



TD Securities London Energy Conference January 12, 2015

Don Marchand, Executive VP & CFO



Forward Looking Information and Non-GAAP Measures



This presentation includes certain forward looking information to help current and potential investors understand management's assessment of our future plans and financial outlook, and our future prospects overall. Statements that are forward looking are based on certain assumptions and on what we know and expect today and generally include words like anticipate, expect, believe, may, will, should, estimate or other similar words. Forward looking statements do not guarantee future performance. Actual events and results could be significantly different because of assumptions, risks or uncertainties related to our business or events that happen after the date of this presentation. Our forward looking information is based on the following key assumptions: inflation rates, commodity prices and capacity prices, timing of financings and hedging, regulatory decisions and outcomes, foreign exchange rates, interest rates, tax rates, planned and unplanned outages and the use of our pipeline and energy assets, integrity and reliability of our assets, access to capital markets, anticipated construction costs, schedules and completion dates, acquisitions and divestitures.

Our forward looking information is subject to risks and uncertainties, including but not limited to: our ability to successfully implement our strategic initiatives and whether they will yield the expected benefits, the operating performance of our pipeline and energy assets, economic and competitive conditions in North America and globally, the availability and price of energy commodities, regulatory decisions and outcomes, outcomes of legal proceedings, including arbitration, performance of our counterparties, changes in the political environment, changes in environmental and other laws and regulations, construction and completion of capital projects, labour, equipment and material costs, access to capital markets, interest and foreign exchange rates, weather, cyber security and technological developments. You can read more about these risks and others in our most recent Quarterly Report to Shareholders and 2013 Annual Report filed with Canadian securities regulators and the U.S. Securities and Exchange Commission (SEC) and available at www.transcanada.com.

As actual results could vary significantly from the forward looking information, you should not put undue reliance on forward looking information and should not use future-oriented information or financial outlooks for anything other than their intended purpose. All forward looking information in this presentation is expressly qualified in its entirety by these cautionary statements. We do not update our forward looking statements due to new information or future events, unless we are required to by law.

This presentation contains reference to certain financial measures (non-GAAP measures) that do not have any standardized meaning as prescribed by U.S. generally accepted accounting principles (GAAP) and therefore may not be comparable to similar measures presented by other entities. These non-GAAP measures may include Comparable Earnings, Comparable Earnings per Share, Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), Comparable EBITDA, Earnings Before Interest and Taxes (EBIT), Comparable EBIT, Comparable Interest Expense, Comparable Interest Income and Other, Comparable Income Taxes and Funds Generated from Operations. Reconciliations to the most closely related GAAP measures are included in our most recent Quarterly Report to Shareholders filed with Canadian securities regulators and the SEC and available at www.transcanada.com.

Key Themes

Proven Strategy

- Average annual total shareholder return of 15% since 2000

Three complementary businesses performed well in 2014

- EBITDA expected to exceed \$5 billion
- Funds Generated from Operations expected to exceed \$4 billion

Industry-leading capital program is transformational

- \$45 billion of commercially secured projects
- \$50 billion of projects being evaluated

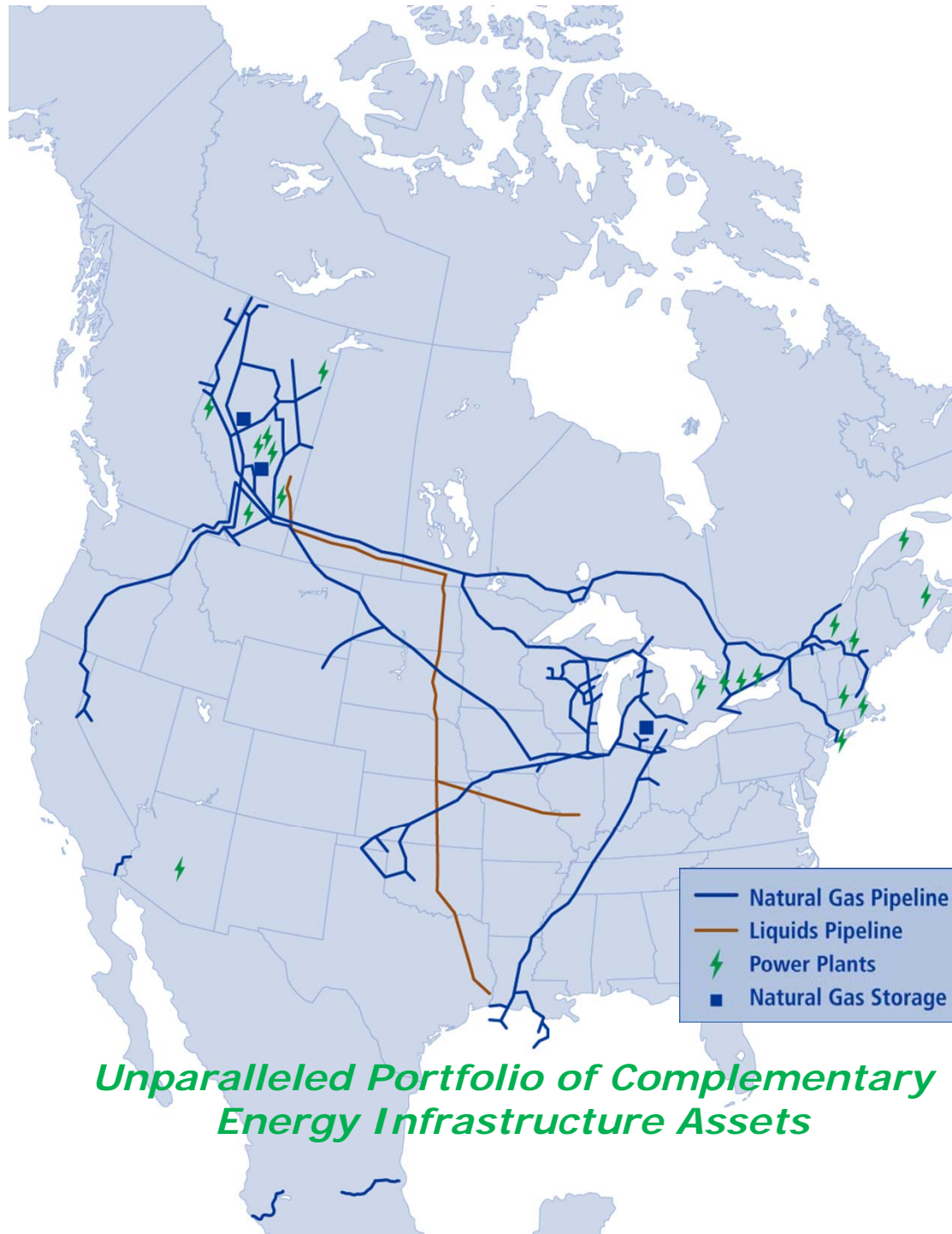
Dividend growth expected to accelerate

- Financial strength provides flexibility to raise dividend and prudently fund capital program



TransCanada Today

- **One of North America's Largest Natural Gas Pipeline Networks**
 - 68,000 km (42,000 mi) of pipeline
 - 406 Bcf of storage capacity
 - 14 Bcf/d or 20% of continental demand
- **Premier Liquids Pipeline System**
 - 4,250 km (2,600 mi) of pipeline
 - 530,000 bbl/d or 18% of Western Canadian production
- **Largest Private Sector Power Generator in Canada**
 - 19 power plants, 10,900 MW
- **Total Assets ~ \$57 billion**



Unparalleled Portfolio of Complementary Energy Infrastructure Assets

We Made Significant Progress in 2014



- ✓ \$3.7 billion of new assets placed into service, including Gulf Coast Extension
- ✓ \$6.6 billion of new commercially secured projects
- ✓ Received NEB approval for Canadian Mainline settlement
- ✓ ANR Pipeline System secured 2.0 Bcf/d of firm long-term commitments
- ✓ Northern Courier, Grand Rapids and Napanee regulatory approvals received
- ✓ Coastal GasLink and Prince Rupert progressing through permitting process
- ✓ Energy East and Eastern Mainline Project regulatory applications filed
- ✓ MLP strategy advanced with the sale of Bison and proposed sale of GTN
- ✓ \$1.7 billion of financing completed at very compelling rates

\$45 Billion Portfolio of Commercially Secured Projects*

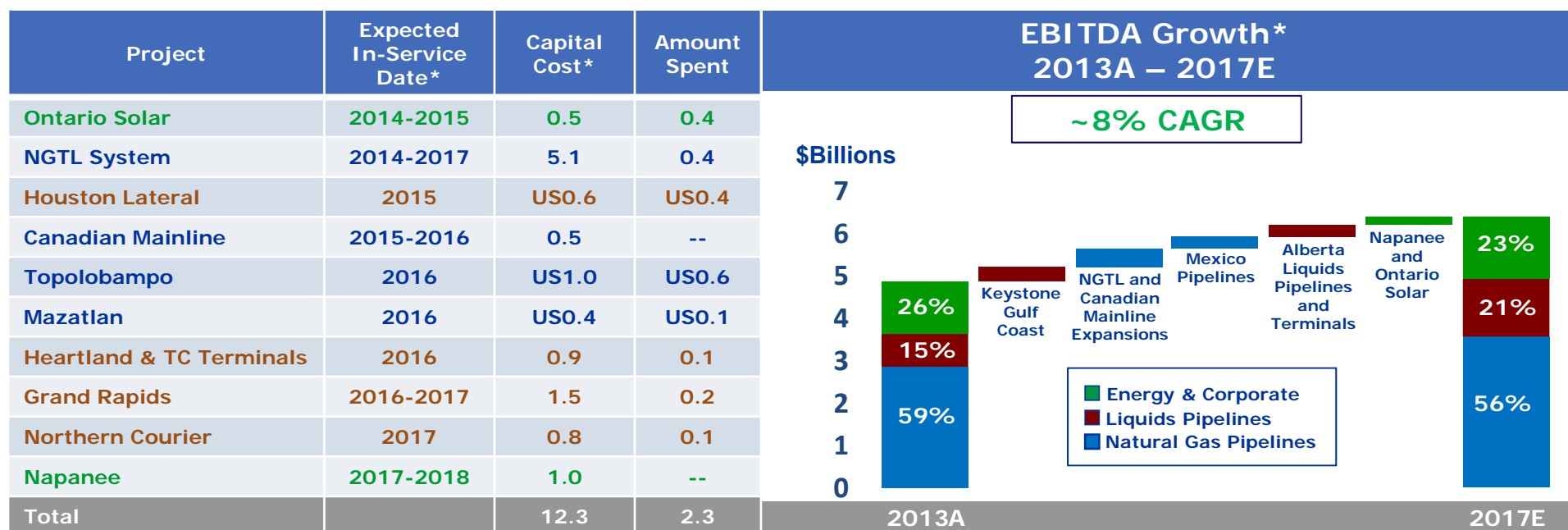


- **Industry-leading growth portfolio**
- \$24 billion of liquids pipelines
- \$19 billion of natural gas pipelines
- \$2 billion of power generation facilities
- **All backed by long-term contracts or a regulated cost-of-service business model**



* Certain projects are subject to various conditions including corporate and regulatory approvals.

\$12 Billion of Small to Medium-Sized Projects



**Expected to Drive
~8% CAGR in EBITDA through 2017**

* TransCanada share in billions of dollars. Certain projects are subject to various conditions including corporate and regulatory approvals. Includes existing assets, non-controlling interests in U.S. Natural Gas Pipelines and full year EBITDA contribution from \$12 billion of commercially secured projects expected to be in service by the end of 2017.

Keystone XL Project



- Positive Final Environmental Impact Statement issued in January 2014, results consistent with past reviews
- Nebraska Supreme Court decision on route approval authority issued on January 9, 2015
- US\$8 billion cost estimate; US\$2.4 billion spent to date
- Cost increases primarily due to delays in regulatory approvals
- Expected to generate approximately US\$1 billion of EBITDA annually
- Tolls competitive with other transportation alternatives
- In-service approximately two years following receipt of a Presidential Permit

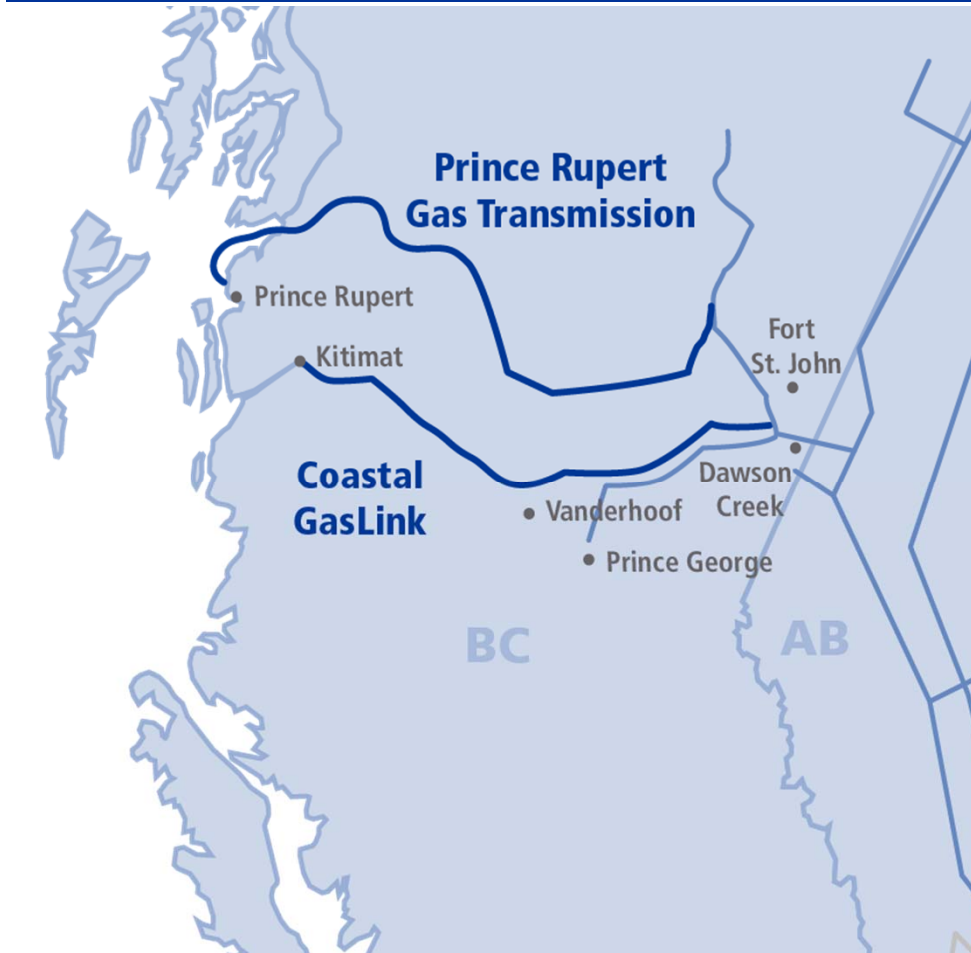


Energy East Project



- \$12 billion investment, excluding transfer value of Mainline natural gas assets
- 1.1 million bbl/d of capacity with approximately 1 million bbl/d of firm, long-term contracts
- Expected to generate approximately \$1.8 billion of EBITDA annually
- Anticipate deliveries to Québec and New Brunswick by end of 2018

West Coast LNG Pipeline Projects



Prince Rupert Gas Transmission

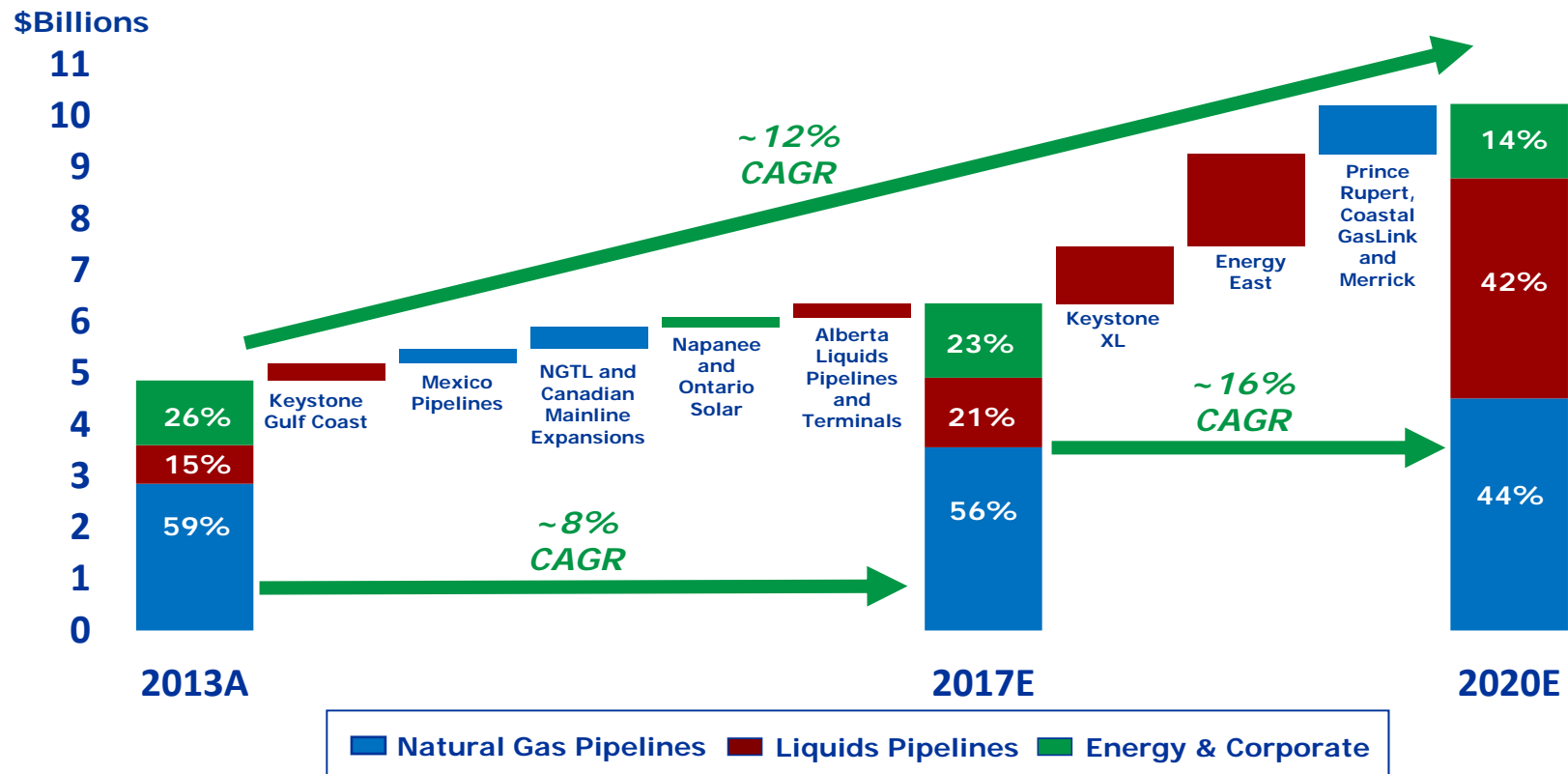
- \$5 billion investment underpinned by long-term contract. No development cost risk and minimal capital cost risk
- Serves proposed Petronas LNG facility
- Received environmental permit in November 2014; facilities permit expected in early 2015
- Final Investment Decision expected in 2015

Coastal GasLink Project

- \$4 billion investment underpinned by long-term contracts. No development cost risk and minimal capital cost risk
- Serves LNG facility proposed by Shell Canada, Korea Gas, Mitsubishi and PetroChina
- Received environmental permit in October 2014; facilities permit expected in early 2015
- Final Investment Decision expected in early 2016



Realizing Our Vision – 2020 EBITDA Outlook*

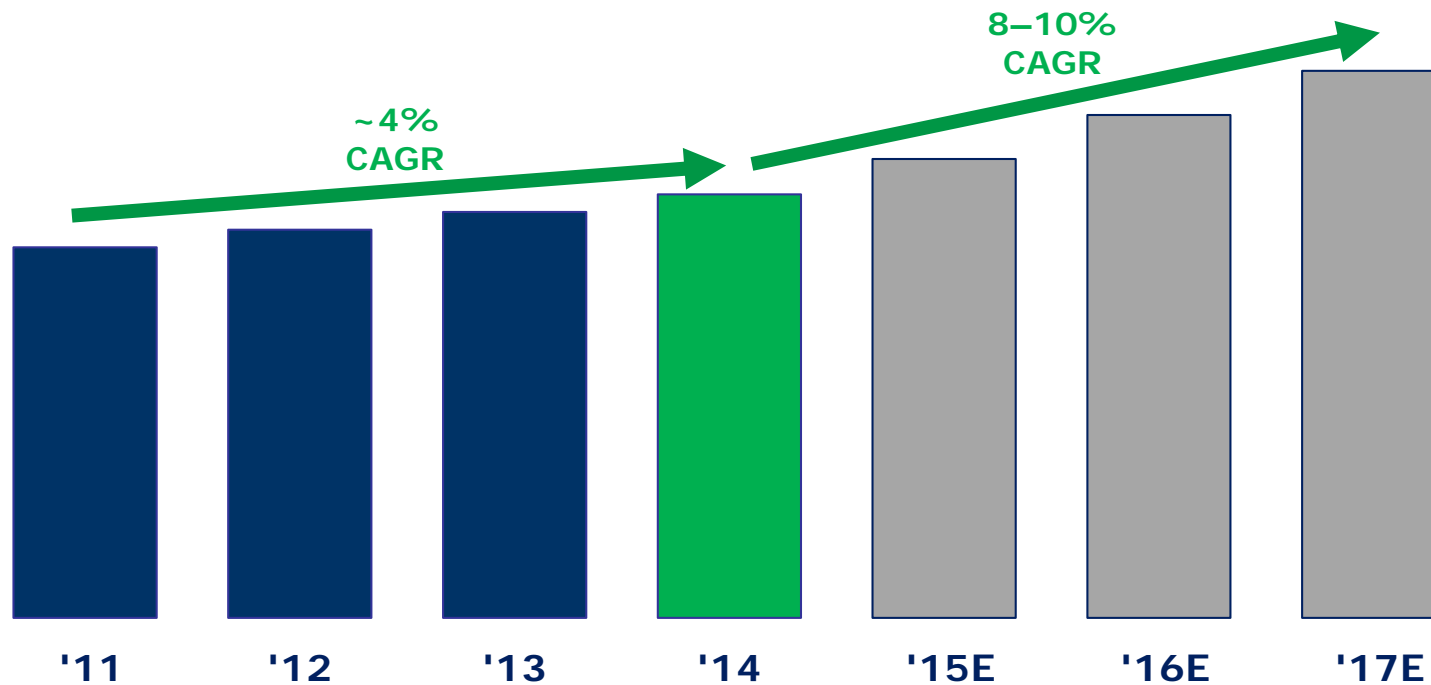


* Includes existing assets, non-controlling interests in U.S. Natural Gas Pipelines and \$45 billion of commercially secured projects expected to be in service by 2020, subject to various conditions including corporate and regulatory approvals.

Dividend Growth Poised to Accelerate



*Growth Rate Expected to Double Through 2017...
Supported by Base Business and Small to Medium-Sized Projects...*



Large-Scale Project Success Augments Growth Through 2018 and Beyond

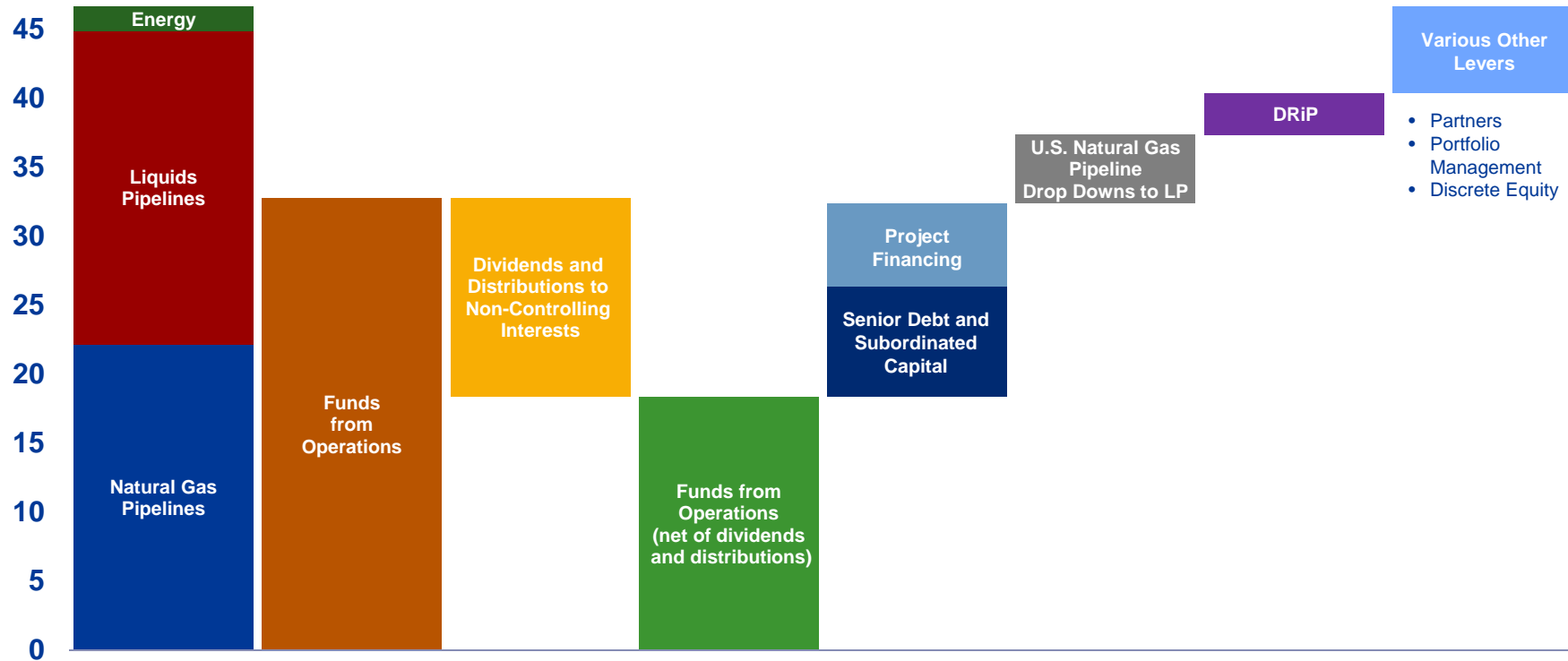
Funding Our Growth Portfolio – 2015 Through 2020*



\$ Billions

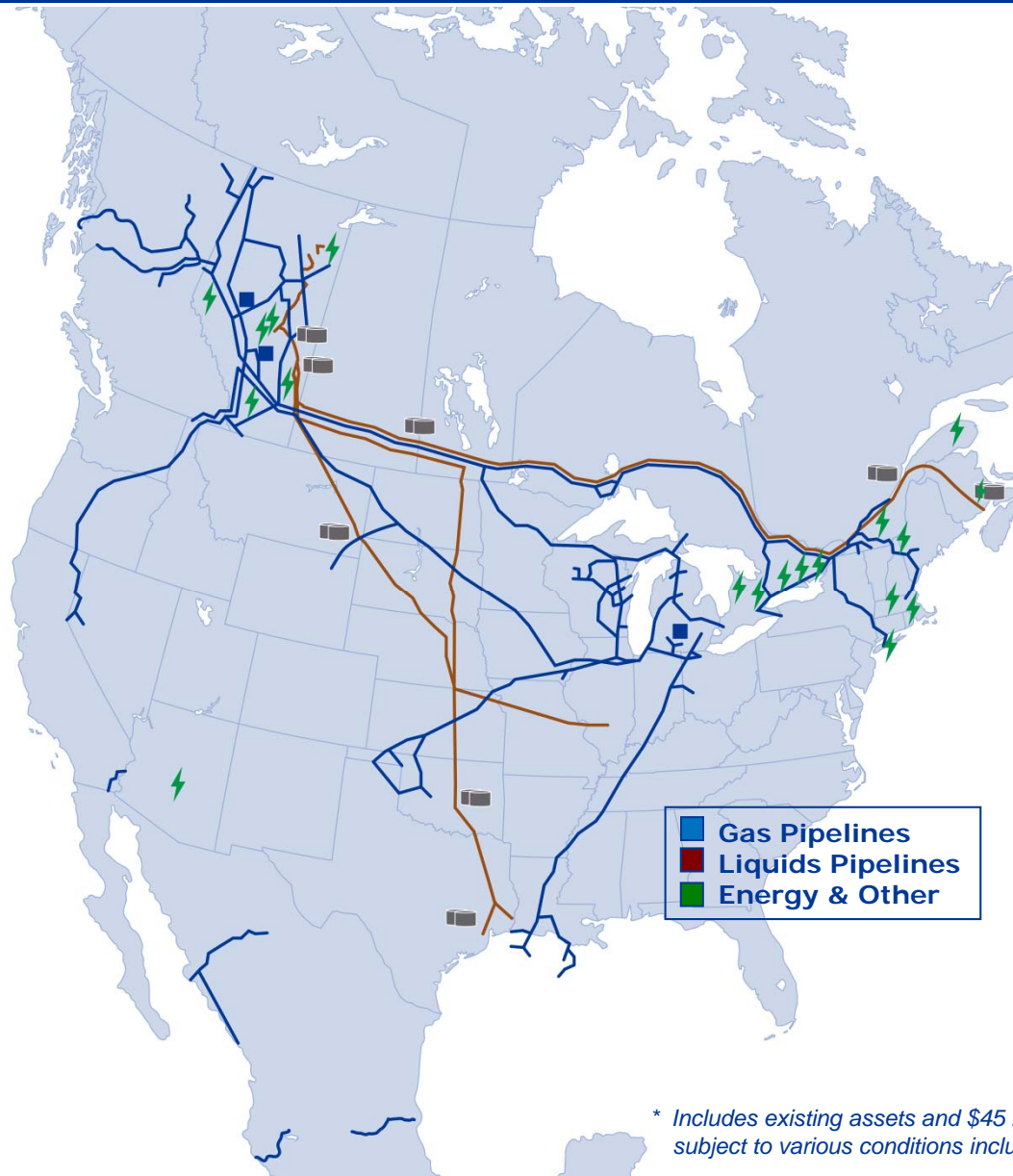
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Numerous Financing Levers Available



* Certain projects are subject to various conditions including corporate and regulatory approvals.

Realizing Our Vision – 2020 Asset Outlook*



Natural Gas Pipeline Network

- 69,000 km (43,000 mi) of pipeline
- 368 Bcf of storage capacity

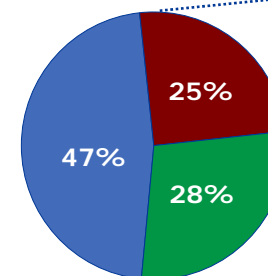
Liquids Pipeline Network

- 11,600 km (7,100 mi) of pipeline
- 2.5 million bbl/d of long-haul capacity

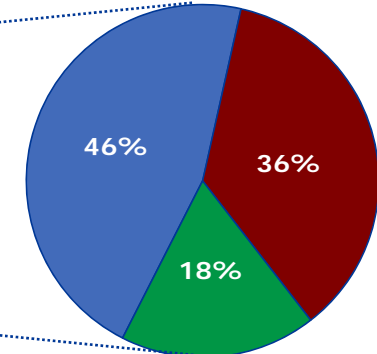
Power Generation Facilities

- 19 power plants, 11,200 MW

2013A
~\$54 Billion



2020E
~\$90 Billion



* Includes existing assets and \$45 billion of commercially secured projects expected to be in service by 2020, subject to various conditions including corporate and regulatory approvals.

Key Takeaways



Track Record of Delivering Long-Term Shareholder Value

15% average annual return since 2000

Industry-Leading Growth Portfolio

*\$45 billion of
secured projects*

Attractive, Growing Dividend

*3.5% yield at current rate
8-10% CAGR through 2017*

Strong Financial Position

*Numerous levers available
to fund growth*



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