Forward Looking Information and Non-GAAP Measures

This presentation includes certain forward looking information, including future oriented financial information or financial outlook, which is intended 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 in this presentation includes statements related to: future dividend growth, the completion of the transactions contemplated by our agreements to sell our U.S. Northeast power assets, the future growth of our Mexico natural gas pipeline business and our successful integration of Columbia.

Our forward looking information is based on certain key assumptions and 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 including the expected benefits of the acquisition of Columbia and the expected growth of our Mexico natural gas pipeline business, 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 and changes in market commodity prices, the amount of capacity sold and rates achieved in our pipeline businesses, the amount of capacity payments and revenues we receive from our energy business, regulatory decisions and outcomes, outcomes of legal proceedings, including arbitration and insurance claims, 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, inflation and foreign exchange rates, weather, cyber security and technological developments. You can read more about these risks and others in our Fourth Quarter 2016 Financial Highlights release and 2016 Annual Report filed with Canadian securities regulators and the 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. 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, Comparable Earnings Before Interest, Taxes, Depreciation and Amortization (Comparable EBITDA), Funds Generated from Operations, Comparable Funds Generated from Operations, Comparable Distributable Cash Flow (DCF) and Comparable DCF per share. Reconciliations to the most closely related GAAP measures are included in this presentation and in our Fourth Quarter 2016 Financial Highlights release filed with Canadian securities regulators and the SEC and available at www.transcanada.com.
Key Themes

**Proven Strategy – Low Risk Business Model**
- Over 95% of Comparable EBITDA derived from regulated assets or long-term contracts following monetization of U.S. Northeast Power business

**Diversified High-Quality Assets Provide Multiple Platforms for Growth**
- Five operating businesses, in three core geographies
- Canadian, U.S. and Mexico natural gas pipelines, liquids pipelines and energy

**Visible Growth Through 2020**
- $23 billion of near-term growth projects advancing
- Additional organic growth expected from existing base businesses
- Over $45 billion of commercially secured medium- to longer-term projects

**Dividend Poised to Grow Through 2020**
- Expected annual dividend growth at upper end of 8 to 10% range

**Financial Discipline**
- Value ‘A’ grade credit rating
- Corporate structure is simple and understandable
One of North America’s Largest Natural Gas Pipeline Networks
- 91,500 km (56,900 mi) of pipeline
- 653 bcf of storage capacity
- 23 bcf/d; ~25% of continental demand

Premier Liquids Pipeline System
- 4,300 km (2,700 mi) of pipeline
- 545,000 bbl/d; ~20% of Western Canadian exports

One of the Largest Private Sector Power Generators in Canada
- 17 power plants, 10,700 MW*
- Primarily long-term contracted assets following sale of U.S. Northeast Power

Enterprise value of ~$100 billion as of December 31, 2016

* Includes U.S. Northeast Power assets held for sale
$23 Billion Commercially Secured Near-Term Capital Program

Illustrates the configuration of TransCanada’s near-term projects

Underpinned by Long-Term Contracts or Cost-of-Service Regulation

<table>
<thead>
<tr>
<th>Project</th>
<th>Estimated Capital Cost*</th>
<th>Invested to Date</th>
<th>Expected In-Service Date*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia</td>
<td>US7.1</td>
<td>US1.2</td>
<td>2017-2020</td>
</tr>
<tr>
<td>NGTL System</td>
<td>5.4</td>
<td>0.8</td>
<td>2017-2020</td>
</tr>
<tr>
<td>Canadian Mainline</td>
<td>0.3</td>
<td>0.1</td>
<td>2017-2018</td>
</tr>
<tr>
<td>Tula</td>
<td>US0.6</td>
<td>US0.3</td>
<td>2018</td>
</tr>
<tr>
<td>Villa de Reyes</td>
<td>US0.6</td>
<td>US0.2</td>
<td>2018</td>
</tr>
<tr>
<td>Sur de Texas</td>
<td>US1.3</td>
<td>US0.1</td>
<td>2018</td>
</tr>
<tr>
<td>Grand Rapids</td>
<td>0.9</td>
<td>0.8</td>
<td>2017</td>
</tr>
<tr>
<td>Northern Courier</td>
<td>1.0</td>
<td>0.9</td>
<td>2017</td>
</tr>
<tr>
<td>White Spruce</td>
<td>0.2</td>
<td>-</td>
<td>2018</td>
</tr>
<tr>
<td>Napanee</td>
<td>1.1</td>
<td>0.7</td>
<td>2018</td>
</tr>
<tr>
<td>Bruce Power Life Extension</td>
<td>1.1</td>
<td>0.1</td>
<td>Up to 2020+</td>
</tr>
<tr>
<td>Foreign Exchange Impact</td>
<td>3.3</td>
<td>0.6</td>
<td>-</td>
</tr>
</tbody>
</table>

Total Canadian Equivalent 22.9  5.8

* TransCanada share in billions of dollars. Certain projects are subject to various conditions including corporate and regulatory approvals.
Columbia Acquisition & Near-term Capital Program Drive Significant Growth

- Natural Gas Pipelines
- U.S. Natural Gas Pipelines
- Mexico Natural Gas Pipelines
- Liquids Pipelines
- Contracted Energy
- Merchant Energy
- TransCanada (construction/development)
- Power Facilities
- Natural Gas Storage

Over 95% of Comparable EBITDA to come from regulated or long-term contracted assets

*Comparable EBITDA is a non-GAAP measure. See the non-GAAP measures slide at the front of this presentation for more information.*
NGTL System’s Unparalleled Position

- Primary transporter of WCSB supply
  - Field receipts averaged ~ 11.3 bcf/d in 2016
  - Intra-Alberta peak day deliveries in excess of 6.5 bcf/d
- Key connections to Alberta and export markets
  - System provides optionality and liquidity
- Regulated system with 2017 allowed ROE of 10.1% on 40% deemed equity, plus incentives
- $5.4 billion near-term capital program
  - Expected in-service through 2020
  - $1.6 billion of new facilities entering service in 2017
- Additional investment expected to connect growing supply to local and downstream markets
- Well positioned for West Coast LNG exports

Average Investment Base
($ Billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>6.7</td>
</tr>
<tr>
<td>2016</td>
<td>7.5</td>
</tr>
<tr>
<td>2017E</td>
<td>8.5</td>
</tr>
</tbody>
</table>
• LDC Settlement created long-term stability and reduced risk
  - Agreement runs through 2020; Eastern System supported by cost-of-service regulation through 2030
  - Base ROE of 10.1% on 40% deemed equity; contribution and incentives could result in ROE of 8.7% to 11.5%
• Strong ongoing operating and financial performance
• Expect to invest ~ $300 million in 2017 to increase capacity from Dawn to eastern markets
• Successfully completed Long-Term, Fixed-Price Open Season in March 2017
  - Resulted in binding contracts to transport 1.5 PJ/d from Empress to Dawn for ten years at a toll of $0.77/GJ
  - Early termination rights can be exercised after five years upon payment of an increased toll for final two years of the contract
• Strong incumbency position in U.S. Northeast
  • Well positioned to connect Marcellus and Utica supply to domestic and LNG export markets

• Realizing US$250 million of annualized benefits with full impact expected in 2018

• Advancing US$7.1 billion near-term capital program
  • Projects underpinned by long-term contracts
  • US$2.3 billion expected to be in-service in 2017

• Appalachian production expected to grow from ~20 bcf/d in 2015 to over 30 bcf/d by 2020
  • Additional investment opportunities expected to connect growing supply to market

Premium Natural Gas Pipeline Network Complements Our Existing Assets
### Columbia Pipeline Capital Program

<table>
<thead>
<tr>
<th>Asset</th>
<th>Project</th>
<th>Estimated Capital Cost (US$)</th>
<th>FERC Status</th>
<th>Expected In-Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas</td>
<td>Modernization I</td>
<td>0.2</td>
<td>Approved</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>Modernization II</td>
<td>1.1</td>
<td>Approved</td>
<td>2018 - 2020</td>
</tr>
<tr>
<td></td>
<td>Leach XPress</td>
<td>1.4</td>
<td>Approved</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>WB XPress</td>
<td>0.8</td>
<td>Filed</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>Mountaineer XPress</td>
<td>2.0</td>
<td>Filed*</td>
<td>2018</td>
</tr>
<tr>
<td>Gulf</td>
<td>Rayne XPress</td>
<td>0.4</td>
<td>Approved</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>Cameron Access</td>
<td>0.3</td>
<td>Approved</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>Gulf XPress</td>
<td>0.6</td>
<td>Filed*</td>
<td>2018</td>
</tr>
<tr>
<td>Midstream</td>
<td>Gibraltar</td>
<td>0.3</td>
<td>N/A</td>
<td>2017</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>US7.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Received Draft Environmental Impact Statement on February 27, 2017

---

(1) Shaded area represents the Marcellus and Utica shale gas production areas
**Diversified Portfolio of U.S. Natural Gas Pipelines**

- **Well-positioned with access to multiple supply basins and large market areas**
  - ANR to benefit from rate case settlement which includes US$837 million of maintenance capital for reliability and modernization projects that is reflected in rates
  - GTN opportunities from NGTL expansion
  - Great Lakes could benefit from Mainline contract changes
  - Iroquois and PNGTS well positioned for expansions
  - Pursuing longer term revenue enhancements across our extensive network that includes Columbia, ANR, Eastern Canadian Mainline and other interconnected pipelines

- **TC PipeLines, LP**
  - Core element of TransCanada’s strategy
  - Track record of disciplined growth
  - TransCanada operates assets, owns general partner and holds a 27% interest
  - Currently at ‘high split’ of 25% GP/LP IDR
  - Received offer from TransCanada to purchase a 49.3% interest in Iroquois and a 11.8% interest in PNGTS

---

**Premium Natural Gas Pipeline Network**

<table>
<thead>
<tr>
<th>Asset</th>
<th>TransCanada Effective Ownership (%)</th>
<th>TC PipeLines, LP Ownership (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANR</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Columbia (post closing of CPPL acquisition)</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Great Lakes</td>
<td>66</td>
<td>46</td>
</tr>
<tr>
<td>Iroquois</td>
<td>50</td>
<td>0</td>
</tr>
<tr>
<td>Bison, GTN, North Baja &amp; Tuscarora</td>
<td>27</td>
<td>100</td>
</tr>
<tr>
<td>PNGTS</td>
<td>25</td>
<td>49.9</td>
</tr>
<tr>
<td>Northern Border</td>
<td>13</td>
<td>50</td>
</tr>
</tbody>
</table>

*Ownership in Great Lakes, Bison, GTN, North Baja, Tuscarora, PNGTS and Northern Border includes ownership through TransCanada’s 27% ownership in TC PipeLines, LP*
Mexico – Solid Position and Growing

- Four revenue-generating pipelines
  - Tamazunchale
  - Guadalajara
  - Mazatlán
  - Topolobampo
- Three new projects expected to enter service in 2018 will increase portfolio to ~ US$5 billion
  - Tula – US$0.6 billion
  - Villa de Reyes – US$0.6 billion
  - Sur de Texas – US$1.3 billion*
- All underpinned by long-term contracts with the Comisión Federal de Electricidad
- Once completed, portfolio expected to generate annual EBITDA of ~ US$575 million
- Well positioned to connect U.S. natural gas supply to growing power generation and industrial markets in central Mexico

Developing an Integrated Natural Gas Delivery System

* TransCanada's 60% share
Keystone – A Premier Liquids Pipelines Business

• 545,000 bbl/d of long-term, long-haul contracts with fixed monthly payments
• Transports ~20% of western Canadian crude oil exports
• Provides market access to ~6 million bbl/d of refining capacity
• Safely moved over 1.4 billion barrels since operations commenced
• New market connections could provide opportunities for growth

Critical Infrastructure with Strong Operational Track Record
Building a Regional Liquids Pipeline System

- Construction of $1 billion Northern Courier advancing
  - 25-year contract with Fort Hills Partnership
  - Expected to be in-service in 2017
- Construction of $900 million* Grand Rapids project progressing
  - 50/50 joint venture and 25-year contract with Brion Energy
  - Expected to be in-service in 2017
- $200 million White Spruce pipeline will transport crude oil to the Grand Rapids system and is expected to be in-service in 2018
- Additional market connections could provide opportunities for growth

*TransCanada's share
### Well Established Energy Platform

- **U.S. Northeast Power asset sales expected to close in first half 2017**
- **Balance of portfolio underpinned primarily by long-term contracts with solid counterparties**
  - 6,200 MW of power generation
  - 118 bcf of natural gas storage capacity
  - Minimal merchant power exposure
  - Generated EBITDA of $765 million in 2016
- **Construction progressing on $1.1 billion Napanee project; expected in-service in 2018**
  - 900 MW plant; long-term contract with Ontario Independent Electricity System Operator (IESO)
- **Work continues on Bruce Power refurbishment**
- **Continue to pursue growth opportunities in our core geographies:**
  - Natural gas-fired generation
  - Renewables including wind, solar and hydro

### Plant Capacity Table

<table>
<thead>
<tr>
<th>Plant</th>
<th>Capacity (MW)*</th>
<th>Counterparty</th>
<th>Contract Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coolidge</td>
<td>575</td>
<td>Salt River Project</td>
<td>2031</td>
</tr>
<tr>
<td>Bécancour</td>
<td>550</td>
<td>Hydro-Québec</td>
<td>2026</td>
</tr>
<tr>
<td>Cartier Wind</td>
<td>365</td>
<td>Hydro-Québec</td>
<td>2026-2032</td>
</tr>
<tr>
<td>Grandview</td>
<td>90</td>
<td>Irving Oil</td>
<td>2024</td>
</tr>
<tr>
<td>Halton Hills</td>
<td>683</td>
<td>IESO</td>
<td>2030</td>
</tr>
<tr>
<td>Portlands</td>
<td>275</td>
<td>IESO</td>
<td>2029</td>
</tr>
<tr>
<td>Ontario Solar</td>
<td>76</td>
<td>IESO</td>
<td>2032-2034</td>
</tr>
<tr>
<td>Bruce Power Units 1-8</td>
<td>3,104</td>
<td>IESO</td>
<td>Up to 2064</td>
</tr>
<tr>
<td>Napanee (under construction)</td>
<td>900</td>
<td>IESO</td>
<td>20 Years from In-Service</td>
</tr>
</tbody>
</table>

* Our proportionate share of power generation capacity
Bruce Power – Cost Effective, Emission Free Power

- 48.5% ownership interest
- Power sales contracted through 2064 with the Ontario IESO
  - Integral to Ontario’s long-term energy plan
- $6.5 billion* investment through 2033 to refurbish and extend life of 6 reactors
- Average plant availability expected to be ~90% in 2017, up from 83% in 2016
- Spent fuel and decommissioning liabilities are the responsibility of Ontario Power Generation

### Major Component Replacement Planned Outage Schedule

<table>
<thead>
<tr>
<th>Year</th>
<th>Unit 3</th>
<th>Unit 4</th>
<th>Unit 5</th>
<th>Unit 6</th>
<th>Unit 7</th>
<th>Unit 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2027</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2028</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2029</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2030</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2031</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2032</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2033</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*TransCanada’s share in 2014 dollars
$23 Billion of Near-Term Projects Drive Significant Growth

Comparable EBITDA Outlook*
2015 – 2020E

$Billions

2015 2016 2020E

Could be Augmented by Additional Growth Opportunities, Revenue Enhancements and Operating Efficiencies

* Includes existing assets, non-controlling interests in U.S. Natural Gas Pipelines and $23 billion of near-term projects subject to various conditions including corporate and regulatory approvals. Comparable EBITDA is a non-GAAP measure. See the non-GAAP measures slide at the front of this presentation for more information.
Stability and Longevity of Core Asset Base + $23 Billion of Visible Growth with Upside

Generated by predictable cost of service and long-term contracted cash flow streams supported by:

- Solid counterparties
- Minimal volumetric risk
- No commodity price risk

Comparable EBITDA ($Billions)

- Cdn Regulated Gas Pipelines
- Contracted Liquids Pipelines
- U.S. Gas Pipelines
- Mexico Gas Pipelines
- Contracted Power
- Other Variable*
- New Growth Opportunities

Comparable EBITDA is a non-GAAP measure. See the non-GAAP measures slide at the front of this presentation for more information.

* Includes pipeline capacity not under long-term contract, merchant power and unregulated natural gas storage.
Dividend Growth Outlook Through 2020

Expect Annual Dividend Growth at the Upper End of 8 to 10 Percent Range

Supported by Expected Growth in Earnings and Cash Flow and Strong Coverage Ratios

* Annual rate based on first quarter dividend of $0.625 per share
Dividend Coverage Ratios and Maintenance Capital Outlook Through 2020

**Dividend Coverage Outlook**
(Based on Comparable DCF per share)

*Strong Coverage Ratios...*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>2.1x</td>
<td>~1.6x</td>
<td>~1.8x</td>
<td>~1.9x</td>
<td>~2.0x</td>
</tr>
</tbody>
</table>

Assumes Dividend Growth at Upper End of 8 to 10 Percent Range

*Comparable DCF is a non-GAAP measure. See the non-GAAP measures slide at the front of this presentation for more information.*

**Maintenance Capital Outlook**

...Net of Maintenance Capital, Majority of Which Earns a Return

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$Billions</td>
<td>1.6</td>
<td>1.2</td>
<td>0.8</td>
<td>0.4</td>
<td>0.0</td>
</tr>
</tbody>
</table>

- **Canadian Regulated Gas Pipelines**
- **ANR**
- **Other**
Approximately $22 billion to be invested over the next three years related to:

- Near-term growth portfolio
- Maintenance capital of $3.8 billion
- Interest during construction (IDC) and allowance for funds used during construction (AFUDC)
- Modest development costs associated with medium- to longer-term projects
Funding Program for Near-Term Growth Portfolio

2017 – 2019 Outlook
Numerous Levers Available to Fund Near-Term Capital Program

- Strong, predictable and growing cash flow from operations
- Dividend Reinvestment Plan
- Access to capital markets including:
  - Senior debt
  - Preferred shares and hybrid securities
- Portfolio management including dropdowns to TC PipeLines, LP
- At-The-Market (ATM) program, as appropriate

Funding Program Manageable
Completion of $23 Billion Near-Term Capital Program Does Not Require Discrete Equity
2017-2019 Debt Maturity Profile

Debt Maturities in Home Currency* (2017-2019)

- ~$9 billion committed and undrawn credit lines
- Well supported commercial paper programs
  - Canada – $2.0 billion
  - U.S. – US$2.5 billion
- Access to global capital markets

Normal Level of Scheduled Debt Maturities Through 2019
Diverse Set of Financing Levers Available

* Excludes US$3.7 billion Columbia bridge term loan facilities to be repaid with proceeds from monetization of U.S. Northeast power business
$45 Billion+ of Commercially Secured Long-Term Projects*

- **Bruce Power Life Extension Agreement**
  - First of six MCR outages occurs in 2020
  - Expected investment of $5.3 billion post 2020
  - Extends operating life of facility to 2064

- **Four transformational projects**
  - Prince Rupert Gas Transmission ($5 billion)
  - Coastal GasLink ($4.8 billion)
  - Energy East ($15.7 billion) and related Eastern Mainline Project ($2.0 billion)
  - Keystone XL (US$8 billion)

- **Establish us as leaders in the transportation of crude oil and natural gas for LNG export**
  - 2 million bbl/d of liquids pipeline capacity
  - 4+ bcf/d of natural gas pipeline export capacity

*TransCanada share in billions of dollars; Bruce Power in 2014 dollars. Certain projects are subject to various conditions including corporate and regulatory approvals.
**Key Takeaways**

**Track Record of Delivering Long-Term Shareholder Value**

14% average annual return since 2000

- **Visible Growth Portfolio**
  - $23 billion to 2020
  - Additional opportunity set includes over $45 billion of medium to longer-term projects

- **Attractive, Growing Dividend**
  - 4% yield
  - 8-10% expected CAGR through 2020

- **Strong Financial Position**
  - ‘A’ grade credit rating
  - Numerous levers available to fund future growth

**Attractive Valuation Relative to North American Peers**
Medium to Longer-Term Projects
Keystone XL – Maintaining a Valuable Option

- Remain committed to advancing Keystone XL
- Received Presidential Permit from U.S. Department of State on March 24, 2017
- Filed an application with the Nebraska Public Service Commission seeking approval for a route through that state on February 16, 2017

Remains a Competitive Transportation Solution to U.S. Gulf Coast
Energy East – Critical to Reach Eastern Refineries and Tidewater

- $15.7 billion investment
- 1.1 million bbl/d of capacity underpinned by long-term, take-or-pay contracts
- Would serve Montréal, Québec City and Saint John refineries
- Also provides tidewater access
- Project is subject to regulatory approvals
  - National Energy Board (NEB) has appointed three new members to the panel that will restart the review of the project
  - The panelists will determine how to move forward with the review process
Positioned to Benefit from West Coast LNG

- Two large-scale projects underpinned by long-term contracts
  - $5 billion Prince Rupert Gas Transmission (PRGT) project
  - $4.8 billion Coastal GasLink (CGL) project
- PRGT and CGL have received their pipeline and facilities permits from the B.C. Oil and Gas Commission
- The Pacific NorthWest LNG project received Federal Government approval to proceed; the LNG project, and by extension PRGT, are now subject to a Final Investment Decision by PNW
- Also working with LNG Canada to determine the appropriate pace of work activities following their decision to delay the Final Investment Decision. LNG Canada has also received regulatory approval.
- No development cost risk and minimal capital cost risk on either project
Financial Strategy

• Invest in low-risk assets that generate predictable and sustainable growth in earnings, cash flow and dividends
• Finance long-term assets with long-term capital
• Maintain financial strength and flexibility
• Value ‘A’ grade credit rating
• Effectively manage foreign exchange, interest rate and counterparty exposures
• Disciplined cost and capital management
• Simplicity and understandability of corporate structure

Built For All Phases of the Economic Cycle
Commercial and Financial Variability

• **Volumetric**
  - Spot movements on southern portion of Keystone System
  - Availability at Bruce Power

• **Commodity**
  - Alberta cogens and non-regulated natural gas storage
  - Substantially reduced exposure upon sale of U.S. Northeast power portfolio and Alberta PPA terminations

• **Counterparty**
  - Strong counterparty support on contracted assets
  - Cost-of-service or regulated businesses with strong underlying fundamentals

• **Interest Rates**
  - Largely fixed-rate debt financed (~90%) with long duration
  - 17-year average term at 5.3% coupon rate

• **Foreign Exchange**
  - U.S. dollar asset and income position increasing
  - U.S. dollar debt and interest a significant natural hedge
  - Residual exposure actively managed one year forward
2016 – A Transformational Year

**Acquired Columbia Pipeline Group for US$13 Billion**
- Created one of North America’s largest natural gas transmission businesses

**Agreed to Acquire Columbia Pipeline Partners LP Common Units**
- US$915 million acquisition closed in February 2017
- Results in 100% ownership of Columbia’s core assets and simplifies structure

**Added $13 Billion of New Projects to Near-Term Growth Portfolio**
- Includes Columbia and NGTL System expansions and two new pipelines in Mexico

**Agreed to Sell U.S. Northeast Power Business**
- Expect to realize ~US$3.7 billion from monetization
- Asset sales expected to close in first half of 2017
- Proceeds will be used to retire balance of acquisition bridge facility

**Maintained Our Financial Strength and Flexibility**
- Issued $11 billion of subordinated capital including common and preferred shares
- Maintained ‘A’ grade credit rating

**Actions Expected to be Accretive to Earnings and Cash Flow Per Share**
## Financial Highlights – Twelve Months Ended December 31 (Non-GAAP)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comparable Earnings per Share</strong>* (Dollars)</td>
<td>2.48</td>
<td>2.78</td>
<td>12% Increase</td>
</tr>
<tr>
<td><strong>Comparable EBITDA</strong>* ($Millions)</td>
<td>5,908</td>
<td>6,647</td>
<td>13% Increase</td>
</tr>
<tr>
<td><strong>Comparable Funds Generated from Operations</strong>* ($Millions)</td>
<td>4,815</td>
<td>5,171</td>
<td>7% Increase</td>
</tr>
</tbody>
</table>

*Comparable Earnings per Share, Comparable EBITDA and Comparable Funds Generated from Operations are non-GAAP measures. See the non-GAAP measures slide at the front of this presentation for more information.*
Common Share Dividend Increased 10.6 Percent in February

Quarterly dividend of $0.625 per share
Equivalent to $2.50 per share annually*

Seventeenth Consecutive Annual Dividend Increase

* Annual rate based on first quarter dividend of $0.625 per share
## Appendix – Reconciliation of Non-GAAP Measures
(unaudited) (millions of dollars, except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>Three months ended December 31</th>
<th>Twelve months ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Net (Loss)/Income Attributable to Common Shares</td>
<td>$(358)</td>
<td>$(2,458)</td>
</tr>
<tr>
<td>Specific items (net of tax):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on U.S. Northeast Power assets held for sale</td>
<td>870</td>
<td>-</td>
</tr>
<tr>
<td>Ravenswood goodwill impairment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Alberta PPA terminations and settlement</td>
<td>68</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition related costs - Columbia</td>
<td>67</td>
<td>-</td>
</tr>
<tr>
<td>Keystone XL impairment charge</td>
<td>-</td>
<td>2,891</td>
</tr>
<tr>
<td>Other specific items(1)</td>
<td>(21)</td>
<td>20</td>
</tr>
<tr>
<td>Comparable Earnings(2)</td>
<td>626</td>
<td>453</td>
</tr>
<tr>
<td>Net (Loss)/Income Per Common Share</td>
<td>($0.43)</td>
<td>($3.47)</td>
</tr>
<tr>
<td>Specific items (net of tax):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on U.S. Northeast Power assets held for sale</td>
<td>1.05</td>
<td>-</td>
</tr>
<tr>
<td>Ravenswood goodwill impairment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Alberta PPA terminations and settlement</td>
<td>0.08</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition related costs - Columbia</td>
<td>0.08</td>
<td>-</td>
</tr>
<tr>
<td>Keystone XL impairment charge</td>
<td>-</td>
<td>4.08</td>
</tr>
<tr>
<td>Other specific items(1)</td>
<td>(0.03)</td>
<td>0.03</td>
</tr>
<tr>
<td>Comparable Earnings Per Common Share(2)</td>
<td>$0.75</td>
<td>$0.64</td>
</tr>
<tr>
<td>Average Common Shares Outstanding (millions)</td>
<td>832</td>
<td>708</td>
</tr>
</tbody>
</table>

(1) For additional details on these specific items, see the February 16, 2017 Fourth Quarter News Release
(2) Non-GAAP measure. For additional information on these items see the February 16, 2017 Fourth Quarter News Release
## Appendix – Reconciliation of Non-GAAP Measures continued

(unaudited) (millions of dollars)

(1) Comparable EBITDA and Comparable EBIT are non-GAAP measures. See the non-GAAP measures slide at the front of this presentation for more information.

<table>
<thead>
<tr>
<th></th>
<th>Three months ended December 31</th>
<th>Twelve months ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Comparable EBITDA(1)</td>
<td>1,890</td>
<td>1,527</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(514)</td>
<td>(452)</td>
</tr>
<tr>
<td>Comparable EBIT(1)</td>
<td>1,376</td>
<td>1,075</td>
</tr>
<tr>
<td>Specific items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ravenswood goodwill impairment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss on U.S. Northeast power assets held for sale</td>
<td>(839)</td>
<td>-</td>
</tr>
<tr>
<td>Alberta PPA terminations and settlement</td>
<td>(92)</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition related costs - Columbia</td>
<td>(47)</td>
<td>-</td>
</tr>
<tr>
<td>Keystone XL asset costs</td>
<td>(15)</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>(8)</td>
<td>(79)</td>
</tr>
<tr>
<td>TC Offshore loss on sale</td>
<td>-</td>
<td>(125)</td>
</tr>
<tr>
<td>Keystone XL impairment charge</td>
<td>-</td>
<td>(3,686)</td>
</tr>
<tr>
<td>Turbine equipment impairment charge</td>
<td>-</td>
<td>(59)</td>
</tr>
<tr>
<td>Bruce Power merger - debt retirement charge</td>
<td>-</td>
<td>(36)</td>
</tr>
<tr>
<td>Risk management activities</td>
<td>101</td>
<td>(10)</td>
</tr>
<tr>
<td>Segmented Earnings/(Losses)</td>
<td>476</td>
<td>(2,920)</td>
</tr>
</tbody>
</table>
## Appendix – Reconciliation of Non-GAAP Measures continued

(unaudited) (millions of dollars, except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>Three months ended December 31</th>
<th>Twelve months ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operations</strong></td>
<td>1,575</td>
<td>1,196</td>
</tr>
<tr>
<td><strong>(Decrease)/increase in operating working capital</strong></td>
<td>(220)</td>
<td>(32)</td>
</tr>
<tr>
<td><strong>Funds Generated From Operations</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>1,355</td>
<td>1,164</td>
</tr>
<tr>
<td><strong>Specific items:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition related costs - Columbia</td>
<td>45</td>
<td>-</td>
</tr>
<tr>
<td>Keystone XL asset costs</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>-</td>
<td>65</td>
</tr>
<tr>
<td>Loss on U.S. Northeast power assets held for sale</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td><strong>Comparable Funds Generated From Operations</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>1,425</td>
<td>1,229</td>
</tr>
<tr>
<td>Dividends on preferred shares</td>
<td>(26)</td>
<td>(23)</td>
</tr>
<tr>
<td>Distributions paid to non-controlling interests</td>
<td>(78)</td>
<td>(56)</td>
</tr>
<tr>
<td>Maintenance capital expenditures including equity investments</td>
<td>(357)</td>
<td>(353)</td>
</tr>
<tr>
<td><strong>Comparable Distributable Cash Flow</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>964</td>
<td>797</td>
</tr>
<tr>
<td><strong>Per Common Share</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>$ 1.16</td>
<td>$ 1.13</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Funds Generated from Operations, Comparable Funds Generated from Operations, Comparable Distributable Cash Flow and Comparable Distributable Cash Flow per Common Share are non-GAAP measures. See the non-GAAP measures slide at the front of this presentation for more information.
Corporate Profile
April 2017