

Columbia Pipelines Operating Company LLC

Consolidated and Combined Financial Statements
(Unaudited)
March 31, 2024

Consolidated and combined statement of income

<i>(unaudited)</i> <i>(millions of dollars)</i>	Three months ended March 31,	
	2024	2023
Revenues (Note 3)	738	730
Income from Equity Investments	—	22
Operating and Other Expenses		
Plant operating costs and other	184	220
Property taxes	64	65
Depreciation and amortization	89	86
Total Operating and Other Expenses	337	371
Operating Income	401	381
Financial Charges		
Interest expense, net (Note 8)	93	62
Allowance for funds used during construction	(7)	(5)
Other income	(1)	—
Total Financial Charges	85	57
Net Income	316	324

The accompanying Notes to the unaudited consolidated and combined financial statements are an integral part of these statements.

Consolidated and combined statement of comprehensive income

<i>(unaudited)</i> <i>(millions of dollars)</i>	Three months ended March 31,	
	2024	2023
Net Income	316	324
Other Comprehensive Income		
Other comprehensive income of equity investments	—	1
Other comprehensive income	—	1
Comprehensive Income	316	325

The accompanying Notes to the unaudited consolidated and combined financial statements are an integral part of these statements.

Consolidated and combined balance sheet

<i>(unaudited)</i> <i>(millions of dollars)</i>	March 31, 2024	December 31, 2023
ASSETS		
Current Assets		
Demand loan receivable (Note 12)	195	125
Accounts receivable and other (Note 4)	276	293
Related party receivable (Note 12)	6	12
Inventories	43	43
Other (Note 5)	25	27
Total Current Assets	545	500
Plant, Property and Equipment, net	17,955	17,873
Regulatory Assets (Note 6)	1	1
Total Assets	18,501	18,374
LIABILITIES		
Current Liabilities		
Accounts payable and other (Note 7)	680	836
Related party payable (Note 12)	48	64
Total Current Liabilities	728	900
Long-Term Debt, net (Note 8)	6,056	6,055
Regulatory Liabilities (Note 6)	129	148
Other Long-Term Liabilities (Note 9)	34	33
Total Liabilities	6,947	7,136
MEMBER'S EQUITY		
Member's equity	11,554	11,238
Total Member's equity	11,554	11,238
LIABILITIES and MEMBER'S EQUITY	18,501	18,374
Commitments and Contingencies (Note 13)		
Subsequent Events (Note 14)		

The accompanying Notes to the unaudited consolidated and combined financial statements are an integral part of these statements.

Consolidated and combined statement of member's equity

For the three months ended March 31, 2024

<i>(unaudited)</i> <i>(millions of dollars)</i>	Member's Equity
January 1, 2024	11,238
Net Income	316
March 31, 2024	11,554

For the three months ended March 31, 2023

<i>(unaudited)</i> <i>(millions of dollars)</i>	Member's Equity	AOCL	Total
January 1, 2023	13,103	(7)	13,096
Net income	324	—	324
Other	5	—	5
Other Comprehensive Income	—	1	1
March 31, 2023	13,432	(6)	13,426

The accompanying Notes to the unaudited consolidated and combined financial statements are an integral part of these statements.

Consolidated and combined statement of cash flows

<i>(unaudited)</i> <i>(millions of dollars)</i>	Three months ended March 31,	
	2024	2023
Cash Generated from Operations		
Net income	316	324
Depreciation and amortization	89	86
Amortization of debt issuance costs	1	—
Income from equity investments	—	(22)
Distributions received from operating activities of equity investment	—	29
Equity allowance for funds used during construction	(6)	(4)
Changes in regulatory assets and liabilities	3	6
Changes in other operating assets and liabilities (Note 11)	(60)	(33)
Net cash provided by operations	343	386
Investing Activities		
Capital expenditures	(278)	(221)
KOT acquisition	—	(70)
Change in demand loan receivable with TransCanada PipeLine USA Ltd (TCPL USA)	—	(95)
Change in demand loan receivable with Columbia Pipelines Holding Company LLC (CPHC)	(70)	—
Deferred amounts and other	5	—
Net cash used in investing activities	(343)	(386)
Change in Cash and Cash Equivalents		
	—	—
Cash and Cash Equivalents		
Beginning of period	—	—
Cash and Cash Equivalents		
End of period	—	—
Supplemental cash flow information, including certain non-cash investing and financing activities		
Interest paid, net of capitalized interest	63	93
Accruals for property, plant and equipment, net	94	38

The accompanying Notes to the unaudited consolidated and combined financial statements are an integral part of these statements.

Notes to unaudited consolidated and combined financial statements

1. DESCRIPTION OF BUSINESS AND OWNERSHIP

"We," "our," "us," and the "Company" refer to Columbia Pipelines Operating Company LLC (CPOC) and its subsidiaries. CPOC is a Delaware limited liability company, a wholly owned subsidiary of Columbia Pipelines Holding Company LLC (CPHC). The Company was formed as part of the corporate restructuring of its indirect parent, Columbia Pipeline Group, Inc. (CPG), a direct subsidiary of TransCanada PipeLine USA Ltd (TCPL USA). TCPL USA is a direct wholly-owned subsidiary of TC Energy.

Through our wholly owned subsidiaries, we own the following natural gas transportation and storage assets, which are regulated by the Federal Energy Regulatory Commission (FERC).

Columbia Gas Transmission Company, L.L.C.

Columbia Gas Transmission Company, L.L.C. (Columbia Gas) is engaged in the transportation and/or storage of natural gas through interstate pipeline systems located in Delaware, Kentucky, Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Virginia, and West Virginia. On February 1, 2023, Columbia Gas completed a \$69.8 million asset purchase from KO Transmission Company (KOT Acquisition), an affiliate of Duke Energy, by acquiring approximately 88.1 miles of interstate pipeline system originating in Means, Kentucky and extending to Hamilton, Ohio and Campbell, Kentucky. The assets were integrated into Columbia Gas' pipeline system and expanded its footprint by providing additional last-mile connectivity on its system into northern Kentucky and southern Ohio to growing local distribution company markets.

Columbia Gulf Transmission Company, L.L.C.

Columbia Gulf Transmission Company, L.L.C. (Columbia Gulf) is engaged in the transportation of natural gas through interstate pipeline systems located in Kentucky, Louisiana, Mississippi, and Tennessee.

Prior to the restructuring described below, Columbia Gas and Columbia Gulf were both wholly-owned direct subsidiaries of CPG.

2. ACCOUNTING POLICIES

Basis of Presentation – Consolidated and Combined Financial Statements

CPOC's financial statements for the periods through July 31, 2023 are combined financial statements prepared on a "carve-out" basis as discussed below. CPOC's financial statements for the period from July 31, 2023 through December 31, 2023, and as of March 31, 2024, are consolidated financial statements based on the reported results of CPOC.

The Consolidated and Combined Financial Statements include CPOC's accounts maintained on the accrual basis of accounting in accordance with United States Generally Accepted Accounting Principles (GAAP).

Basis of Presentation – Prior to the July 31 Reorganization

Through July 31, 2023, the combined financial statements are prepared on a "carve-out" basis which have been derived from Columbia Gas and Columbia Gulf's financial statements and accounting records in conformity with GAAP (Combined Company). All transactions between Columbia Gas and Columbia Gulf have been eliminated in combination.

The Combined Financial Statements include the Combined Company's accounts maintained on the accrual basis of accounting in accordance with GAAP.

Accounting Policies – Overall

The results of operations for the three months ended March 31, 2024 and 2023 are not necessarily indicative of the results that may be expected for the full fiscal year. The accompanying unaudited consolidated and combined financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the audited consolidated and combined financial statements and notes thereto for the year ended December 31, 2023 which contain a more comprehensive summary of the Company's significant accounting policies.

Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect both the amount and timing of recording assets, liabilities, revenues and expenses since the determination of these items may be dependent on future events. Management uses the most current information available and exercises careful judgment in making these estimates and assumptions. Actual results could differ from these estimates.

3. REVENUES

Disaggregation of Revenues

The following table summarizes our total Revenues:

(unaudited) (millions of dollars)	Three months ended March 31	
	2024	2023
Revenues from contracts with customers		
Capacity arrangements and transportation	637	611
Natural gas storage and other	100	118
	737	729
Other revenues ¹	1	1
	738	730

1. Other revenues primarily include amortization of the OPEB Tracker regulatory liability on Columbia Gas as well as natural gas processed by others.

For certain natural gas pipeline capacity and storage contracts, amounts are invoiced to the customer in accordance with the terms of the contract; however, the related revenues are recognized when the Company satisfies its performance obligation to provide committed capacity ratably over the term of the contract. This difference in timing between revenue recognition and amounts invoiced creates a contract asset or contract liability.

Contract Balances

(unaudited) (millions of dollars)	March 31, 2024	December 31, 2023
Receivables from contracts with customers ¹	258	258
Contract liabilities ²	(15)	(10)
Long-term contract liability	(1)	(1)

1. Majority of the balance here is recorded as Trade accounts receivable (See Note 4) reported as Accounts receivable and other in the Balance sheet. Additionally, for the three months ended March 31, 2024, this amount also includes \$6 million (December 31, 2023-\$12 million) receivable from related party customer contracts reported as Related party receivable in the Balance sheet.

2. Comprised of current deferred revenue and other current deferred credits recorded in Accounts Payable and other in the Balance sheet.

4. ACCOUNTS RECEIVABLE AND OTHER

The following table summarizes total Accounts receivable and other:

(unaudited) (millions of dollars)	March 31, 2024	December 31, 2023
Trade account receivables, net of allowance of \$1.7 million and \$1.6 million for 2024 and 2023, respectively	252	247
Imbalance receivable	8	32
Other	16	14
	276	293

5. OTHER CURRENT ASSETS

The following table summarizes total Other current assets:

(unaudited) (millions of dollars)	March 31, 2024	December 31, 2023
Regulatory Assets (Note 6)	15	17
Prepaid expenses	8	7
Deferred debits	2	3
	25	27

6. REGULATORY MATTERS

The Company's 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 FERC. Depending on whether they are current or long-term in nature, Regulatory Assets are included on the balance sheet as either Other current assets or Regulatory Assets; Regulatory Liabilities are included in Accounts payable and accrued interest or Regulatory Liabilities.

The Company operates under the provisions of the Natural Gas Act of 1938, the Natural Gas Policy Act of 1978 (NGA) and the Energy Policy Act of 2005, and are subject to the jurisdiction of the FERC. The NGA grants the FERC authority over the construction and operation of pipelines and related facilities, including the regulation of tariffs which incorporates maximum and minimum rates for services and allows regulated natural gas pipelines to discount or negotiate rates on a non-discriminatory basis.

The Company's regulatory assets and liabilities are summarized below:

Regulatory Assets and Liabilities

(unaudited) (millions of dollars)	March 31, 2024	December 31, 2023	Remaining Recovery/ Settlement Period
Regulatory Assets			
Fuel Tracker	3	5	See note 1
Rate Case, Covid 19 and Property taxes	4	4	See note 2
Other	9	9	
Total Regulatory Assets	16	18	
Less: Current portion included in Other current assets (Note 5)	15	17	
Total non-current Regulatory Assets	1	1	
Regulatory Liabilities			
Pensions and other post retirement benefits	4	5	See note 3
Cost of removal	128	146	See note 4
Other	2	1	
Total Regulatory Liabilities	134	152	
Less: Current portion included in Accounts payable and other (Note 7)	5	4	
Total non-current Regulatory Liabilities	129	148	

¹ Fuel tracker assets or liabilities represents the over or under recovery of Columbia Gulf's Transportation Retainage Adjustment tracker which are settled with in-kind exchanges with customers continuously. Columbia Gas' Transportation Retainage Adjustment & other trackers' over or under recoveries are being recorded under Deferred Debits-Other current assets or Accounts payable and other consistent with its FERC approved Tariff. For the three months ended March 31, 2024, Columbia Gas recorded an asset of \$2 million and a liability of \$8 million related to these trackers. For the year ended December 31, 2023, Columbia Gas recorded an asset of \$1 million and a liability of \$10 million related to these trackers.

² This balance represents Columbia Gas' recovery of regulatory costs incurred on its rate case, certain costs incurred during the COVID-19 pandemic and certain property taxes associated with its modernization program. All of these costs are being recovered until March 2025.

³ This balance represents the regulatory offset to pension plan and other post-retirement obligations to the extent the amounts are expected to be refunded to customers in future rates.

4. The Company collects an allowance for cost of removal related to the orderly recoupment of funds to cover current and future retirement costs of certain transmission and storage facilities. Costs associated with abandonment of these facilities are recorded against the negative salvage balance as incurred over time. A cost of removal liability represents funds collected associated with future abandonment costs. The Company is 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 Company expects for the foreseeable future. Therefore, the timing of abandonment of facilities and the recovery period is not determinable.

Columbia Gulf Settlement

Columbia Gulf operates under a settlement approved by FERC in December 2019 (2019 Columbia Gulf Settlement), which requires Columbia Gulf to file a general rate case under Section 4 of the NGA no later than January 31, 2027. The 2019 Columbia Gulf Settlement included a moratorium that expired in August 2022. In July 2023 Columbia Gulf, in advance of its obligation to file a general rate case from the 2019 Columbia Gulf Settlement, reached a settlement with its customers effective March 1, 2024 and received FERC approval in August 2023 (2023 Columbia Gulf Settlement). As part of the 2023 Columbia Gulf Settlement, there is a moratorium on any further rate changes through February 28, 2027 and Columbia Gulf must file for new rates no later than March 1, 2029.

Columbia Gas Rate Case

Columbia Gas' natural gas transportation and storage services are provided under a tariff at rates subject to FERC approval. Columbia Gas reached a settlement with its customers effective February 2021 and received FERC approval in February 2022. As part of the settlement, there is a moratorium on any further rate changes until April 1, 2025. Columbia Gas must file for new rates with an effective date no later than April 1, 2026.

Additionally, Columbia Gas maintains a FERC-approved modernization program allowing for the cost recovery and return on additional investment up to \$1.2 billion over a four-year period through 2024 to modernize the Columbia Gas system, thereby improving system integrity and enhancing service reliability and flexibility. Refer to Note 13, Commitments and Contingencies, for further information.

Columbia Gas Line Break Incident

On July 25, 2023, a rupture on the Columbia Gas' Line VB segment occurred alongside Interstate 81 in Strasburg, Virginia. Emergency response procedures were enacted and the segment of impacted pipeline was isolated shortly thereafter. There were no reported injuries involved with this incident and no significant damage to surrounding structures. The pipeline has been operating at reduced pressure in accordance with the United States Pipeline and Hazardous Materials Safety Administration's (PHMSA) Corrective Action Order (CAO) since July 28, 2023, and Columbia Gas is working with PHMSA under the CAO to return the system to normal operations as soon as possible. The Root Cause Failure Analysis (RCFA) findings indicated that similar pipeline segment locations within the Columbia Gas system require further testing. Columbia Gas anticipates the force majeure related to the incident will remain in effect through the second quarter of 2024. Columbia Gas does not expect the Line VB event or the additional testing to have a material impact on its financial results.

7. ACCOUNTS PAYABLE AND OTHER

The following table summarizes the breakdown of total Accounts payable and other:

(unaudited) (millions of dollars)	March 31, 2024	December 31, 2023
Accounts payable and accrued liabilities	261	374
Taxes other than income	226	279
Imbalance payable	13	38
Regulatory Liabilities (Note 6)	5	4
Interest Payable	152	122
Other	23	19
	680	836

8. DEBT

Long-Term Debt

The Company's long-term debt is summarized below:

(unaudited) (millions of dollars)		Maturity Dates	March 31, 2024	December 31, 2023
Columbia Pipelines Operating Company				
4.500%	Senior Unsecured Notes	6/1/2025	1,000	1,000
5.800%	Senior Unsecured Notes	6/1/2045	500	500
5.927%	Senior Unsecured Notes	8/15/2030	750	750
6.036%	Senior Unsecured Notes	11/15/2033	1,500	1,500
6.497%	Senior Unsecured Notes	8/15/2043	600	600
6.544%	Senior Unsecured Notes	11/15/2053	1,250	1,250
6.714%	Senior Unsecured Notes	8/15/2063	500	500
Unamortized debt discount and issue costs			(44)	(45)
Total Long-Term Debt			6,056	6,055

CPOC is not required to maintain any financial covenants with respect to these notes.

Net Interest Expense

The net interest expense recorded during the period is summarized below:

(unaudited) (millions of dollars)	Three months ended March 31	
	2024	2023
Interest on long-term debt	91	—
Interest on intercompany debt	—	67
Interest on demand loan (Note 12)	4	—
Interest income	(3)	(5)
Amortization and other financial charges	1	—
	93	62

Principal Repayments

The principal repayments required by CPOC on its consolidated debt are as follows:

(unaudited) (millions of U.S. dollars)		Total	2024	2025	2026	2027	2028	After
Columbia Pipelines Operating Company								
5.927%	Senior Unsecured Notes	750	—	—	—	—	—	750
6.036%	Senior Unsecured Notes	1,500	—	—	—	—	—	1,500
6.497%	Senior Unsecured Notes	600	—	—	—	—	—	600
6.544%	Senior Unsecured Notes	1,250	—	—	—	—	—	1,250
6.714%	Senior Unsecured Notes	500	—	—	—	—	—	500
4.500%	Senior Unsecured Notes	1,000	—	1,000	—	—	—	—
5.800%	Senior Unsecured Notes	500	—	—	—	—	—	500
Total Repayments		6,100	—	1,000	—	—	—	5,100

9. OTHER LONG-TERM LIABILITIES

(unaudited) (millions of dollars)	March 31, 2024	December 31, 2023
Operating lease obligation	9	8
Deferred credits	12	12
Asset retirement obligations ¹	8	8
Deferred tax liability ²	5	5
	34	33

- 1 The majority of our remaining asset retirement obligations relate to certain polychlorinated biphenyl ("PCB") remediation. As part of our process of assessing the estimated asset retirement obligation, we have re-evaluated our asset retirement obligations and determined that due to the construction status underway with the pipeline modernization settlement and the completion of certain key expansion projects to integrate the new expansion pipelines with our existing pipeline infrastructure, the timing of settlement of the remediation activity of the historically recognized asset retirement obligations is indeterminable as we are 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 we expect for the foreseeable future. Therefore, we believe our natural gas pipeline system assets have indeterminate lives and, accordingly, have recorded no asset retirement obligation outside of the PCB remediation under an EPA order. We continue to evaluate asset retirement obligations and future developments that could impact amounts it records.
- 2 The amount accrued here pertains to deferred taxes associated with Columbia Gulf's filing of Tennessee state franchise & excise taxes.

10. FAIR VALUE MEASUREMENT

Fair Value Hierarchy

Our financial assets and liabilities recorded at fair value have been categorized into three categories based on a fair value hierarchy.

Levels	How fair value has been determined
Level I	Quoted prices in active markets for identical assets and liabilities that we have 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 Company 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 contract that extends beyond the time frame for which significant inputs are considered to be observable. As contracts 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 fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying value of "cash and cash equivalents," "accounts receivable and other," "related party receivable and payable," "accounts payable and other," and "long-term intercompany debt" 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 Company's fixed rate debt is estimated by discounting the future cash flows of each instrument at estimated current borrowing rates, which is classified as Level II in the "Fair Value Hierarchy" where the fair value is determined by using valuation techniques that refer to observable market data. At March 31, 2024, the fair value of the Company's long-term debt was \$6,325 million.

We have classified the fair value of natural gas imbalances as a Level II 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.

11. CHANGES IN OTHER OPERATING ASSETS AND LIABILITIES

(unaudited) (millions of dollars)	March 31, 2024	March 31, 2023
(Increase)/decrease in Accounts receivable and other	23	65
(Increase)/decrease in Other current assets	—	23
(Decrease)/increase in Accounts payable and other	(83)	(123)
(Increase)/decrease in Inventories	—	1
(Increase)/decrease in Other	—	1
Changes in other operating assets and liabilities	(60)	(33)

12. RELATED PARTY TRANSACTIONS

Termination of Cash Management Program with TCPL USA

Effective August 2, 2023, CPHC established its own cash management program and CPOC, Columbia Gas and Columbia Gulf entered into a cash management program with CPHC. This program matches short-term cash surpluses and needs of CPHC's subsidiaries, thus minimizing the total borrowings from outside sources. Monies advanced under the agreement are considered to be a loan, accruing interest and repayable on demand. CPOC, Columbia Gas and Columbia Gulf receives interest on monies advanced to CPHC at the rate of interest earned by CPHC on short-term cash investments. CPOC, Columbia Gas and Columbia Gulf pays interest on monies advanced from CPHC based on CPHC's short-term borrowing costs. At March 31, 2024, the Company had a demand loan receivable from CPHC cash management program of \$195 million.

Operation and Maintenance Services Agreement

The Company's parent, CPHC, has contracted Columbia Pipelines Management Company LLC (CPMC), subject to the Company's overall management, supervision, and control, to be responsible for the day-to-day management of the Company's affairs as defined in the Operating and Maintenance Services Agreement (OMSA), and CPMC utilizes the services of TC Energy and its related parties (collectively, TC Energy) for management services related to the Company. Total costs incurred by the Company for these services provided by TC Energy are summarized in next paragraph below.

Affiliate Revenues and Expenses

Columbia Gas has a Retained Asset Capacity Agreement with Millennium at an annual expense of \$5.6 million to retain capacity on Millennium's pipeline that automatically renews on a year-to-year basis with FERC approval required to terminate the agreement.

During the normal course of operation, the Company earned revenue of \$10 million and \$10 million for the three months ended March 31, 2024 and 2023, respectively from affiliates for transportation of natural gas. For the three months ended March 31, 2024 and 2023, the Company incurred operating expenses related to transportation of natural gas and administrative costs amounting to \$100 million and \$99 million, respectively. For the three months ended March 31, 2024 and 2023, the Company also incurred capital charges from affiliates amounting to \$23 million and \$24 million, respectively.

At March 31, 2024 and December 31, 2023, amounts due to/from affiliates are included in the balance sheet under the captions Related party receivable and Related party payable. At March 31, 2024 and December 31, 2023, the Company did not have any loans due to affiliates.

13. COMMITMENTS AND CONTINGENCIES

Commitments

The Company has capital expenditure commitments related to construction costs associated with modernization projects on Columbia Gas. Capital expenditure commitments include obligations related to the construction of growth projects and are based on the projects proceeding as planned. Changes to these projects, including cancellation, would reduce or possibly eliminate these commitments as a result of cost mitigation efforts.

Contingencies

The Company is subject to laws and regulations governing environmental quality and pollution control. As at March 31, 2024, the Company had accrued approximately \$0.5 million (December 31, 2023 - \$0.6 million) of environmental liabilities related to operating its facilities, which represents the estimated future amount it expects to expend to remediate the sites. However, additional liabilities may be incurred as assessments occur and remediation efforts continue.

The Company is subject to various legal proceedings, arbitrations and actions arising in the normal course of business. The Company will accrue a liability related to such matters when an obligation becomes probable and can be estimated. The Company is not aware of any legal matters that would have a material impact on the Company's financial position, results of operations, or cash flows as of March 31, 2024.

14. SUBSEQUENT EVENTS

On April 3, 2024, the Board of Managers of CPHC approved a distribution to CPHC from CPOC amounting to \$125 million. The distribution was paid on April 23, 2024.

On May 23, 2024, the Board of Managers of CPHC approved a distribution to CPHC from CPOC amounting to \$125 million. The distributions will be paid on or before July 30, 2024.

Subsequent events have been evaluated through May 23, 2024, the date these financial statements were available to be issued and concluded there were no events or transactions during this period that would require recognition or disclosure in the financial statements other than what is disclosed here and/or those already disclosed in the preceding notes.