Portland Natural Gas Transmission System

NGA 2017 Regional Market Trends Forum

May 4, 2017
Forward Looking Statement

Forward-Looking Information

This presentation may contain certain information that is forward-looking and is subject to important risks and uncertainties. The words "anticipate", "expect", "believe", "may", "should", "estimate", "project", "outlook", "forecast" or other similar words are used to identify such forward-looking information. Forward-looking statements in this presentation are intended to provide information regarding TransCanada and its subsidiaries, including management’s assessment of PNGTS’ future financial and operations plans and outlook. Forward-looking statements in this document may include, among others, statements regarding the anticipated business prospects and financial performance of PNGTS, expectations or projections about the future, and strategies and goals for growth and expansion. All forward-looking statements reflect TransCanada’s beliefs and assumptions based on information available at the time the statements were made. Actual results or events may differ from those predicted in these forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among others, the ability of PNGTS to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the operating performance of PNGTS, the availability and price of energy commodities, capacity payments, regulatory processes and decisions, changes in environmental and other laws and regulations, competitive factors in the pipeline and energy sectors, construction and completion of capital projects, and the current economic conditions in North America. By its nature, forward looking information is subject to various risks and uncertainties, which could cause actual results and experience to differ materially from the anticipated results or expectations expressed. PNGTS undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.
PNGTS: Part of Major North American Energy Network

Natural Gas Pipelines
- 56,100 miles of pipelines
- Transports more than 25% of continental demand

Natural Gas Storage
- More than 664 Bcf of capacity

Canada’s Largest Private Sector Power Generator
- 17 power facilities, 10,500 MW
- Diversified portfolio, including wind, hydro, nuclear, solar and natural gas

Liquids Pipeline System
- Keystone Pipeline System: 2,700 miles

Ownership
<table>
<thead>
<tr>
<th>Company</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransCanada Pipelines</td>
<td>11.81%</td>
</tr>
<tr>
<td>TC PipeLines, LP</td>
<td>49.90%</td>
</tr>
<tr>
<td>GazMetro</td>
<td>38.29%</td>
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PNGTS Pipeline

- Delivers to New England and Atlantic Canada markets
- Receives Marcellus and WCSB gas from TCPL at Canadian border
- In-service 1999
- 210K Dth/day current capacity
2016/2017 Winter Receipts

Pittsburg Receipts

Max Flow 280,797 Dth/day, 1/9/17

Avg Flow = 216,120 Dth/day
2016/2017 Annual Deliveries – Off System

Off System Deliveries

- WB Avg. 52.3K Dth/day
- Dracut Avg. 11.6K Dth/day

Graph showing daily deliveries from April 2016 to March 2017 with Westbrook and Dracut data.
Introducing the Portland XPress Project

• To meet the needs of New England and Atlantic Canada Markets
• Maximizes utilization of existing capacity
  • Recontracting of expiring contracts in 2019
• Will involve compression addition on PNGTS
• Working concurrently with TransCanada
  • TCPL expansion back to Dawn or other desired receipt points
Portland Xpress Expansion Project

**Project Scope:**

- **LDC-based Project**
- **Construction (in Canada) of Compression and Looping on the TransCanada Mainline**
- **Construction of Compression on PNGTS**

<table>
<thead>
<tr>
<th>Phase</th>
<th>In-Service Date</th>
<th>Volume, Dth/day</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>November 1, 2018</td>
<td>20,000-40,000</td>
</tr>
<tr>
<td>II</td>
<td>November 1, 2019</td>
<td>118,000</td>
</tr>
<tr>
<td>III</td>
<td>November 1, 2020</td>
<td>90,000-120,000</td>
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Total Capacity after C2C + Portland XPress

Total Capacity after C2C + PXP

- **PXP (2018-2040)**
- **C2C (2017-2032)**