Energy Transfer to Upsize Transwestern Pipeline's Desert Southwest Expansion Project

December 18, 2025 at 4:25 PM EST

DALLAS--(BUSINESS WIRE)--Dec. 18, 2025-- **Energy Transfer LP (NYSE: ET)** today announced an increase in the transportation capacity of Transwestern Pipeline's planned Desert Southwest expansion project to meet additional customer demand. The continued population growth and positive economic momentum throughout Arizona and New Mexico will require efficient, reliable energy sources. This recently announced project will serve these markets from Energy Transfer's premier asset base in the prolific Permian Basin.

To meet the need for additional capacity identified through a recent open season, the project's mainline pipeline diameter will be upsized from 42 inches to 48 inches, which will increase the project's capacity to up to 2.3 billion cubic feet per day, depending on final compression configuration. There is significant demand growth in the Desert Southwest region, including the potential to retire and or convert coal-fired power plants to natural gas, which could further benefit the project. The ultimate capacity of the Desert Southwest expansion project will be based on market demand.

Energy Transfer continues to see strong support from energy markets in the region, including:

"Transwestern's Desert Southwest pipeline expansion is an important critical source of natural gas," said Ted Geisler, APS President and CEO. "We look forward to Energy Transfer enhancing this project to enable greater resources across the region."

"Natural gas generation is an important part of SRP's all-of-the-above approach to ensuring reliability and affordability for our customers," said Bobby Olsen, SRP Associate General Manager and Chief Power System Executive. "The Transwestern Desert Southwest Pipeline expansion will help enable us to meet the region's growing power needs and strengthen Arizona's energy infrastructure."

"We applaud the announcement of additional pipeline capacity along the Desert Southwest expansion project," said Patrick Ledger, CEO of Arizona G&T Cooperatives. "This infrastructure is urgently needed to power the growth and business development taking place in rural Arizona."

The upsized project is now expected to cost up to approximately $5.6 billion excluding Allowance for Funds Used During Construction (AFUDC). As a result, Energy Transfer's total growth capital expenditures for 2026 are expected to increase by approximately $200 million. The additional capital investment provides an efficient means to capture growing demand sources while providing upside benefits to the project.

Energy Transfer continues to expect the project to be in-service by the fourth quarter of 2029.

Energy Transfer LP (NYSE: ET) owns and operates one of the largest and most diversified portfolios of energy assets in the United States, with approximately 140,000 miles of pipeline and associated energy infrastructure. Energy Transfer's strategic network spans 44 states with assets in all of the major U.S. production basins. Energy Transfer is a publicly traded limited partnership with core operations that include complementary natural gas midstream, intrastate and interstate transportation and storage assets; crude oil, natural gas liquids ("NGL") and refined product transportation and terminalling assets; and NGL fractionation. Energy Transfer also owns the general partner interests, the incentive distribution rights and 28.5 million common units (representing approximately 15% of the aggregate outstanding common and Class D units) of Sunoco LP (NYSE: SUN), and the general partner interests and 46.5 million common units (representing approximately 38% of the outstanding common units) of USA Compression Partners, LP (NYSE: USAC). For more information, visit the Energy Transfer LP website at www.energytransfer.com.

Forward-Looking Statements

This news release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management's control. An extensive list of factors that can affect future results, including capital expenditures and new capital projects, are discussed in the Partnership's Annual Report on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission. The Partnership undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

The information contained in this press release is available on our website at energytransfer.com.

View source version on businesswire.com: https://www.businesswire.com/news/home/20251218362889/en/

Media Relations:
Vicki Granado
214-840-5820

Investor Relations:
Bill Baerg
Brent Ratliff
Lyndsay Hannah
214-981-0795

Source: Energy Transfer LP