

**Contract liabilities**

Contract liabilities represent payments received for performance obligations not yet satisfied and relate to deferred revenue and are presented as components of "Accounts payable and accrued liabilities" and "Other long-term liabilities" on the Company's Consolidated Balance Sheets.

The following table summarizes the changes in contract liabilities for the years ended December 31, 2019 and 2018:

(in millions of Canadian dollars)	<b>2019</b>		2018	
Opening balance	\$	<b>2</b>	\$	2
Revenue recognized that was included in the contract liability balance at the beginning of the period		<b>(2)</b>		(2)
Increases due to consideration received, net of revenue recognized during the period		<b>146</b>		2
Closing balance	\$	<b>146</b>	\$	2

**4. Other (income) expense**

(in millions of Canadian dollars)	<b>2019</b>		2018		2017	
Foreign exchange (gain) loss on debt and lease liabilities	\$	<b>(94)</b>	\$	168	\$	(186)
Other foreign exchange (gains) losses		<b>(4)</b>		3		(7)
Insurance recovery of legal settlement		<b>—</b>		—		(10)
Charge on hedge roll and de-designation		<b>—</b>		—		13
Other		<b>9</b>		3		12
Other (income) expense	\$	<b>(89)</b>	\$	174	\$	(178)

**5. Net interest expense**

(in millions of Canadian dollars)	<b>2019</b>		2018		2017	
Interest cost	\$	<b>471</b>	\$	475	\$	491
Interest capitalized to Properties		<b>(17)</b>		(20)		(16)
Interest expense		<b>454</b>		455		475
Interest income		<b>(6)</b>		(2)		(2)
Net interest expense	\$	<b>448</b>	\$	453	\$	473

Interest expense includes interest on finance leases of \$11 million for the year ended December 31, 2019 (2018 - \$11 million; 2017 - \$11 million).