and the various markets served by NGTL, which is essential to maintaining the long-term viability of the System and the competitiveness of the WCSB. This includes facilities required to connect the increasing supply to meet increasing demand. In addition, as new facilities typically cost more

[3] Canada's Energy Future 2023, Figure 19: Remaining marketable natural gas resources at year-end 2021 in Canada, by type, all scenarios

than older facilities, periods of larger-scale facility additions frequently coincide with periods of an increased trend in unit transportation cost. As part of its active management of costs, NGTL assesses the long-term needs of proposed facilities, which ensures facilities being added are required over the long term to continue to meet the needs of the System customers in the most efficient manner.

Future tolls are also dependent on contracting decisions of customers, which may deviate from the forecast throughput data used in the unit cost data provided above. For example, actual contract levels in future years will depend on individual customer renewal decisions over the period, which may in turn be impacted by a range of factors. Overall, however, NGTL expects continued robust demand for natural gas and transportation services on the System for the time frame considered for the Unit Transportation Cost Data. Natural gas is an essential commodity in the integrated North American economy, used as a fuel for heating and generation of electricity, as well as a feedstock for industrial processes. In addition, North American gas is increasingly exported to global markets via LNG with a large-scale project currently being developed in western Canada. Emerging factors that could impact long-term demand include climate policies – such as carbon pricing, clean fuel standards, and incentives for renewable energy. These factors may create both opportunities and challenges for gas demand, but their impact is expected to be gradual. Natural gas remains an efficient energy source with the lowest carbon intensity among fossil fuels and is expected to play a key role in implementing environmental policies in the various markets served by the System. Challenges, however, may result from policies that disproportionately impact domestic gas supply compared to competing gas supply. NGTL will continue to incorporate new information into its assessment of long-term supply and demand and proactively manage the System in order to support its long-term viability and the competitiveness of both the System and the WCSB.