Supply Options for the U.S. Northeast

NECA Annual Conference on Fuels

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Agenda

- 2009 Supply/Demand Outlook
- TransCanada Key Initiatives
  - Connecting new supply
    - Northern Gas
    - BC Shale
    - Rockies Supply
  - New Capacity Open Season
- Mainline Priorities & Initiatives

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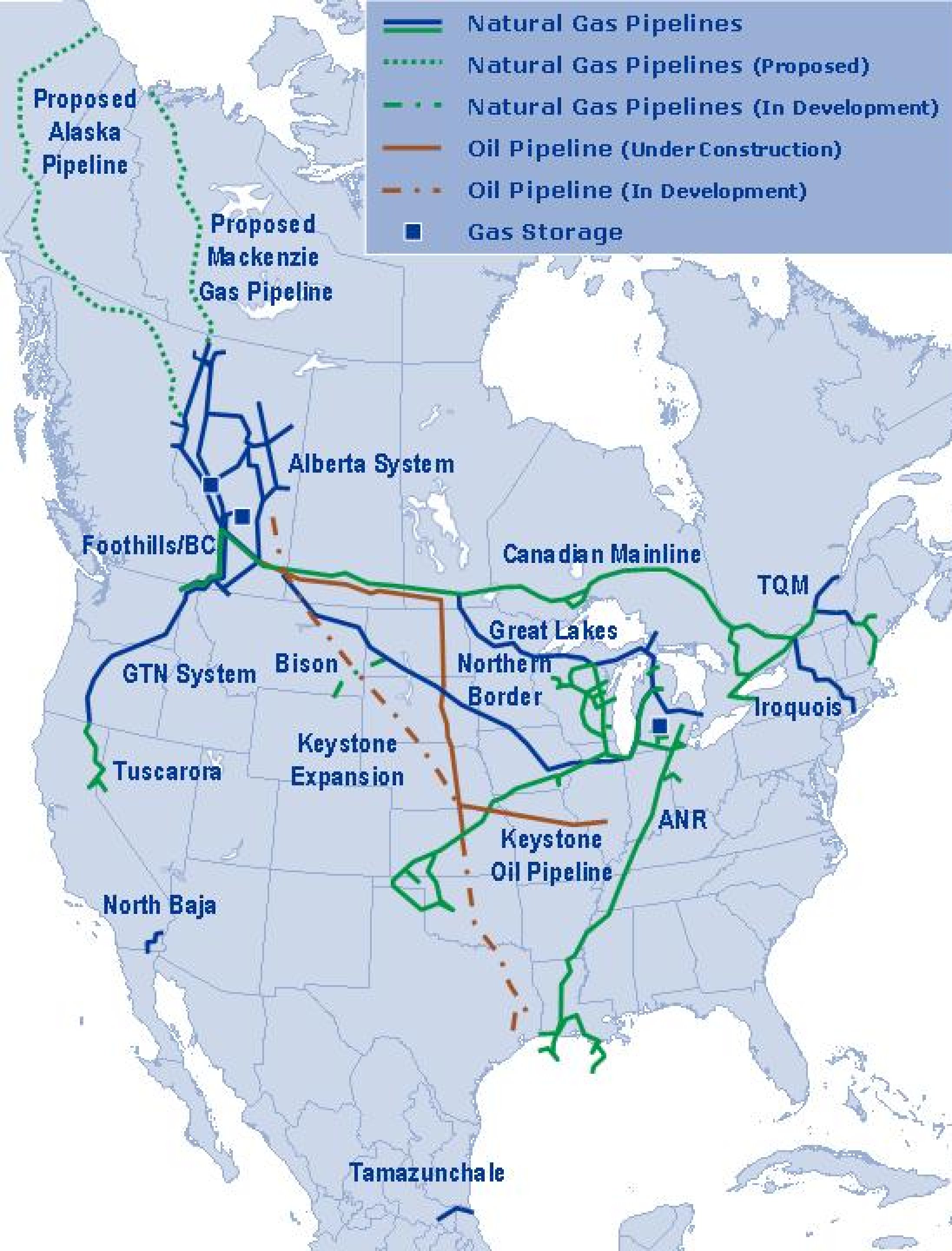

Pipeline Assets

- 59,000 km (36,500 mi) of wholly owned natural gas pipeline
- Interests in an additional 7,800 km (4,800 mi) of natural gas pipeline
- 250 Bcf of regulated natural gas storage capacity
- Unparalleled connections from traditional and emerging basins to growing markets
- Average daily volume of approximately 15 Bcf
- Keystone oil pipeline 1.1 million Bbl/d
- Developing northern frontier pipeline capacity

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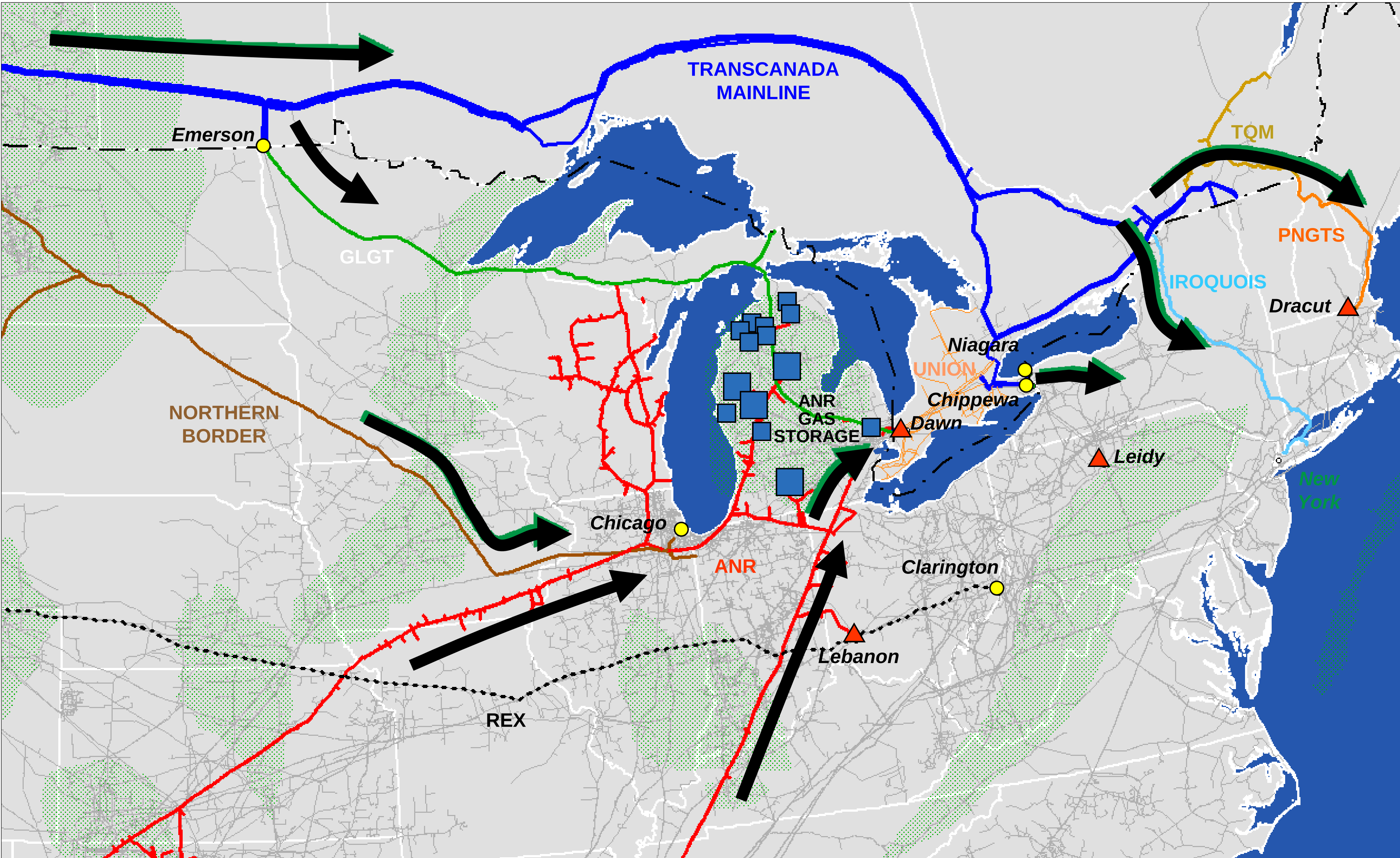
Access to the U.S. Northeast



Market Observations 2009

Game – Changing Events From 2008 Forecast

- The Growth Profile in U.S. Northeast has essentially flattened:
    - Demand growth modest compared to prior forecasts
    - Supply outstripping demand

- Eastern Canadian growth driven by gas-fired power plants
- Gulf and East Coast LNG Projections Down
- U.S. Shale Projections Up

- WCSB Exports Stronger
    - Shale Production
    - Reductions in Alberta demand
    - Effects of Ruby and Bison

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TransCanada's WCSB Outlook
Key Messages

WCSB Supply
- Declining conventional supply to be offset by unconventional growth
- Overall level fairly flat at about 15 Bcf/d out until 2020

Western Canada Demand
- Oilsands project delays have reduced gas demand forecast from previous outlook; increase of 2 Bcf/d expected by 2020
- Fertilizer and petrochemical demand forecasts lower

Western Canada Exports
- Updated supply and demand outlooks lead to stronger medium to long term exports from Western Canada

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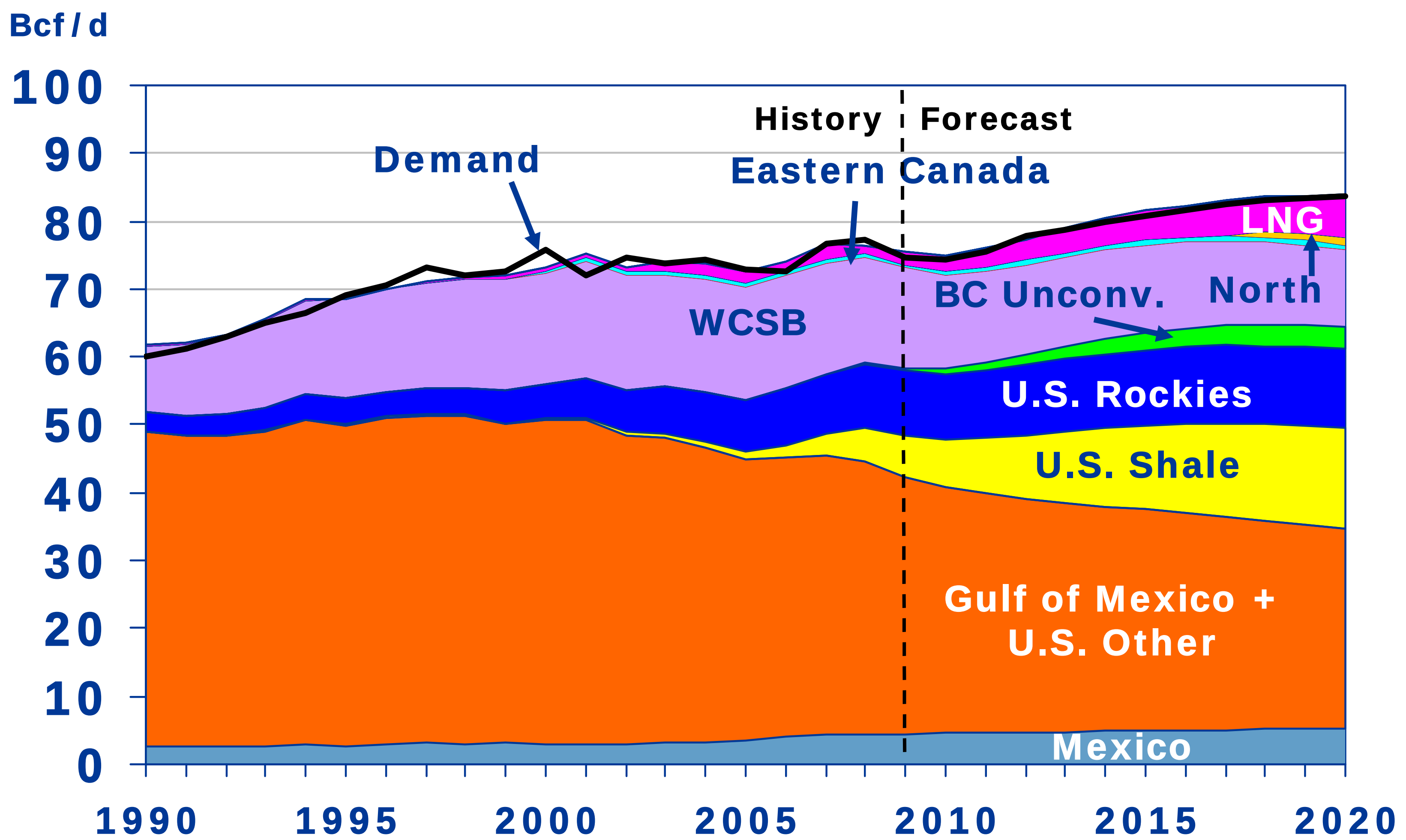
North American Supply / Demand Balance



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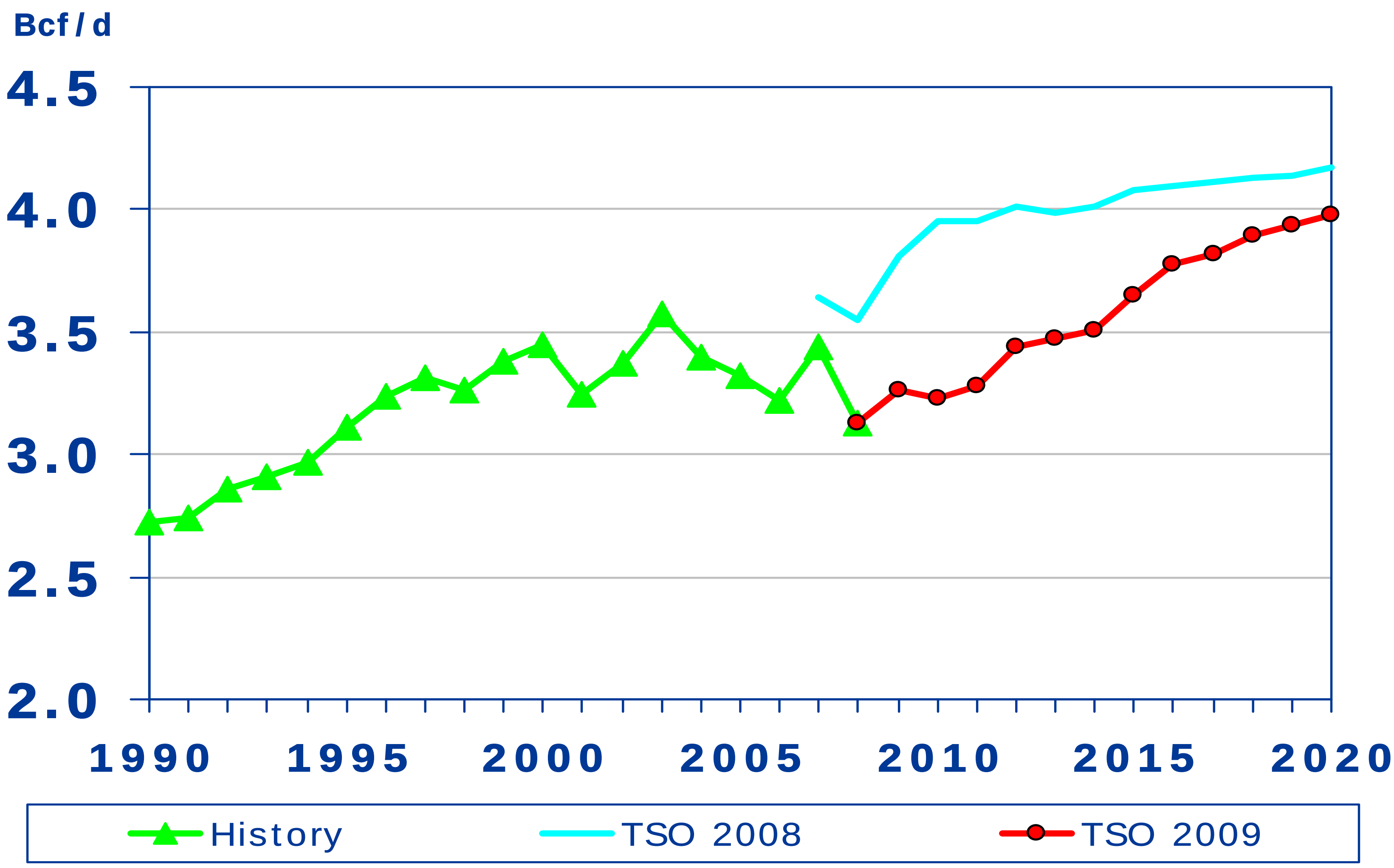
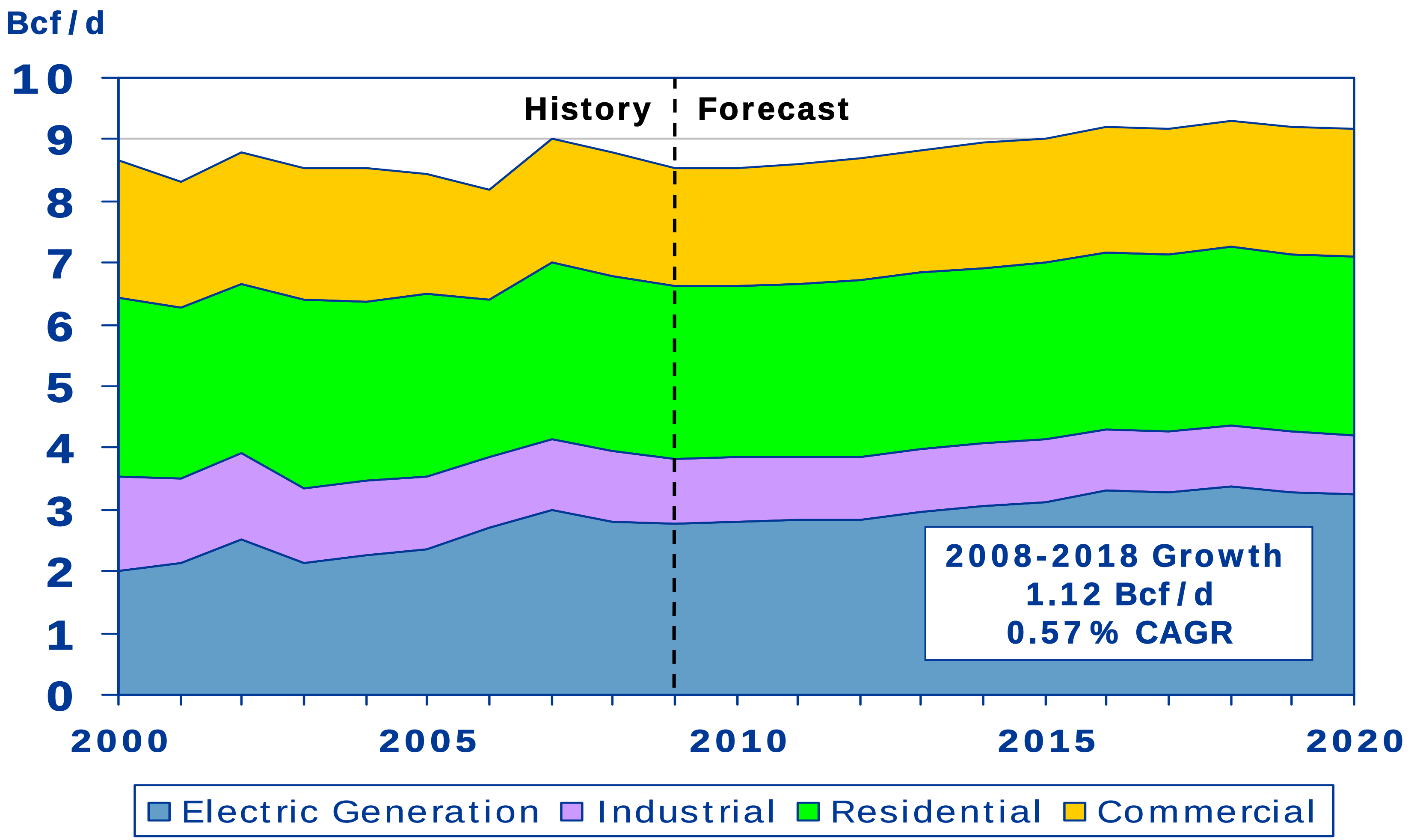
Eastern Canadian Demand



U.S. Northeast Demand (1990-2020)



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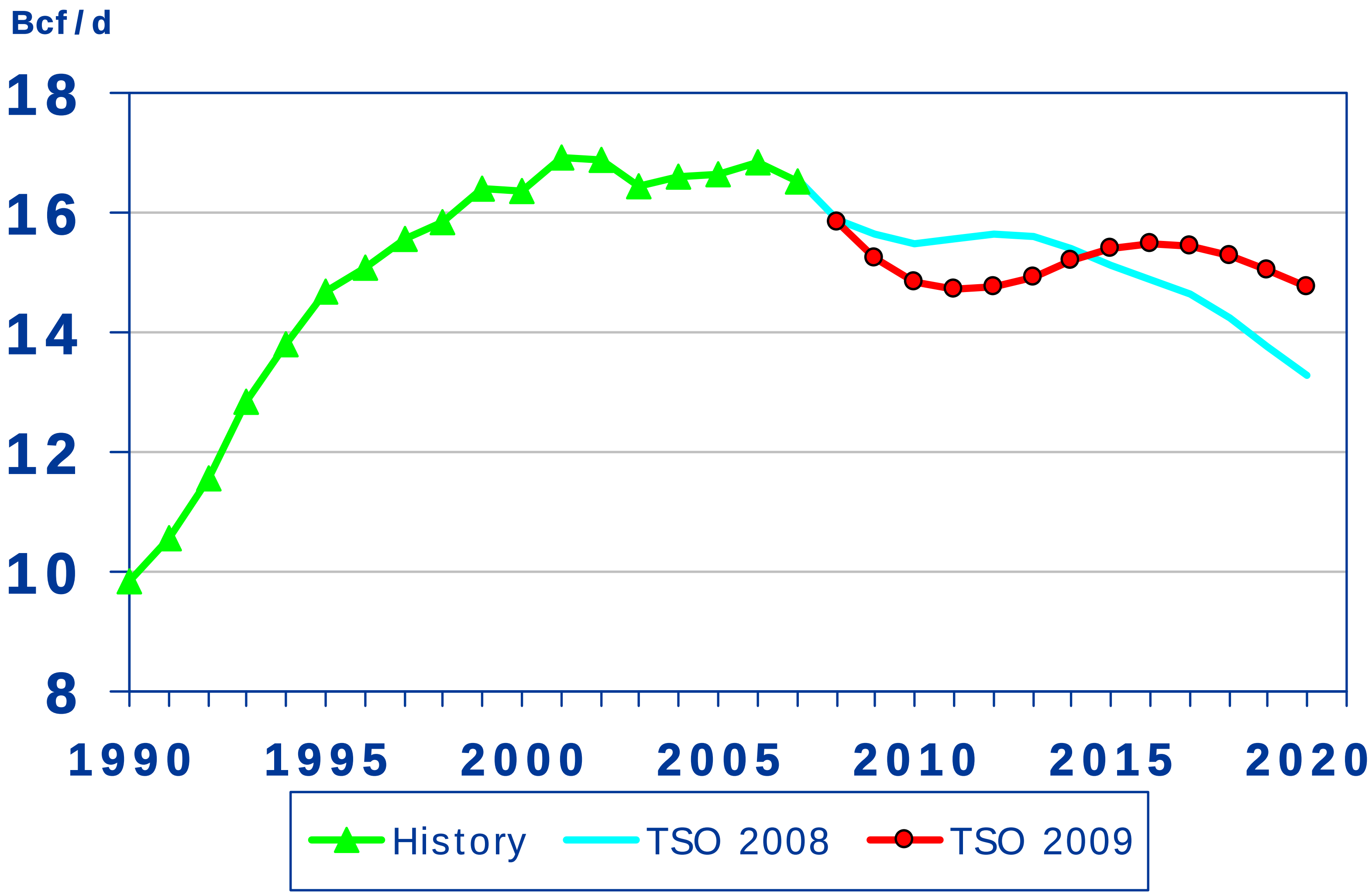
WCSB Production
(Conventional & Unconventional)



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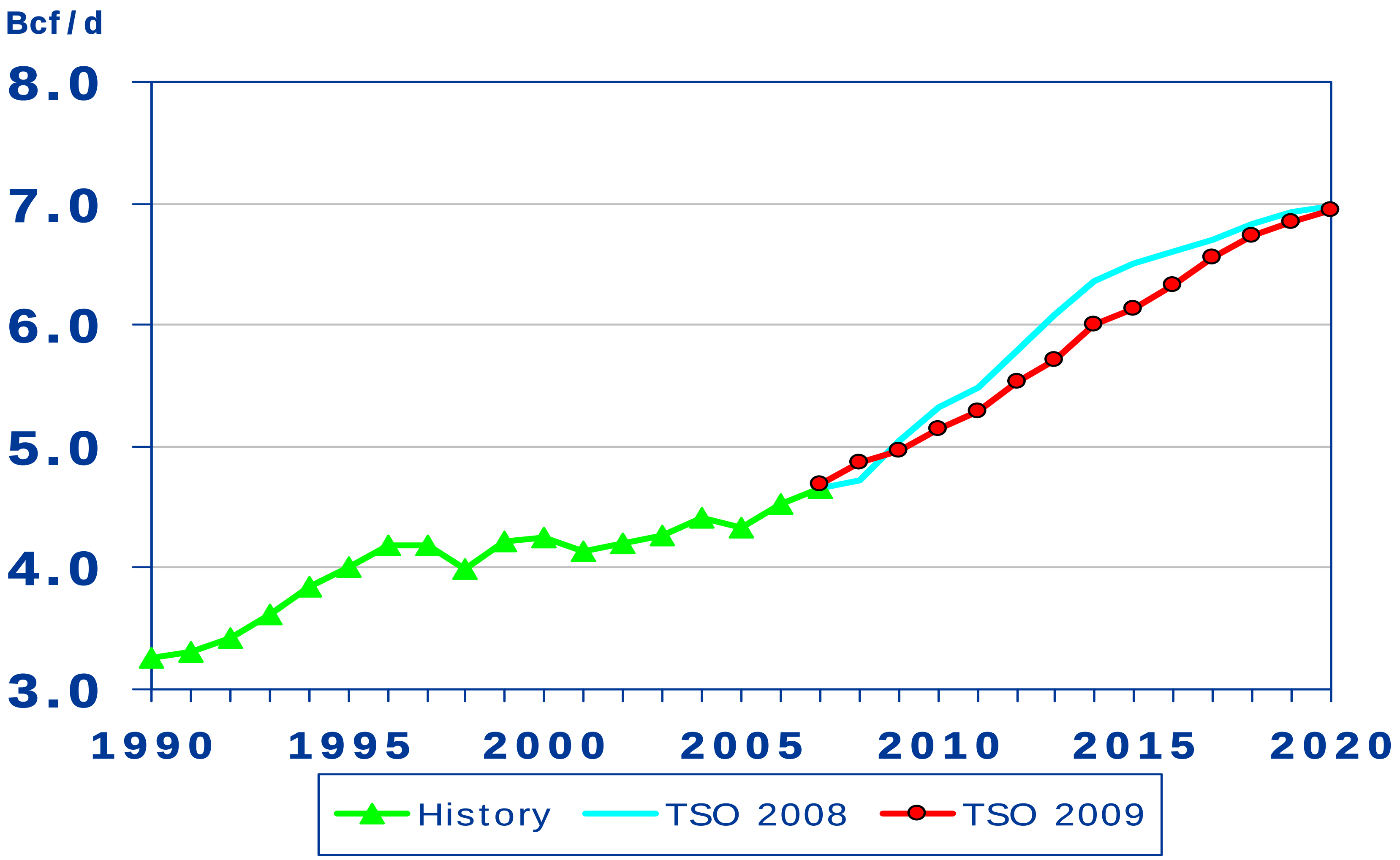
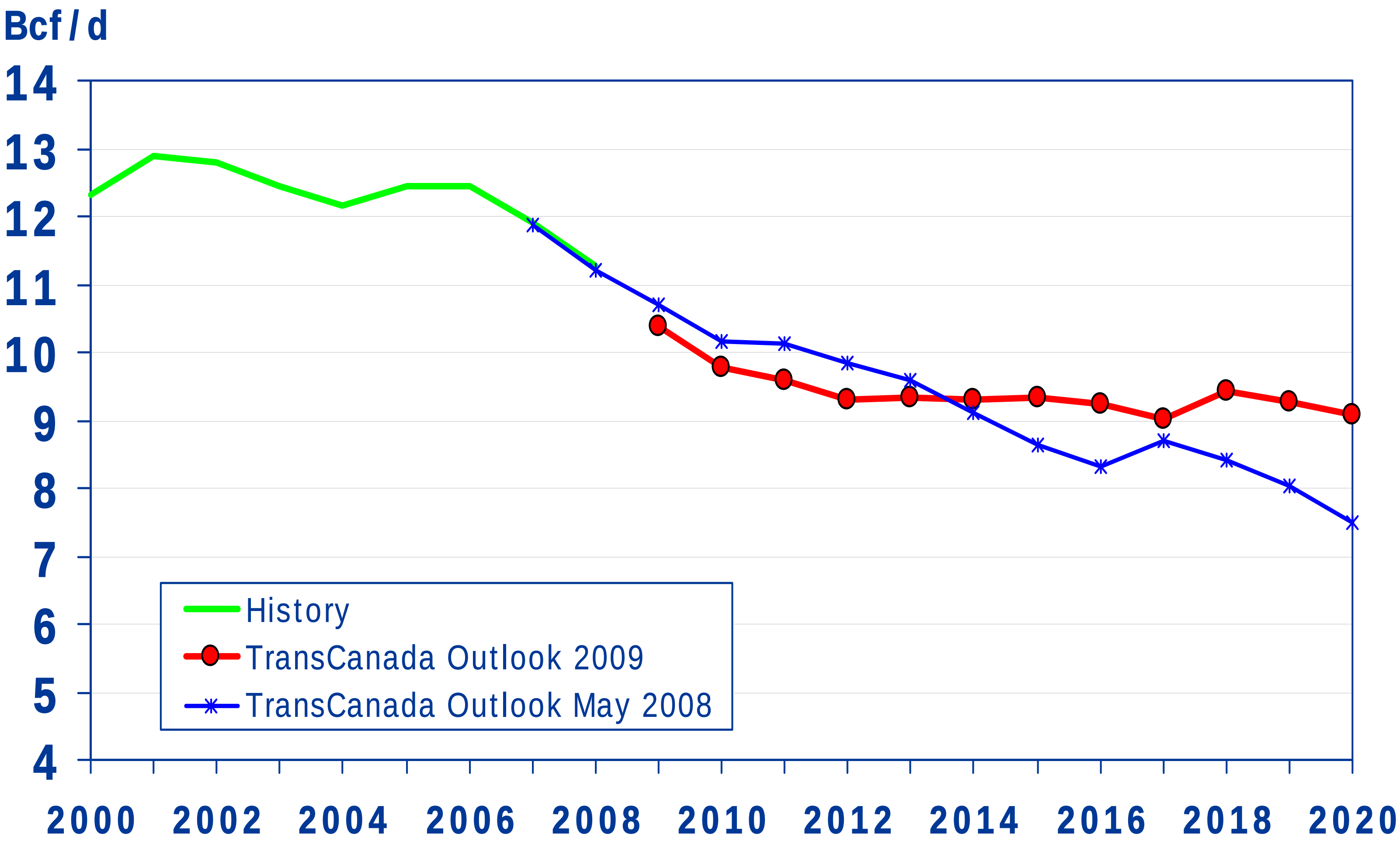
Western Canadian Demand



WCSB Exports
TransCanada 2008 Outlook vs. 2009



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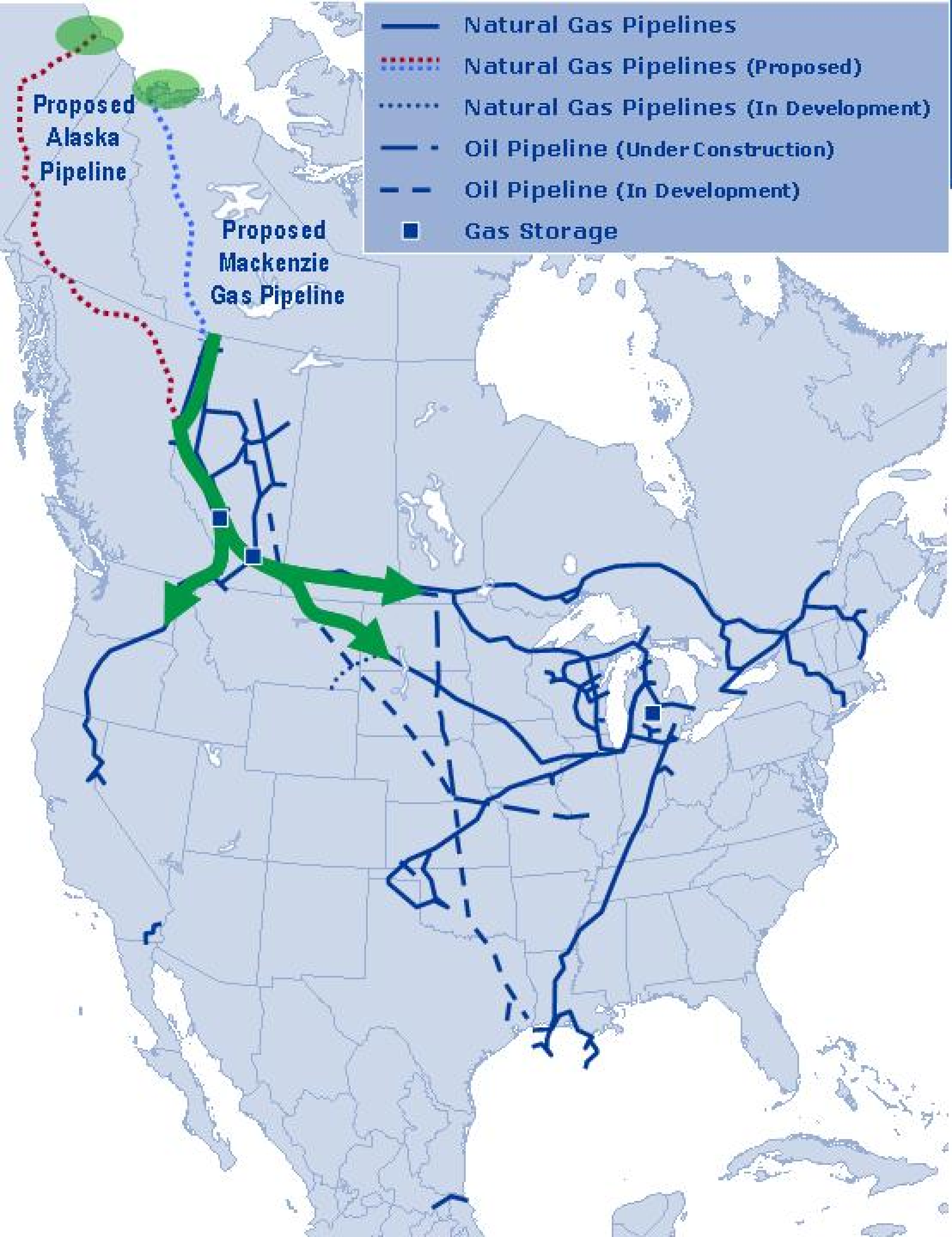

Northern Projects: Recent Developments

Mackenzie Gas Pipeline

- Joint Review Panel expected to release its report in December 2009
- Project proponents are involved in discussions with the Canadian federal government to financially restructure project

Alaska Pipeline

- Alaska issued the AGIA license to TransCanada in December 2008
- TransCanada is targeting to conclude the initial open season by July 2010.

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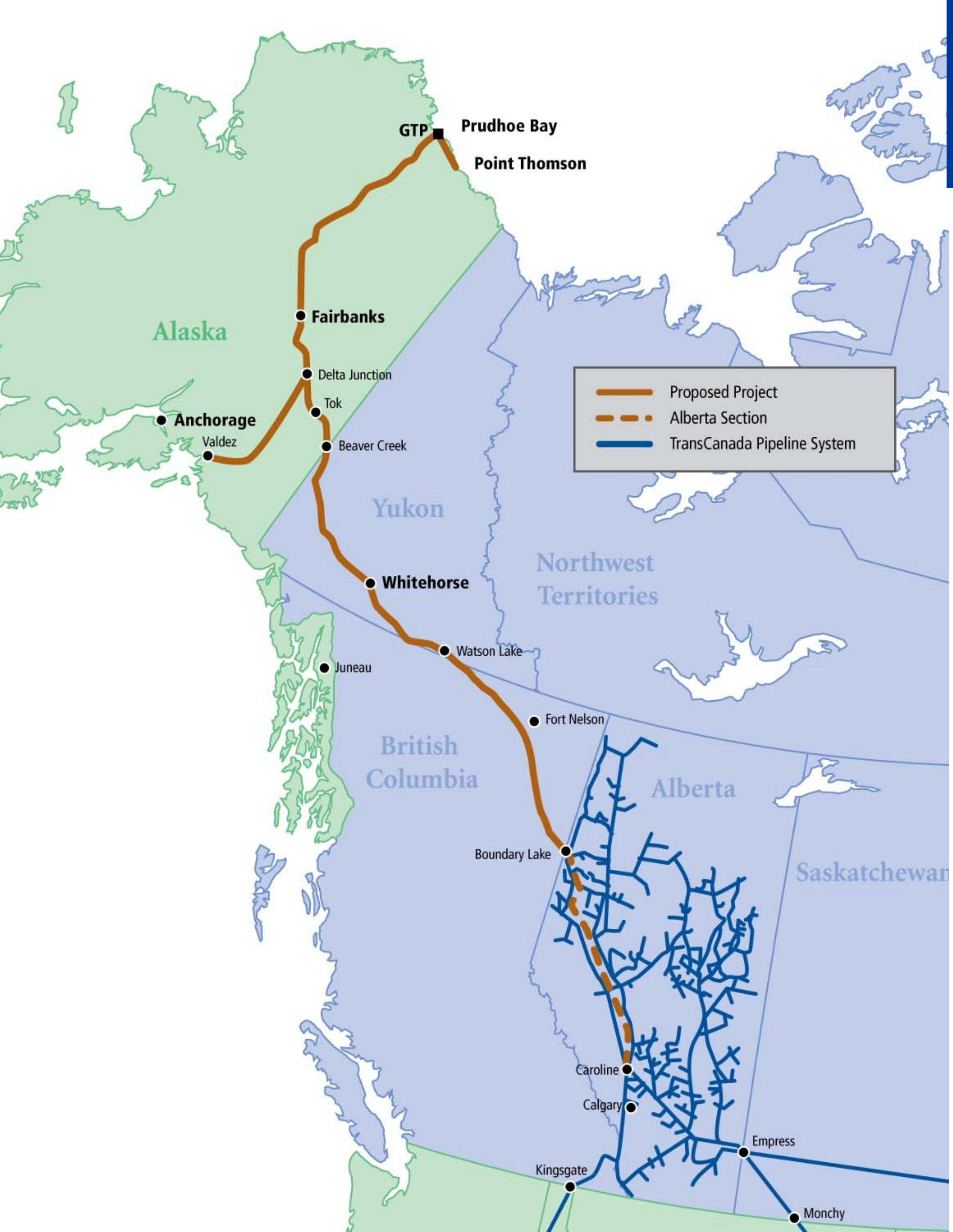
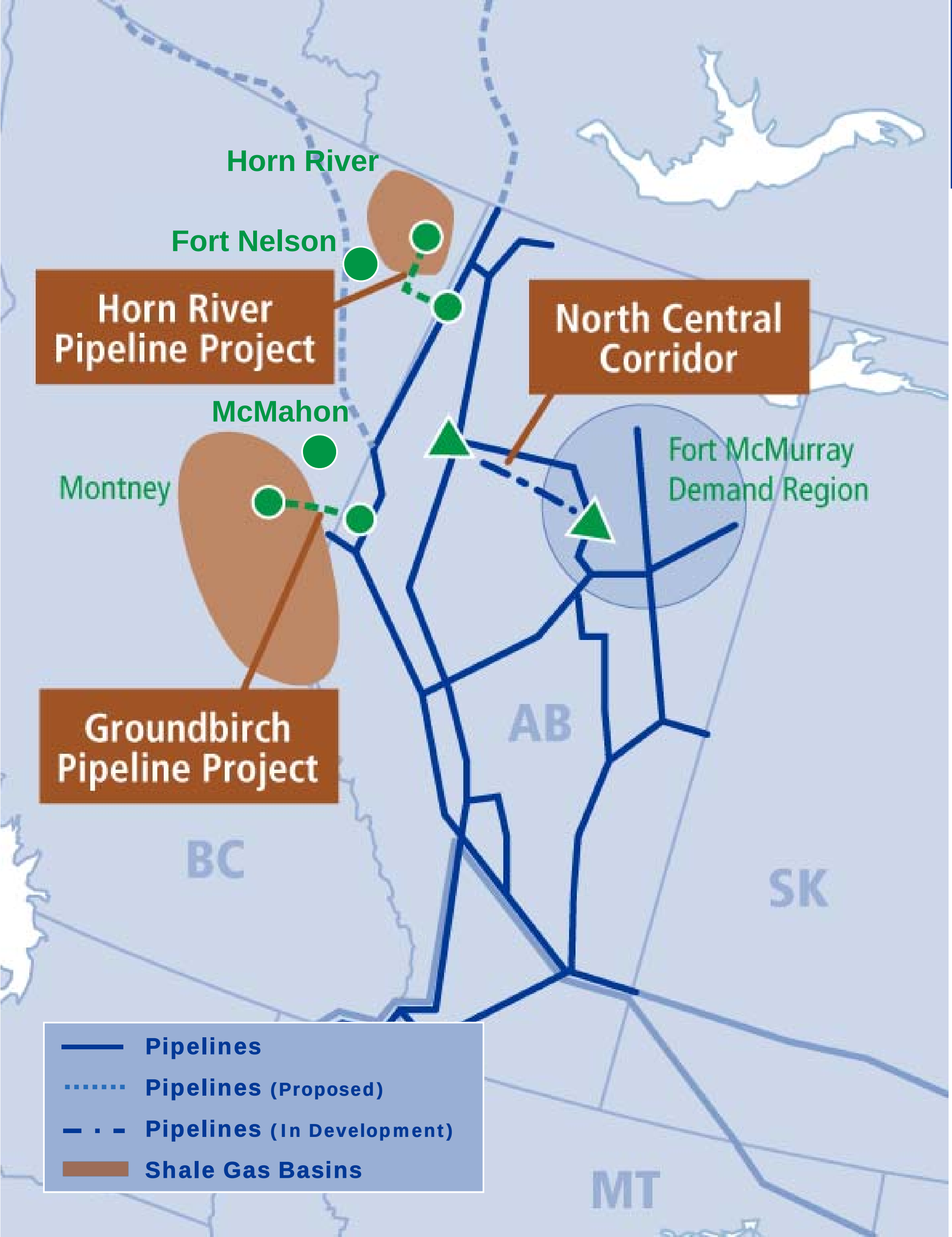


TransCanada Alaska Project

Alaska Pipeline Project

- In June 2009, TransCanada and ExxonMobil agreed to work together to advance the project
- All AGIA commitments remain with TransCanada
- Current focus is on a mid-2010 open season



Alberta System Update

North Central Corridor
- 300 km of 42-inch pipe
- 26 MW of compression
- Approximately $925 million
- In-service 2010

Groundbirch Pipeline Project
- Commitments for 1.1 Bcf/d by 2014
- 77 km, 36-inch pipe
- Approximately $250 million
- Expected in-service Q4 2010

Horn River Pipeline Project
- Commitments for 378 MMcf/d in 2013
- 155 km combination of NPS 30 and existing pipe
- Approximately $340 million
- Expected in-service Q2 2011

AB Jurisdiction Application Approved
- Extend Alberta system across provincial borders
- Integrated service to AB and BC customers, and Northern gas producers

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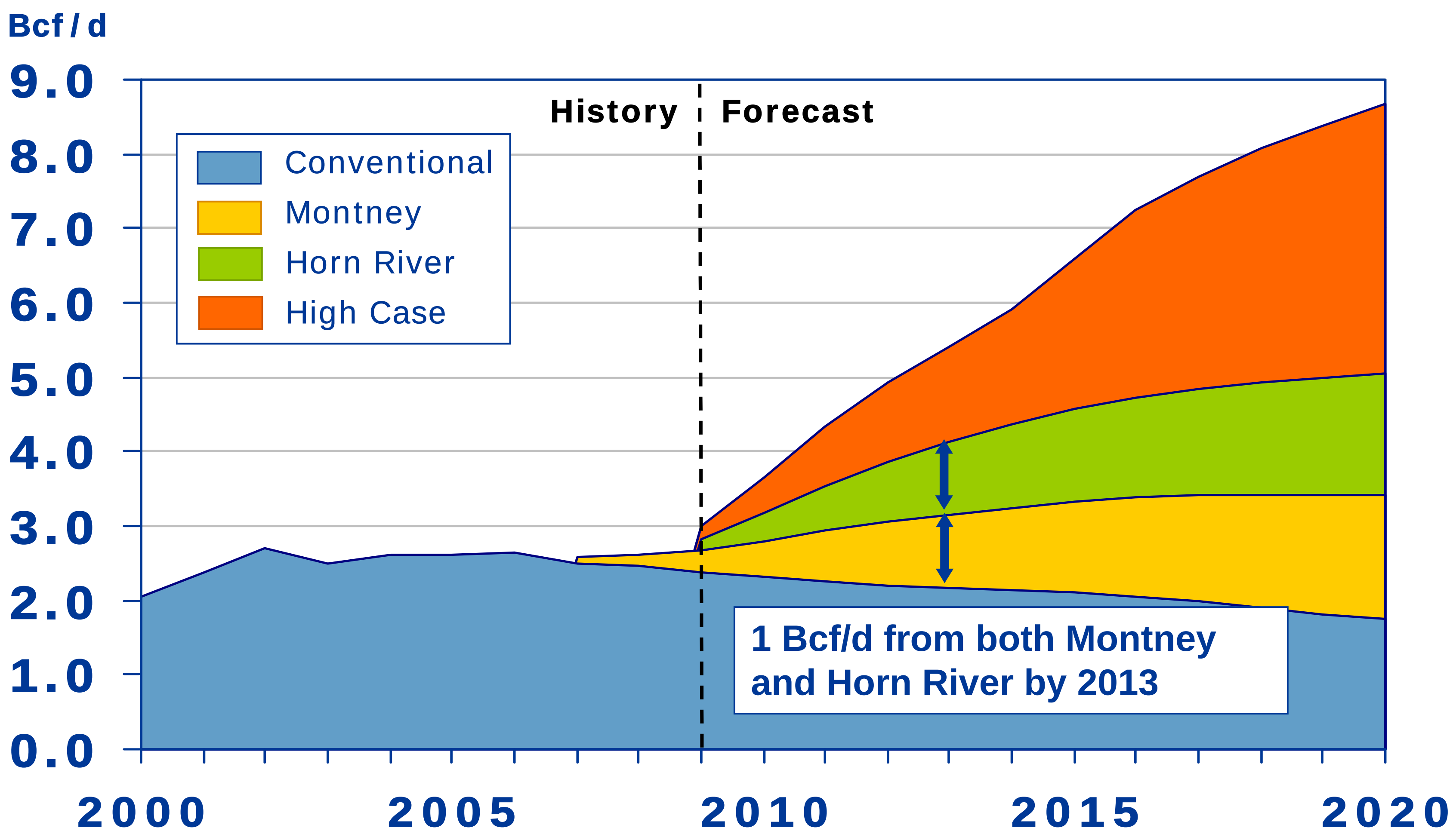
B.C. Production Forecast



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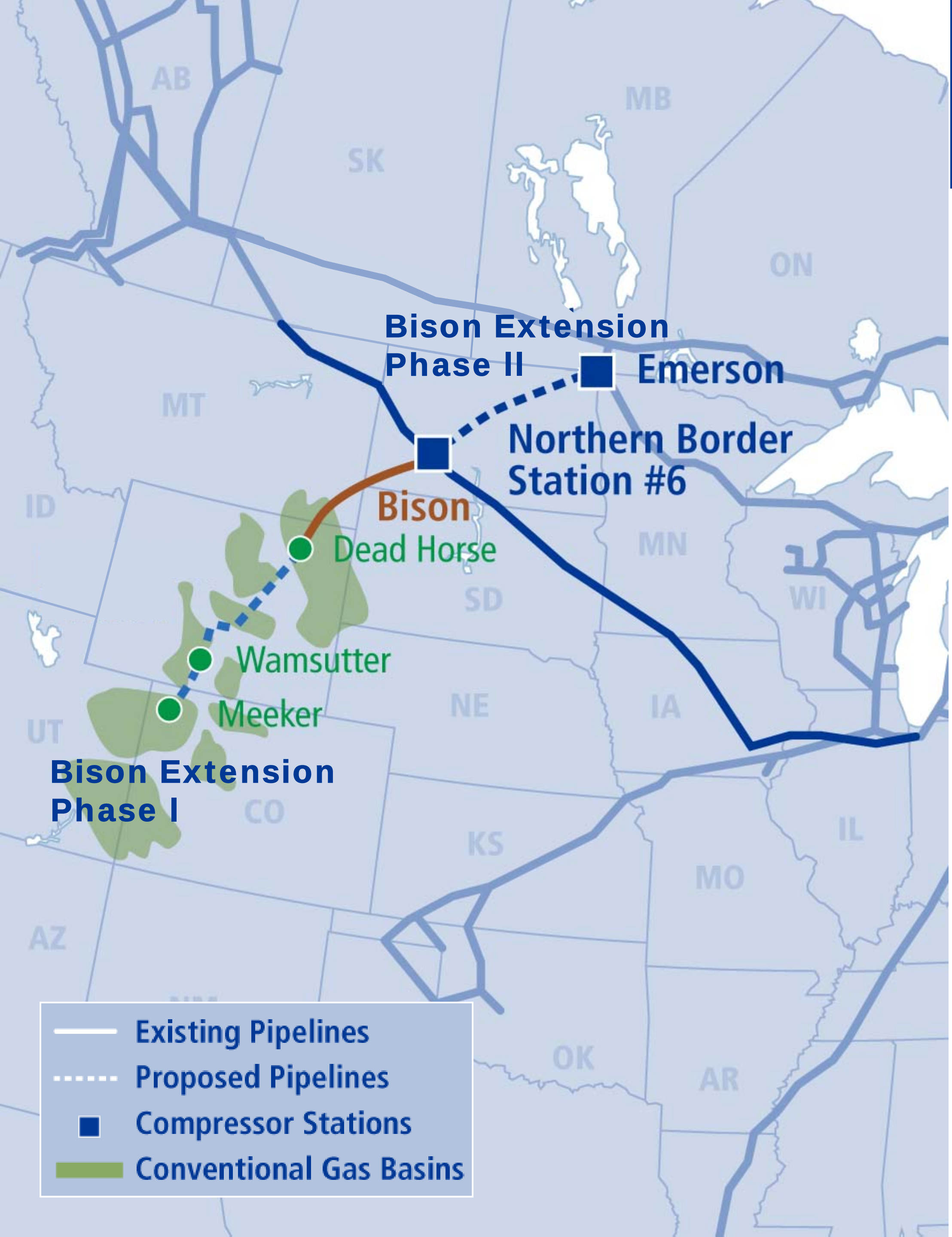

Rockies East Projects

Bison
- 302 mile natural gas pipeline
- 477 MMcf/d contracted
- Initial capacity 400 MMcf/d to 500 MMcf/d
- Proposed in-service date November 2010
- Future expansion up to 1.0 Bcf/d and extension potential

Bison Extension (prospective)
- Approximately 240 miles, 24-inch diameter natural gas pipeline
- 600 MMcf/d capacity

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Mainline Initiatives

- **Incremental Supply Connection**
  - **BC Shale**
  - **Rockies**
  - **Northern**
  - **Marcellus?**
- **Service Development**
  - Load Attraction/Retention Rate
- **Open Seasons**
  - New Capacity open season recently closed
- **Short-Haul Capacity**

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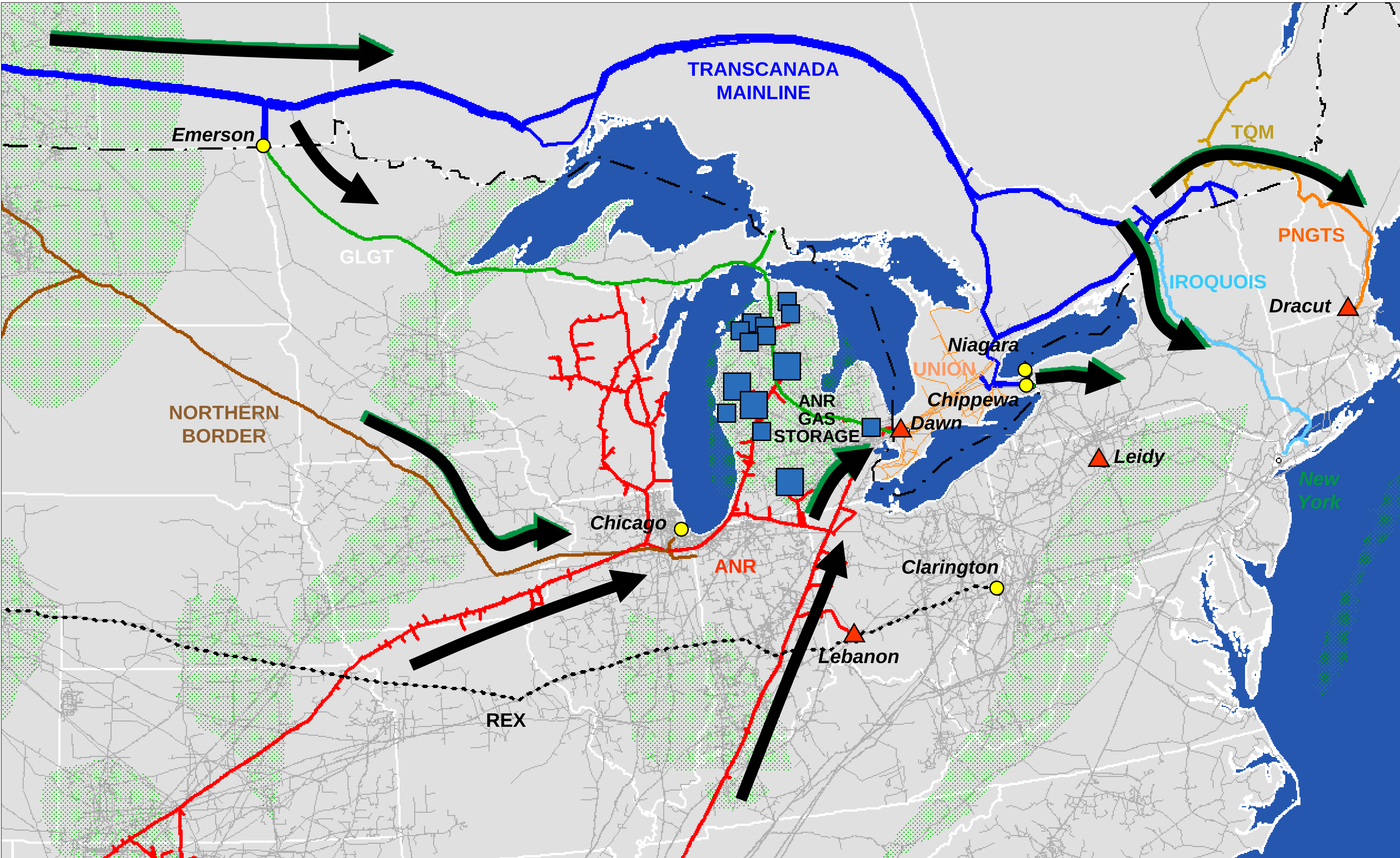
Access to the U.S. Northeast



Key Messages



- **TransCanada offers unparalleled connections between existing and emerging supply sources and growing markets**

- **Connecting supply is a key priority for TransCanada**
  - Attracting supply to existing infrastructure
  - Offering a wide variety of supply options for Eastern Markets

- **Connection of Shale gas, Rockies supply and Northern gas will enhance the long-term competitiveness of Canadian Mainline transportation services, and make available additional supply for the Northeast marketplace.**

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Thank You.