Columbia Pipelines Operating Company LLC

Consolidated Financial Statements
(Unaudited)
June 30, 2026 and 2025

Consolidated statement of income

(unaudited)	Six months ended June 30,	
(millions of dollars)	**2026**	**2025**
Revenues *(Note 3)*	**1,682**	1,534
Operating and Other Expenses		
Plant operating costs and other	**412**	406
Property taxes	**128**	144
Depreciation and amortization	**209**	183
Total Operating and Other Expenses	**749**	733
Operating Income	**933**	801
Financial Charges		
Interest expense, net *(Note 8)*	**200**	200
Allowance for funds used during construction	**(14)**	(21)
Other expense and (income)	**(2)**	2
Total Financial Charges	**184**	181
Income before Income Taxes	**749**	620
Income Tax Expense	**1**	1
Net Income	**748**	619

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

Consolidated balance sheet

(unaudited) *(millions of dollars)*	**June 30, 2026**	**December 31, 2025**
ASSETS		
Current Assets		
Demand loan receivable *(Note 12)*	**539**	—
Accounts receivable and other *(Note 4)*	**306**	369
Inventories	**39**	38
Other *(Note 5)*	**26**	25
Total Current Assets	**910**	432
Plant, Property and Equipment, net of accumulated depreciation of $5.0B and $4.9B for June 30, 2026 and December 31, 2025, respectively	**19,878**	19,682
Other Long-Term Assets	**1**	2
Total Assets	**20,789**	20,116
LIABILITIES		
Current Liabilities		
Accounts payable and other *(Note 7)*	**821**	845
Demand loan payable *(Note 12)*	**—**	91
Related party payable *(Note 12)*	**60**	70
Total Current Liabilities	**881**	1,006
Long-Term Debt, net *(Note 8)*	**7,196**	6,450
Regulatory Liabilities *(Note 6)*	**95**	142
Other Long-Term Liabilities *(Note 9)*	**23**	22
Total Liabilities	**8,195**	7,620
MEMBER'S EQUITY		
Member's equity	**12,594**	12,496
Total Member's equity	**12,594**	12,496
LIABILITIES and MEMBER'S EQUITY	**20,789**	20,116

Commitments and Contingencies *(Note 13)*

Subsequent Events *(Note 14)*

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

Consolidated statement of member's equity

For the six months ended June 30, 2026

(unaudited) *(millions of dollars)*	**Member's Equity**
January 1, 2026	12,496
Net income	748
Distributions	(650)
June 30, 2026	12,594

For the six months ended June 30, 2025

(unaudited) *(millions of dollars)*	**Member's Equity**
January 1, 2025	11,654
Net income	619
June 30, 2025	12,273

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

Consolidated statement of cash flows

(unaudited)	Six months ended June 30,	
(millions of dollars)	**2026**	**2025**
Cash Generated from Operations		
Net income	**748**	619
Depreciation and amortization	**209**	183
Amortization of debt issuance costs	**2**	2
Equity allowance for funds used during construction	**(14)**	(21)
Deferred income taxes	**1**	—
Changes in other operating assets and liabilities *(Note 11)*	**11**	110
Net cash provided by operations	**957**	893
Investing Activities		
Capital expenditures	**(426)**	(543)
Change in demand loan receivable from CPHC	**(539)**	(310)
Deferred amounts and other	**5**	5
Net cash used in investing activities	**(960)**	(848)
Financing Activities		
Proceeds from CPOC Offering *(Note 8)*	**750**	1,000
Repayment of Long-term debt *(Note 8)*	**—**	(1,000)
Distribution to CPHC	**(650)**	—
Change in demand loan payable to CPHC	**(91)**	(37)
Debt issuance costs *(Note 8)*	**(6)**	(8)
Net cash (used in) provided by financing activities	**3**	(45)
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	**199**	186
Accruals for property, plant and equipment	**218**	263
Cash paid for taxes	**1**	1

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

Notes to unaudited consolidated 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. The Company is a wholly owned subsidiary of Columbia Pipelines Holding Company LLC ("CPHC"). CPHC is a direct subsidiary of TransCanada Pipeline USA Ltd ("TCPL USA"). TCPL USA is a direct wholly-owned subsidiary of TC Energy.

The Company was formed as part of the corporate restructuring of its indirect parent, Columbia Pipeline Group, Inc. (CPG), a direct subsidiary of TCPL USA. In October 2023, CPG entered into an agreement and sold 40 percent in CPHC to GIP Pilot Acquisition Partners, LP ("GIP"), an affiliate of Global Infrastructure Partners.

We own the following natural gas transportation and storage assets through our wholly owned subsidiaries, 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.

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.

2. ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements of CPOC have been prepared by management in accordance with United States Generally Accepted Accounting Principles ("GAAP"). The accounting policies applied are consistent with those outlined in CPOC's annual audited consolidated financial statements for the year ended December 31, 2025.

These financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the annual audited consolidated financial statements and notes thereto for the year ended December 31, 2025 which contain a more comprehensive summary of the Company's significant accounting policies. The results of operations for the six months ended June 30, 2026 and 2025 are not necessarily indicative of the results that may be expected for the full fiscal year.

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. Certain prior year amounts have been reclassified to conform to current year presentation.

3. REVENUES

Disaggregation of Revenues

The following table summarizes our total revenues:

(unaudited)	Six months ended June 30,	
(millions of dollars)	**2026**	**2025**
Revenues from contracts with customers:		
Capacity arrangements and transportation	**1,401**	1,236
Natural gas storage and other	**280**	297
	1,681	1,533
Other revenues[1]	**1**	1
	1,682	1,534

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)	**June 30, 2026**	**December 31, 2025**
Receivables from contracts with customers[1]	**253**	297
Contract Liabilities[2]	**(6)**	(5)

1. Majority of the balance here is recorded as Trade accounts receivable (*Note 4*) reported as Accounts receivable and other in the Balance sheet.
2. Comprised of current deferred revenue and current deferred credits recorded in Accounts Payable and other on the Balance sheet.

4. ACCOUNTS RECEIVABLE AND OTHER

The following table summarizes total Accounts receivable and other:

(unaudited - millions of dollars)	**June 30, 2026**	**December 31, 2025**
Trade account receivables, net of allowance of nil million for June 30, 2026 and December 31, 2025, respectively	**259**	297
Imbalance receivable	**44**	67
Other	**3**	5
	306	369

5. OTHER CURRENT ASSETS

The following table summarizes total Other current assets:

(unaudited - millions of dollars)	**June 30, 2026**	**December 31, 2025**
Regulatory assets *(Note 6)*	**9**	11
Prepaid expenses	**11**	7
Deferred debits	**6**	7
	26	25

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)*	**June 30, 2026**	**December 31, 2025**	**Remaining Recovery/ Settlement Period**
Regulatory Assets			
Other	**9**	11	*See note 1*
Total Regulatory Assets	**9**	11	
Less: Current portion included in Other current assets *(Note 5)*	**9**	11	
Total non-current Regulatory Assets	**—**	—	
Regulatory Liabilities			
Cost of removal	**95**	142	*See note 2*
Fuel Tracker	**14**	9	*See note 3*
Other	**4**	—	
Total Regulatory Liabilities	**113**	151	
Less: Current portion included in Accounts payable and other *(Note 7)*	**18**	9	
Total non-current Regulatory Liabilities	**95**	142	

1. Majority of this balance pertains to the Company's recovery of FERC's annual charges passed on to the Company's customers.
2. 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.
3. Fuel tracker assets or liabilities represent the over or under recovery of Columbia Gulf's Transportation Retainage Adjustment which is settled with in-kind exchanges with customers continuously. Columbia Gas' Transportation Retainage Adjustment & other tracked over or under recoveries are being recorded under Deferred Debits (Other current assets on the Balance Sheet) or Deferred Credits (Accounts payable and other on the Balance Sheet) consistent with its FERC approved Tariff. For the six months ended June 30, 2026, Columbia Gas recorded a liability of $6 million within Accounts payable and other *(Note 7)* and an asset of $4 million within Other current assets *(Note 5)* related to these trackers. For the year ended December 31, 2025, Columbia Gas recorded a liability of $9 million within Accounts payable and other *(Note 7)* related to these trackers and an asset of $6 million within Other current assets *(Note 5)* related to these trackers .

Columbia Gulf Settlement

Columbia Gulf operates under a settlement approved by FERC in August 2023, effective March 1, 2024 ("2023 Columbia Gulf Settlement"). The 2023 Columbia Gulf Settlement included a moratorium on 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 operates under a settlement approved by FERC in October 2025, effective April 1, 2025 ("2025 Columbia Gas Settlement"). The 2025 Columbia Gas Settlement included a moratorium on further rate changes until March 31, 2028, and Columbia Gas must file for new rates with an effective date no later than April 1, 2031. The settlement also included additional rate step ups in April 2026 and April 2027 to reflect anticipated modernization-related spend. In fourth quarter 2025, previously accrued rate refund liabilities, including interest, were refunded to customers.

7. ACCOUNTS PAYABLE AND OTHER

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

(unaudited) *(millions of dollars)*	June 30, 2026	December 31, 2025
Accounts payable and accrued liabilities	**371**	359
Taxes other than income	**291**	313
Imbalance payable	**27**	53
Regulatory liabilities *(Note 6)*	**18**	9
Interest payable	**102**	97
Deferred credits and other	**12**	14
	821	845

8. DEBT

Long-Term Debt

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

(unaudited) *(millions of dollars)*		Maturity Dates	June 30, 2026	December 31, 2025
Columbia Pipelines Operating Company				
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
5.695%	Senior Unsecured Notes	10/1/2054	400	400
5.439%	Senior Unsecured Notes	2/15/2035	550	550
5.962%	Senior Unsecured Notes	2/15/2055	450	450
5.507%	Senior Unsecured Notes	5/15/2036	750	—
Unamortized debt discount and issue costs			(54)	(50)
Total Long-Term Debt			7,196	6,450

On March 6, 2025 CPOC closed an unregistered offering for senior unsecured notes for an aggregate principal amount of $550 million due 2035, with a fixed interest rate of 5.439%. The net proceeds from the issuance were used for refinancing a portion of its 4.500% Senior Unsecured Notes in advance of its June 1, 2025 maturity date.

On March 6, 2025 CPOC closed an unregistered offering for senior unsecured notes for an aggregate principal amount of $450 million due 2055, with a fixed interest rate of 5.962%. The net proceeds from the issuance were used for refinancing a portion of its 4.500% Senior Unsecured Notes in advance of its June 1, 2025 maturity date.

On May 20, 2026 CPOC closed an unregistered offering for senior unsecured notes for an aggregate principal amount of $750 million due 2036, with a fixed interest rate of 5.507%. The net proceeds from the issuance were used for general corporate purposes, including repayment of short-term indebtedness at CPHC.

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

Principal Repayments

The principal repayments required by CPOC are as follows:

(unaudited) *(millions of dollars)*	Total	2026	2027	2028	2029	2030	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
5.800% Senior Unsecured Notes	500	—	—	—	—	—	500
5.695% Senior Unsecured Notes	400	—	—	—	—	—	400
5.439% Senior Unsecured Notes	550	—	—	—	—	—	550
5.962% Senior Unsecured Notes	450	—	—	—	—	—	450
5.507% Senior Unsecured Notes	750	—	—	—	—	—	750
Total Repayments	7,250	—	—	—	—	750	6,500

Net Interest Expense

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

(unaudited)	Six months ended June 30,	
(millions of dollars)	**2026**	**2025**
Interest on long-term debt	**203**	199
Demand loan interest expense	**2**	6
Demand loan interest income	**(7)**	(8)
Amortization and other financial charges	**2**	3
	200	200

9. OTHER LONG-TERM LIABILITIES

(unaudited) *(millions of dollars)*	June 30, 2026	December 31, 2025
Operating lease obligation	**8**	8
Asset retirement obligations[1]	**9**	9
Deferred tax liability[2]	**6**	5
	23	22

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," and "accounts payable and other 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 June 30, 2026, the fair value of the Company's long-term debt was $7.4 billion (December 31, 2025, $6.8 billion).

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)*	June 30, 2026	June 30, 2025
(Increase)/decrease in Accounts receivable and other receivables	**63**	(17)
(Increase)/decrease in Related party receivable	**—**	1
(Increase)/decrease in Inventories	**(1)**	—
(Increase)/decrease in Regulatory assets and liabilities	**10**	22
(Increase)/decrease in Other current assets	**(4)**	(6)
(Decrease)/increase in Accounts payable and other	**(58)**	110
Increase/(decrease) in Other Non-Current Assets	**1**	—
Changes in other operating assets and liabilities	**11**	110

12. RELATED PARTY TRANSACTIONS

Cash Management Program

CPOC, Columbia Gas and Columbia Gulf (collectively, "CPHC's subsidiaries") participate in CPHC's cash management program which matches short-term cash surplus and needs of CPHC's subsidiaries, thus minimizing the total borrowings from outside sources. Monies advanced under the program are considered to be a loan, accruing interest and repayable on demand. CPHC's subsidiaries receive interest on monies advanced to CPHC at the rate of interest earned by CPHC on short-term cash investments. CPHC's subsidiaries pay interest on monies advanced from CPHC based on CPHC's short-term borrowing costs. At June 30, 2026, the Company had a demand loan receivable from CPHC cash management program of $539 million. At December 31, 2025, the Company had a demand loan payable to CPHC of $91 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 nil million for the six months ended June 30, 2026 and 2025, from affiliates for transportation of natural gas. For the six months ended June 30, 2026 and 2025, the Company incurred operating expenses related to transportation of natural gas and administrative costs amounting to $231 million and $218 million, respectively. For the six months ended June 30, 2026 and 2025, the Company also incurred capital charges from affiliates amounting to $83 million and $68 million, respectively.

At June 30, 2026 and December 31, 2025, amounts due to/from affiliates are included in the consolidated balance sheets under the captions "Related party receivable" and "Related party payable".

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. At June 30, 2026, the Company had accrued approximately $0.5 million (December 31, 2025 - $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 June 30, 2026.

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 20, 2026 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.