

TransCanada Power Market Update

November 2018

Forward Prices Table

	Flat 7x24 (\$/MWh)	AB - 6x16 On Peak (\$/MWh)	AB - Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$64.50	\$78.69	\$49.47	\$2.00	32.25
December	\$67.25	\$85.41	\$47.08	\$2.59	25.97
BOY	\$65.88	\$84.99	\$47.43	\$2.30	28.64
2019	\$56.55	\$69.56	\$39.02	\$1.59	35.57
2020	\$48.38	\$58.54	\$34.35	\$1.58	30.62
2021	\$47.38	\$55.43	\$33.64	\$1.65	28.72
2022	\$43.38	\$49.02	\$30.80	\$1.68	25.82

All prices are indicative as of indicative of November 6, 2018. For Firm power price quotes please contact TransCanada's Power Marketing team. See contacts on the last page.

Alberta Market Recap – October 2018

October 2018 settled at \$63.48/MWh, a +200% increase from last year's October settle of \$20.45/MWh and a 75% increase from last month's settle of \$36.11/MWh. For October the top 10% of hourly settles contributed to 35% of the monthly settle, a moderate increase from last month where the top 10% of hours contributed to only 15% of the monthly settle. This is noteworthy as it represents that the month of October had greater scarcity and volatility in the market compared to September. In October the top 10% of hours averaged \$224.66/MWh with 58 hours settling above \$100/MWh. Comparably, In September the top 10% of hours averaged \$53.85 with only 4 hours settling above \$100. This breakdown of the monthly settle shows how October's high-priced hours or hours of "scarcity", compared to September is a key driver in the increase in percentage of the top 10% of hours contributing to the monthly settle month over month.

October's 58 hours settling over \$100 contributed to a total of 4 days settling above \$100; October 9th, 10th, 16th and 17th. The most noteworthy days were October 10th and 17th. On the 10th Enbridge's mainline ruptured near Prince George B.C cutting off natural gas flow to the south. The Enbridge mainline rupture drove up MID-C prices causing most counterparties in the US NW to restrict their exports due to limited generation from their natural gas power plants. With minimal imports on the tie line, prices in Alberta rose significantly. Price for the on-peak hours of the day averaged \$241.95/MWh while the day settled at \$179.30/MWh. Although October 10th was a high-priced day, the highest settle for the month happened on October 17th with a daily settle of \$257.70/MWh and on-peak price averaging \$366/MWh. The 17th unlike the 10th had no stand-out events, but still managed a few hours in the \$900's due to low wind generation, minimal coal outages and dramatic swings in AESO's hourly price forecasts causing import hesitation.

In regard to load, average Alberta Internal Load (AIL) for the month was 9,694 MW, with peak load hitting 10,327 MW on October 31 HE 17:00 MT. This is 7% greater than last year's Octobers average load of 9,034 MW and a 3% increase from its peak load of 9,994 MWs.

Weather for the first month of autumn started out with a bang, bringing cool weather and a major snow storm to Calgary. Environment Canada stated the early snow storm in Calgary broke two of the city's weather records. The first being that the 32.8 centimeters of snow that fell on the 2nd shattered the Oct. 2 snowfall record of 4.6 centimeters set in 1954 with the second record being the 32.8 centimeters of snow also broke the one-day record for snowfall in October, which was 30 centimeters set back in 1914. Thankfully as the month continued, Calgary and the rest of the provinces' weather moderated to "more reasonable" fall temperatures. Weighted average temperature for the month was around 3° Celsius, a slight 2°C drop from last year's October weighted average temperature.

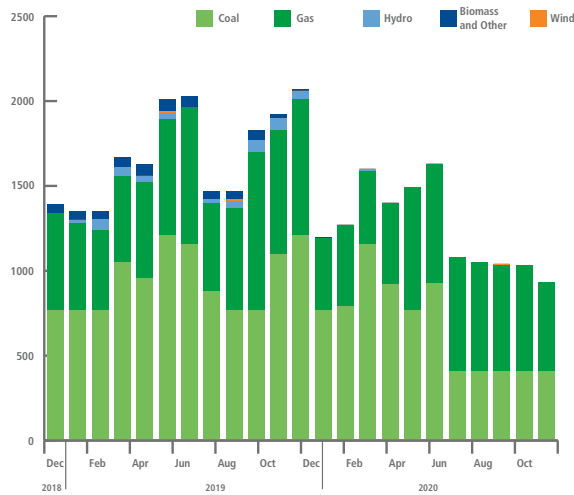
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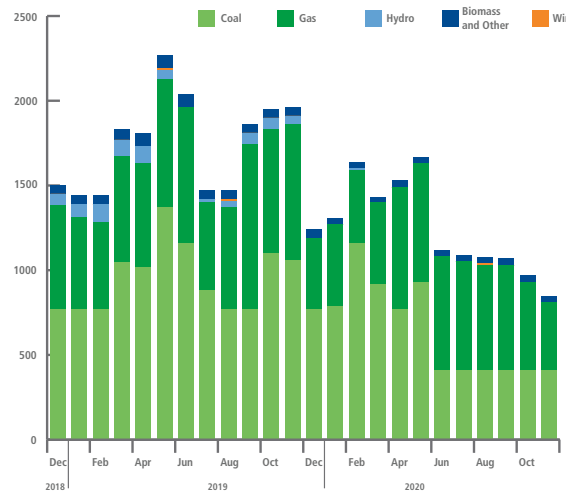
November 2018

Monthly Outages

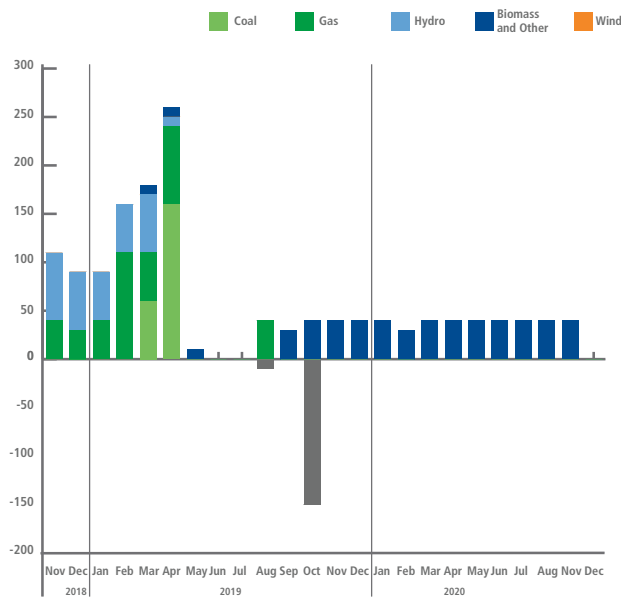
AESO Monthly Outages (as of October 2018)



AESO Monthly Outages (as of November 2018)



Month-over-Month Change in Outages
(September 2018 over October 2018)

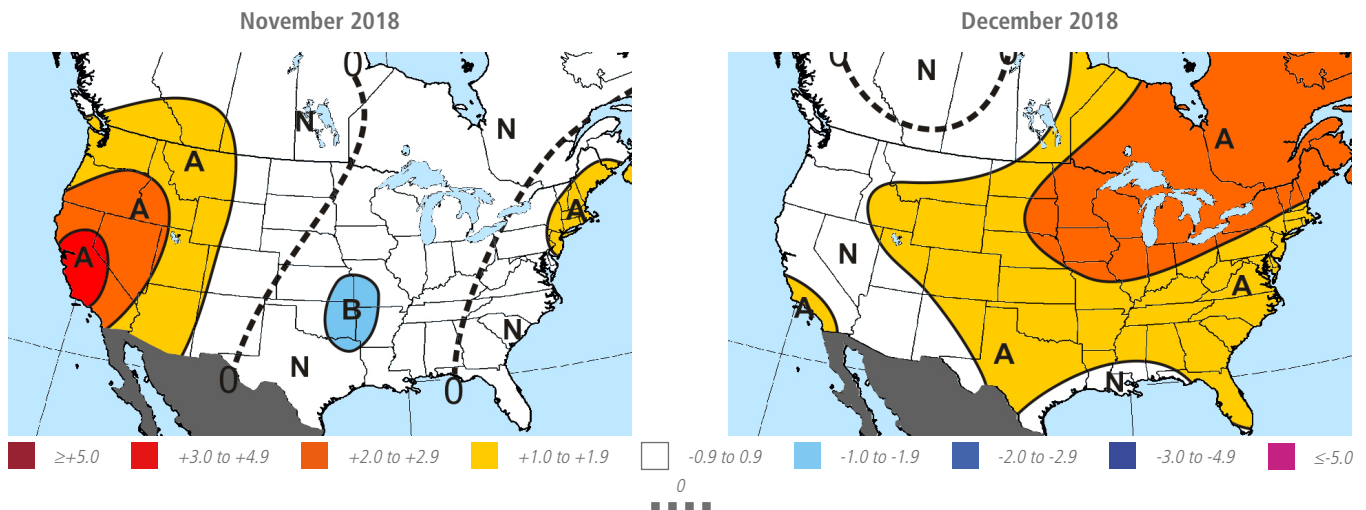


There have been two small modifications to the coal outages since last month, a 160 MW increase in May 2019 and a 150 MW decrease in November 2019, however there are no significant outage changes projected within the next year.

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Radiant Solutions 30-60 Day Outlook



According to Radiant Solutions, October had the 2nd highest PWCDDs (Population Weighted Cooling Degree Days) total on record since 1950 while also yielding above the 30-year normal October GWHDD (Gas-weighted heating degree days) since 2009. In Alberta the warmest day fell on October 17th when the weighted average temperature for the province was at 11.4°C while the coldest day fell on the 9th when the weighted average temperature for the province was -3.5°C.

Radiant Solutions Outlook for November 2018 projects a warmer than normal front across the Southern and Western parts of North America. This should be welcomed as last November had only three days with a weighted average temperature above 0°C across the province. Last November the daily weighted average temperature for the province was -6.9°C, reaching a low of -14°C and a high of 2°C with the coldest days falling on the front half of the month and warming up on the back end.

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