

TransCanada Power Market Update

September 2017

Forward Prices Table

	Flat 7x24 (\$/MWh)	AB - 6x16 On Peak (\$/MWh)	AB - Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$25.50	\$34.43	\$12.75	\$1.20	21.3
October	\$25.25	\$34.09	\$12.63	\$1.66	15.2
BOY	\$27.33	\$36.90	\$13.67	\$2.03	13.5
2018	\$42.75	\$57.71	\$21.38	\$2.23	19.2
2019	\$45.25	\$61.09	\$22.63	\$2.18	20.8
2020	\$44.75	\$60.41	\$22.38	\$2.18	20.5

All prices are indicative as of indicative of Sept 8, 2017. For Firm power price quotes please contact TransCanada's Power Marketing team. See contacts on the last page.

Alberta Market Recap – August 2017

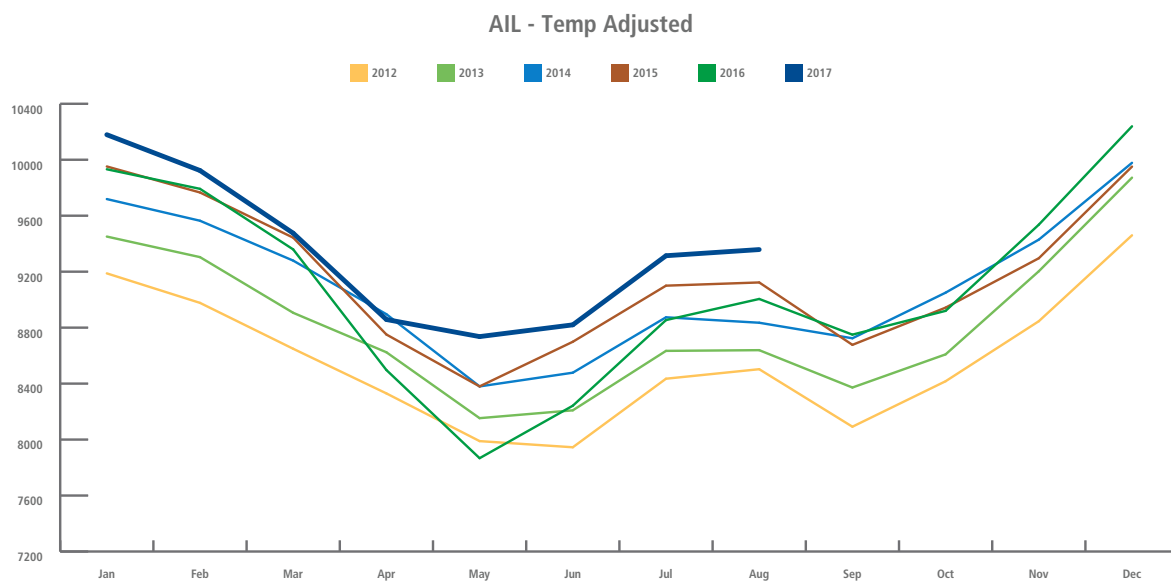
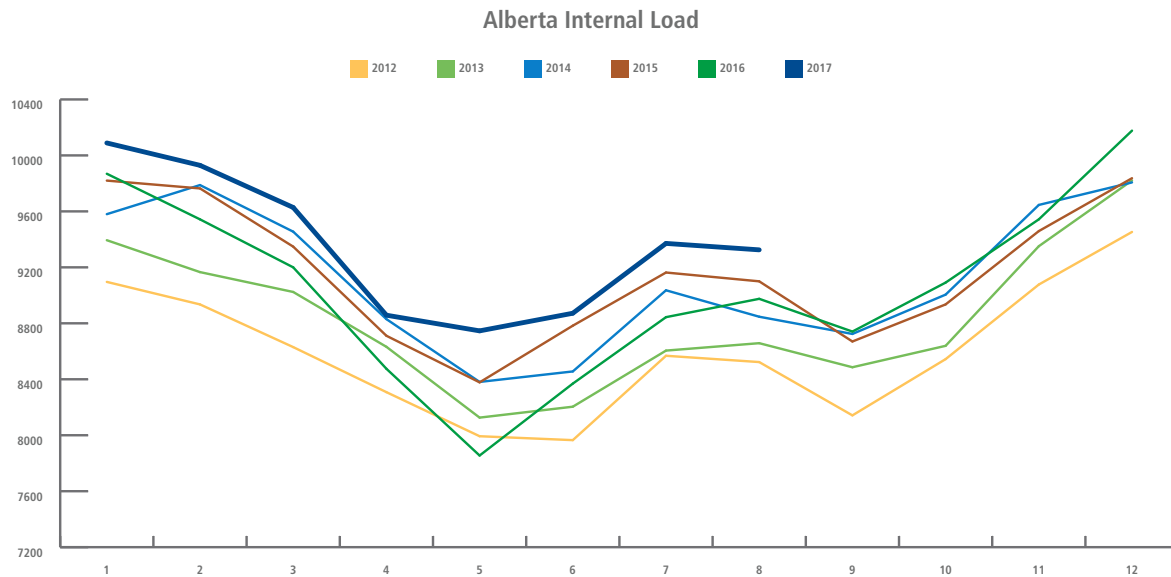
August experienced a few spikes in its hourly spot prices, but overall settled at a fairly mild price of \$24.57/MWh. Although this settle was \$2.39/MWh lower than last month's settle of \$26.96/MWh, it was 37% higher than August 2016's monthly pool price and was the second highest monthly settle year-to-date.

Alberta's hourly spot price settled above \$50.00/MWh for seven hours, while also settling above the triple digit mark of \$100.00/MWh for six hours. On August 22nd specifically, the hourly pool price settled in the \$300/MWh range for two consecutive hours. We saw this price spike due to strong load, low wind output, high exports on the tieline, and increased outages and/or derates. The maximum hourly price for the entire month occurred on this day and reached \$337.84/MWh between 2:00 pm and 3:00 pm.

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As seen in the above graphs, Alberta Internal Load (AIL) for 2017 has, for the most part, continually increased when compared year-over-year (2012, 2013, 2014, 2015 & 2016).

Load has increased by approximately 4.6% YTD when temperature adjusted for 2017. This is quite significant and a positive signal when compared to a year ago when load decreased by approximately 1.1% when temperature adjusted.

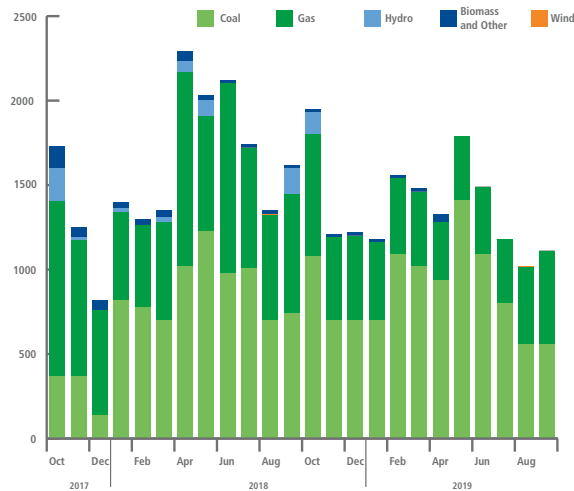
Overall, so far this year, we are back to, and surpassing, AIL demand levels that we experienced prior to the province's economic downturn.

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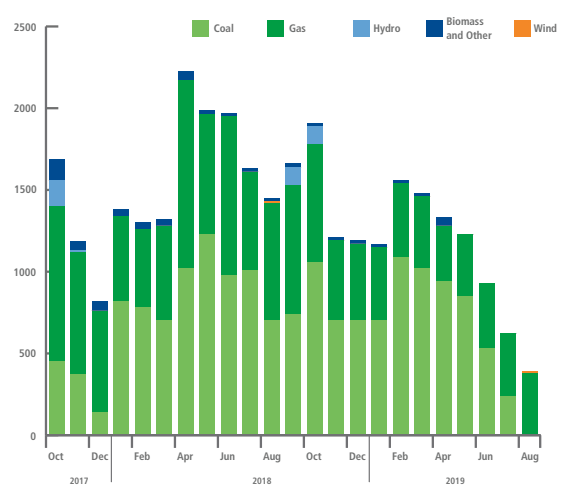
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Monthly Outages

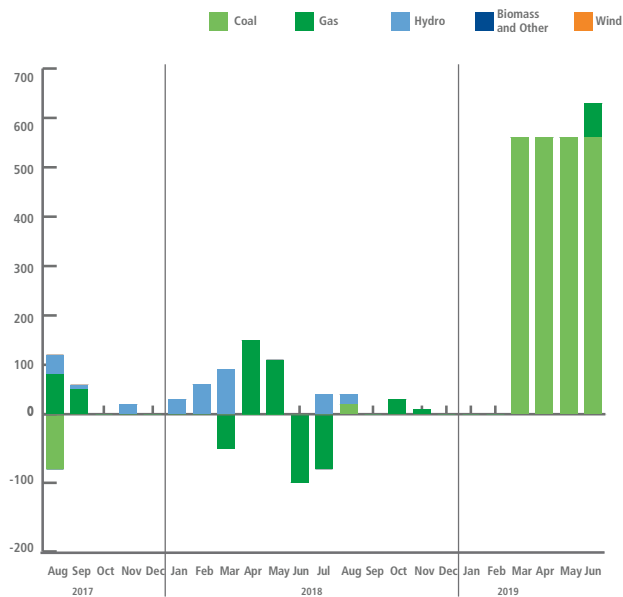
AESO Monthly Outages (as of September 6, 2017)



AESO Monthly Outages (as of August 1, 2017)



Month-over-Month Change in Outages (September 2017 over August 2017)



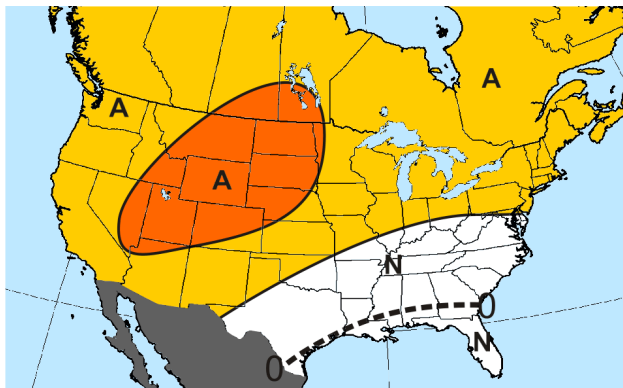
The monthly outages posted by the AESO have stayed primarily the same since last month, with the exception of the increased coal outages starting in May 2019. Until those outages begin we can continue to expect to see on average 800 MW of coal offline and about 650 MW of gas offline each month.

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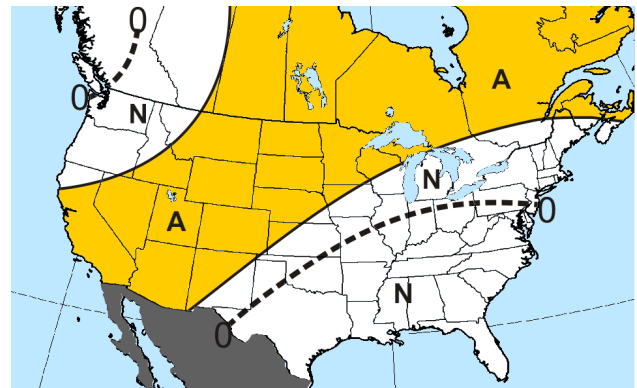
September 2017

MDA Weather Services 30-60 Day Outlook

October 2017



November 2017



September has been off to a warm start thus far with above normal temperatures across the province and into the remaining parts of Canada. As we continue into the rest of the month and into October, Alberta as a whole can expect to see continued warmth with above normal temperatures in the +1.0 to +1.9 anomaly range. According to MDA Weather Services, the wide spread warm weather across North America can be attributed to the warm waters in both the Pacific and the Atlantic Ocean.

For November however, we will see a shift from above normal temperature to near normal temperatures in Alberta. Most of the Southwest and North-Central US will continue to see above normal temperatures in October.

So far, it looks like we will be having a mild fall this year!

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