ENBRIDGE GAS INC.

(a subsidiary of Enbridge Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

March 31, 2024

ENBRIDGE GAS INC.
CONSOLIDATED STATEMENTS OF EARNINGS

	Three months ended March 31,	
	2024	2023
(unaudited; millions of Canadian dollars)		
Operating revenues		
Gas commodity and distribution	**1,678**	2,264
Storage, transportation and other	**313**	326
Total operating revenues *(Note 3)*	**1,991**	2,590
Operating expenses		
Gas commodity and distribution costs	**991**	1,613
Operating and administrative	**361**	290
Depreciation and amortization	**193**	192
Total operating expenses	**1,545**	2,095
Operating income	**446**	495
Other income	**16**	14
Interest expense, net	**(109)**	(112)
Earnings before income taxes	**353**	397
Income tax expense	**(41)**	(36)
Earnings	**312**	361

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

ENBRIDGE GAS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended March 31,	
	2024	2023
(unaudited; millions of Canadian dollars)		
Earnings	**312**	361
Other comprehensive income/(loss), net of tax		
Change in unrealized gain/(loss) on cash flow hedges	**10**	(23)
Reclassification to earnings of (gain)/loss on cash flow hedges	**(1)**	2
Reclassification to earnings of other postretirement benefits (OPEB) amounts	**(1)**	(1)
Other comprehensive income/(loss), net of tax	**8**	(22)
Comprehensive income	**320**	339

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ENBRIDGE GAS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Three months ended March 31,	
	2024	2023
(unaudited; millions of Canadian dollars)		
Common shares		
Balance at beginning of period	**3,659**	3,659
Return of capital	**(300)**	—
Balance at end of period	**3,359**	3,659
Additional paid-in capital		
Balance at beginning and end of period	**7,253**	7,253
Retained earnings		
Balance at beginning of period	**312**	171
Earnings	**312**	361
Balance at end of period	**624**	532
Accumulated other comprehensive income *(Note 6)*		
Balance at beginning of period	**128**	80
Other comprehensive income/(loss), net of tax	**8**	(22)
Balance at end of period	**136**	58
Total equity	**11,372**	11,502

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ENBRIDGE GAS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,	
	2024	2023
(unaudited; millions of Canadian dollars)		
Operating activities		
Earnings	**312**	361
Adjustments to reconcile earnings to net cash provided by operating activities:		
Depreciation and amortization	**193**	192
Deferred income tax expense	**39**	11
Net defined benefit pension and OPEB costs	**(6)**	(2)
Expected credit loss	**8**	6
Other	**—**	5
Changes in operating assets and liabilities	**98**	568
Net cash provided by operating activities	**644**	1,141
Investing activities		
Capital expenditures	**(272)**	(259)
Additions to intangible assets	**(7)**	(6)
Net cash used in investing activities	**(279)**	(265)
Financing activities		
Net change in short-term borrowings	**(65)**	(558)
Demand loan from affiliate	**—**	(318)
Return of capital	**(300)**	—
Net cash used in financing activities	**(365)**	(876)
Net change in cash	**—**	—
Cash at beginning of period	**9**	10
Cash at end of period	**9**	10

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

ENBRIDGE GAS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2024	December 31, 2023
(unaudited; millions of Canadian dollars; number of shares in millions)		
Assets		
Current assets		
Cash	**9**	9
Accounts receivable and other	**1,863**	1,739
Accounts receivable from affiliates	**106**	111
Gas inventory	**530**	793
	2,508	2,652
Property, plant and equipment, net	**18,560**	18,489
Intangible assets, net	**61**	67
Deferred amounts and other assets	**2,566**	2,546
Goodwill	**4,784**	4,784
Total assets	**28,479**	28,538
Liabilities and equity		
Current liabilities		
Short-term borrowings	**335**	400
Accounts payable and other	**1,699**	1,821
Accounts payable to affiliates	**324**	354
Current portion of long-term debt	**300**	300
	2,658	2,875
Long-term debt	**10,300**	10,305
Other long-term liabilities	**2,179**	2,105
Deferred income taxes	**1,970**	1,901
	17,107	17,186
Contingencies *(Note 10)*		
Equity		
Share capital		
Common shares *(522 outstanding at March 31, 2024 and December 31, 2023)*	**3,359**	3,659
Additional paid-in capital	**7,253**	7,253
Retained earnings	**624**	312
Accumulated other comprehensive income *(Note 6)*	**136**	128
	11,372	11,352
Total liabilities and equity	**28,479**	28,538

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of Enbridge Gas Inc. ("we", "our", "us" and "Enbridge Gas") have been prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP) for interim consolidated financial information. They do not include all of the information and notes required by US GAAP for annual consolidated financial statements and should therefore be read in conjunction with our audited consolidated financial statements and notes for the year ended December 31, 2023. In the opinion of management, the interim consolidated financial statements contain all normal recurring adjustments necessary to present fairly our financial position, results of operations and cash flows for the interim periods reported. These interim consolidated financial statements follow the same significant accounting policies as those included in our audited consolidated financial statements for the year ended December 31, 2023. Amounts are stated in Canadian dollars unless otherwise noted.

Our operations and earnings for interim periods can be affected by seasonal fluctuations, as well as other factors such as supply of and demand for natural gas, and may not be indicative of annual results.

2. CHANGES IN ACCOUNTING POLICIES

FUTURE ACCOUNTING POLICY CHANGES
Segment Reporting
Accounting Standards Update (ASU) 2023-07 was issued in November 2023 to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses and to require in interim period financial statements all disclosures about a reportable segment's profit or loss and assets that are currently required annually. The new ASU requires entities with a single reportable segment to provide all required disclosures in Accounting Standards Codification (ASC) 280, including disclosure of the title and position of the individual or the name of the group or committee identified as the chief operating decision-maker of the segment. ASU 2023-07 is effective January 1, 2024, with interim period disclosure requirements effective after January 1, 2025 and should be applied retrospectively to all prior periods presented in the financial statements. We are currently assessing the impact of the new standard on our interim financial statement disclosures for 2025 and the required annual disclosures will be adopted for the year ending December 31, 2024.

Income Tax Disclosures
ASU 2023-09 was issued in December 2023 to improve income tax disclosures by requiring specified categories in the annual rate reconciliation that meet quantitative thresholds and further disaggregation on income taxes paid by jurisdiction. ASU 2023-09 is effective January 1, 2025 and should be applied prospectively, with retrospective application being permitted. We are currently assessing the impact of the new standard on our consolidated financial statements.

3. REVENUES

REVENUE FROM CONTRACTS WITH CUSTOMERS

Major Services

	Three months ended March 31,	
	2024	2023
(millions of Canadian dollars)		
Gas commodity and distribution revenue - residential	**1,118**	1,493
Gas commodity and distribution revenue - commercial and industrial	**525**	779
Storage revenue	**64**	68
Transportation revenue	**259**	276
Other revenue	**18**	19
Total revenue from contracts with customers	**1,984**	2,635
Other[1]	**7**	(45)
Total revenues	**1,991**	2,590

1 Primarily relates to the effects of rate-regulated accounting.

We disaggregate revenues into categories which represent our principal performance obligations. These revenue categories also represent the most significant revenue streams, and consequently are considered to be the most relevant revenue information for management to consider in evaluating performance.

Contract Balances

	Contract Receivables	Contract Liabilities
(millions of Canadian dollars)		
Balance as at March 31, 2024	**1,133**	**—**
Balance as at December 31, 2023	953	76

Contract receivables represent an unconditional right to consideration where only the passage of time is required before payment of consideration is due, and consist of trade accounts receivable, unbilled revenue, our equal monthly payment plan and other accrued receivable balances. Contract receivables also consist of trade accounts receivable and unbilled revenue balances for the collection of certain federal carbon levy unit rates, for which we act as an agent.

Contract liabilities represent payments received for performance obligations which have not been fulfilled under our equal monthly payment plan. Revenue recognized during the three months ended March 31, 2024 related to obligations under the equal monthly payment plan that existed at December 31, 2023 was $76 million. There was no change in contract liabilities from cash received, net of amounts recognized as revenue during the three months ended March 31, 2024.

Performance Obligations

There were no material revenues recognized in the three months ended March 31, 2024 from performance obligations satisfied in previous periods.

Revenues to be Recognized from Unfulfilled Performance Obligations
Total revenues from performance obligations expected to be fulfilled in future periods is $625 million, of which $312 million and $92 million are expected to be recognized during the remaining nine months ending December 31, 2024 and the year ending December 31, 2025, respectively.

The performance obligations above reflect revenues expected to be recognized in future periods from unfulfilled performance obligations pursuant to contracts with customers for the purchase of natural gas distribution, storage and transportation services. Certain revenues are excluded from the amounts above under the following ASC 606 optional exemptions:

- revenues, such as flow-through costs charged to customers, which are recognized at the amount for which we have the right to invoice our customers; and
- revenue from contracts with customers that have an original expected duration of one year or less.

Variable consideration is also excluded from the amounts above due to the uncertainty of the associated consideration, which is generally resolved when actual volumes and prices are determined. For example, we consider interruptible transportation service revenues to be variable revenues since volumes cannot be reasonably estimated.

A significant portion of our operations are subject to regulation. Accordingly, the amounts above, in addition to revenues that are not regulated, only include revenue for which the underlying rate has been approved by regulation, where applicable. The revenues excluded from the amounts above could represent a significant portion of our overall revenues and revenue from contracts with customers.

Recognition and Measurement of Revenues

	Three months ended March 31,	
	2024	2023
(millions of Canadian dollars)		
Revenue from products and services transferred over time[1]	**1,966**	2,616
Revenue from products transferred at a point in time[2]	**18**	19
Total revenue from contracts with customers	**1,984**	2,635

1 Revenue from distribution, storage and transportation services.
2 Primarily from Other revenues.

4. DEBT

CREDIT FACILITY
The following table provides details of our external credit facility as at March 31, 2024:

	Maturity	Total Facility	Draws[2]	Available
(millions of Canadian dollars)				
364-day extendible credit facility	2025[1]	**2,500**	**335**	**2,165**

1 Maturity date is inclusive of the one-year term out provision.
2 Includes facility draws and commercial paper issuances that are back-stopped by the credit facility.

As at March 31, 2024, our credit facility carries a standby fee of 0.1% per annum on the unused portion and the draws bear interest at market rates.

As at March 31, 2024 and December 31, 2023, we had access to Enbridge Inc.'s (Enbridge) demand letter of credit facilities totaling $825 million. As at March 31, 2024 and December 31, 2023, $6 million of letters of credit were issued by us.

We were in compliance with all terms and conditions of our committed credit facility agreement and our Trust Indenture as at March 31, 2024.

5. SHARE CAPITAL

Our Class A and Class B common shares are held by Enbridge Energy Distribution Inc. and Great Lakes Basin Energy L.P., respectively. During the three months ended March 31, 2024, we completed the following return of capital transactions:

	Class A	Class B	Total
(millions of Canadian dollars)			
February 16, 2024	**162**	**138**	**300**
	162	**138**	**300**

These transactions reduced the stated capital of Class A and Class B common shares with no impact on total shares outstanding.

6. COMPONENTS OF ACCUMULATED OTHER COMPREHENSIVE INCOME

Changes in Accumulated other comprehensive income (AOCI) for the three months ended March 31, 2024 and 2023 are as follows:

	Cash Flow Hedges	OPEB Adjustment	Total
(millions of Canadian dollars)			
Balance as at January 1, 2024	**102**	**26**	**128**
Other comprehensive income retained in AOCI	**13**	**—**	**13**
Other comprehensive income reclassified to earnings	**(1)**	**(1)**	**(2)**
	114	**25**	**139**
Tax impact			
Income tax on amounts retained in AOCI	**(3)**	**—**	**(3)**
	(3)	**—**	**(3)**
Balance as at March 31, 2024	**111**	**25**	**136**

	Cash Flow Hedges	OPEB Adjustment	Total
(millions of Canadian dollars)			
Balance as at January 1, 2023	44	36	80
Other comprehensive loss retained in AOCI	(31)	—	(31)
Other comprehensive (income)/loss reclassified to earnings	2	(1)	1
	15	35	50
Tax impact			
Income tax on amounts retained in AOCI	8	—	8
Balance as at March 31, 2023	23	35	58

7. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

MARKET RISK
Our earnings, cash flows and other comprehensive income (OCI) are subject to movements in natural gas prices, foreign exchange rates and interest rates (collectively, market risk). Portions of these risks are borne by customers through certain regulatory mechanisms. Formal risk management policies, processes and systems have been designed to mitigate these risks.

The following summarizes the types of market risks to which we are exposed and the risk management instruments used to mitigate them. We use a combination of qualifying and non-qualifying derivative instruments to manage the risks noted below.

Natural Gas Price Risk
Natural gas price risk is the risk of gain or loss due to changes in the market price of natural gas. In compliance with the directive of the Ontario Energy Board, fluctuations in natural gas prices are borne by our customers.

Foreign Exchange Risk
Foreign exchange risk is the risk of gain or loss due to the volatility of currency exchange rates. We generate certain revenues, incur expenses and hold cash balances that are denominated in United States (US) dollars. As a result, our earnings and cash flows are exposed to fluctuations resulting from US dollar exchange rate variability.

Qualifying derivative instruments may be used to hedge anticipated US dollar-denominated revenues and to manage variability in cash flows. As at March 31, 2024, we do not have any foreign exchange hedges outstanding.

A portion of our natural gas purchases are denominated in US dollars and, as a result, there is exposure to fluctuations in the exchange rate of the US dollar against the Canadian dollar. Realized foreign exchange gains or losses relating to natural gas purchases are passed on to customers, therefore, we have no net exposure to movements in the foreign exchange rate on natural gas purchases.

Interest Rate Risk
Our earnings and cash flows are exposed to short-term interest rate variability due to the regular repricing of our variable rate debt, primarily commercial paper. Pay fixed-receive floating interest rate swaps may be used to hedge against the effect of future interest rate movements. As at March 31, 2024, we do not have any floating-to-fixed interest rate swaps outstanding for short-term debt.

Our earnings and cash flows are also exposed to variability in longer term interest rates ahead of anticipated fixed rate debt issuances. Forward starting interest rate swaps are used to hedge against the effect of future interest rate movements. We have implemented a program to mitigate our exposure to long-term interest rate variability on select forecast term debt issuances via execution of floating-to-fixed interest rate swaps with an average swap rate of 2.7%.

TOTAL DERIVATIVE INSTRUMENTS
We generally have a policy of entering into individual International Swaps and Derivatives Association, Inc. agreements, or other similar derivative agreements, with the majority of our derivative counterparties. These agreements provide for the net settlement of derivative instruments outstanding with specific counterparties in the event of bankruptcy or other significant credit events and reduce our credit risk exposure on financial derivative asset positions outstanding with the counterparties in those particular circumstances.

The following table summarizes the Consolidated Statements of Financial Position location and carrying value of our derivative instruments, as well as the maximum potential settlement amounts, in the event of the specific circumstances described above.

March 31, 2024	Derivative Instruments Used as Cash Flow Hedges	Non-Qualifying Derivative Instruments	Total Gross Derivative Instruments as Presented	Amounts Available for Offset	Total Net Derivative Instruments
(millions of Canadian dollars)					
Accounts receivable from affiliates					
Interest rate contracts	**19**	**—**	**19**	**—**	**19**
	19	**—**	**19**	**—**	**19**
Total net derivative asset					
Interest rate contracts	**19**	**—**	**19**	**—**	**19**
	19	**—**	**19**	**—**	**19**

December 31, 2023	Derivative Instruments Used as Cash Flow Hedges	Non-Qualifying Derivative Instruments	Total Gross Derivative Instruments as Presented	Amounts Available for Offset	Total Net Derivative Instruments
(millions of Canadian dollars)					
Accounts receivable from affiliates					
Interest rate contracts	6	—	6	—	6
	6	—	6	—	6
Total net derivative asset					
Interest rate contracts	6	—	6	—	6
	6	—	6	—	6

The following table summarizes the maturity and notional principal or quantity outstanding related to our derivative instruments:

March 31, 2024	2024	2025	2026	2027	2028	Thereafter	Total
Interest rate contracts - long-term pay fixed rate debt *(millions of Canadian dollars)*	**300**	**—**	**—**	**—**	**—**	**—**	**300**

The Effect of Derivative Instruments on the Statements of Earnings and Comprehensive Income

The following table presents the effect of cash flow hedges on our consolidated earnings and comprehensive income, before the effect of income taxes:

	Three months ended March 31,	
	2024	2023
(millions of Canadian dollars)		
Amount of unrealized gain/(loss) recognized in OCI		
Cash flow hedges		
Interest rate contracts	**13**	(31)
	13	(31)
Amount of (gain)/loss reclassified from AOCI to earnings		
Interest rate contracts[1]	**(1)**	2
	(1)	2

1 Reported within Interest expense, net in the Consolidated Statements of Earnings.

We estimate that a gain of $2 million from AOCI related to cash flow hedges will be reclassified to earnings in the next 12 months. Actual amounts reclassified to earnings depend on the interest rates in effect when derivative contracts that are currently outstanding mature. For all forecasted transactions, the maximum term over which we are hedging exposures to the variability of cash flows is nine months as at March 31, 2024.

LIQUIDITY RISK

Liquidity risk is the risk that we will not be able to meet our financial obligations, including commitments, as they become due. In order to mitigate this risk, we forecast cash requirements over a 12-month rolling time period to determine whether sufficient funds will be available. Our primary sources of liquidity and capital resources are funds generated from operations, the issuance of commercial paper, draws under the committed credit facility and long-term debt, which includes debentures and medium-term notes and, if necessary, additional liquidity is available through intercompany transactions with our ultimate parent, Enbridge, and other related entities. These sources are expected to be sufficient to enable us to fund all anticipated requirements. We maintain a current medium-term note shelf prospectus with securities regulators, which enables ready access to the Canadian public capital markets, subject to market conditions. We also maintain a committed credit facility with a diversified group of banks and institutions. We were in compliance with all of the terms and conditions of our committed credit facility as at March 31, 2024. As a result, the credit facility is available to us and the banks are obligated to fund us under the terms of the facility.

CREDIT RISK

Credit risk arises from the possibility that a counterparty will default on its contractual obligations. We are primarily exposed to credit risk from accounts receivable and derivative financial instruments. Exposure to credit risk is mitigated by our large and diversified customer base and the ability to recover an estimate for expected credit losses for utility operations through the rate-making process. We actively monitor the financial strength of large industrial customers and, in select cases, have obtained additional security to minimize the risk of default of receivables. Generally, we classify receivables older than 20 days as past due. The maximum exposure to credit risk related to non-derivative financial assets is their carrying value.

Our policy requires that customers settle their billings in accordance with the payment terms listed on their bill, which generally require payment in full within 20 days. A provision for credit and recovery risk associated with accounts receivable has been made through the expected credit loss, which totaled $87 million as at March 31, 2024 (December 31, 2023 - $79 million).

Our expected credit loss is determined based on historical credit losses by age of receivables, adjusted for any forward-looking information and management expectations, using a loss allowance matrix. This estimate is revised each reporting period to reflect current expectations. When we have determined that collection efforts are unlikely to be successful, amounts charged to the expected credit loss account are applied against the impaired accounts receivable.

Entering into derivative financial instruments may also result in exposure to credit risk. We enter into risk management transactions primarily with institutions that possess investment grade credit ratings. Credit risk relating to derivative counterparties is mitigated by credit exposure limits and contractual requirements, frequent assessment of counterparty credit ratings and netting arrangements. As at March 31, 2024, we have $19 million (December 31, 2023 - $6 million) in credit concentrations and credit exposure with Enbridge and its affiliates.

Derivative assets are adjusted for non-performance risk of our counterparties using their credit default swap spread rates and are reflected at fair value. For derivative liabilities, our non-performance risk is considered in the valuation.

FAIR VALUE MEASUREMENTS

Our financial assets and liabilities measured at fair value on a recurring basis include derivative instruments. We also disclose the fair value of other financial instruments not measured at fair value. The fair value of financial instruments reflect our best estimates of market value based on generally accepted valuation techniques or models and is supported by observable market prices and rates. When such values are not available, we use discounted cash flow analysis from applicable yield curves based on observable market inputs to estimate fair value.

FAIR VALUE OF FINANCIAL INSTRUMENTS

We categorize our financial instruments measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement.

Level 1

Level 1 includes financial instruments measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date. An active market for a derivative is considered to be a market where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. We do not have any derivative instruments classified as Level 1.

Level 2

Level 2 includes financial instrument valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Financial instruments in this category are valued using models or other industry standard valuation techniques derived from observable market data. Such valuation techniques include inputs such as quoted forward prices, time value, volatility factors and broker quotes that can be observed or corroborated in the market for the entire duration of the financial instrument. Derivatives valued using Level 2 inputs include non-exchange traded derivatives such as over-the-counter interest rate swaps for which observable inputs can be obtained.

As at March 31, 2024, we had Level 2 derivative assets with a fair value of $19 million (December 31, 2023 - $6 million).

We have also categorized the fair value of our long-term debt as Level 2. The fair value of our long-term debt is based on quoted market prices for instruments of similar yield, credit risk and tenor.

Level 3

Level 3 includes derivative valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the derivative's fair value. Generally, Level 3 derivatives are longer dated transactions, occur in less active markets, occur at locations where pricing information is not available or have no binding broker quote to support Level 2 classification. We have developed methodologies, benchmarked against industry standards, to determine fair value for these derivatives based on the extrapolation of observable future prices and rates. We do not have any derivatives classified as Level 3.

We use the most observable inputs available to estimate the fair value of our derivatives. When possible, we estimate the fair value of our derivatives based on quoted market prices. If quoted market prices are not available, we use estimates from third party brokers. For non-exchange traded derivatives classified in Levels 2 and 3, we use standard valuation techniques to calculate the estimated fair value, including discounted cash flows for forwards and swaps. Depending on the type of derivative and nature of the underlying risk, we use observable market prices (interest, foreign exchange and natural gas) and volatility as primary inputs to these valuation techniques. Finally, we consider our own credit default swap spread, as well as the credit default swap spreads associated with our counterparties, in our estimation of fair value.

FAIR VALUE OF OTHER FINANCIAL INSTRUMENTS

The fair value of our long-term debt is based on quoted market prices for instruments of similar yield, credit risk and tenor, and is classified as a Level 2 measurement. As at March 31, 2024, our long-term debt had a carrying value of $10.6 billion (December 31, 2023 - $10.4 billion) before debt issuance costs, and a fair value of $9.9 billion (December 31, 2023 - $10.1 billion).

The fair value of financial assets and liabilities, other than derivative instruments and long-term debt, approximate their carrying value due to the short period to maturity.

8. INCOME TAXES

The effective income tax rates for the three months ended March 31, 2024 and 2023 were 11.6% and 9.1%, respectively.

The period-over-period change is primarily attributable to the effects of rate-regulated accounting for income taxes.

9. PENSION AND OTHER POSTRETIREMENT BENEFITS

	Three months ended March 31,	
	2024	2023
(millions of Canadian dollars)		
Service cost	**11**	10
Interest cost[1]	**25**	25
Expected return on plan assets[1]	**(40)**	(35)
Amortization of actuarial gain[1]	**—**	(1)
Net periodic benefit credit	**(4)**	(1)

1 Reported within Other income in the Consolidated Statements of Earnings.

10. CONTINGENCIES

We are subject to various legal and regulatory actions and proceedings which arise in the normal course of business, including interventions in regulatory proceedings and challenges to regulatory approvals and permits. While the final outcome of such actions and proceedings cannot be predicted with certainty, management believes that the resolution of such actions and proceedings will not have a material impact on our interim consolidated financial position or results of operations.