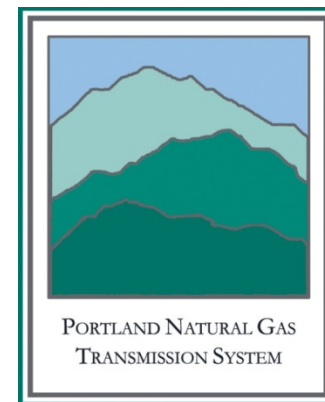




NGA 2018 Regional Market Trends Forum

Portland Natural Gas Transmission System Update

May 3, 2018

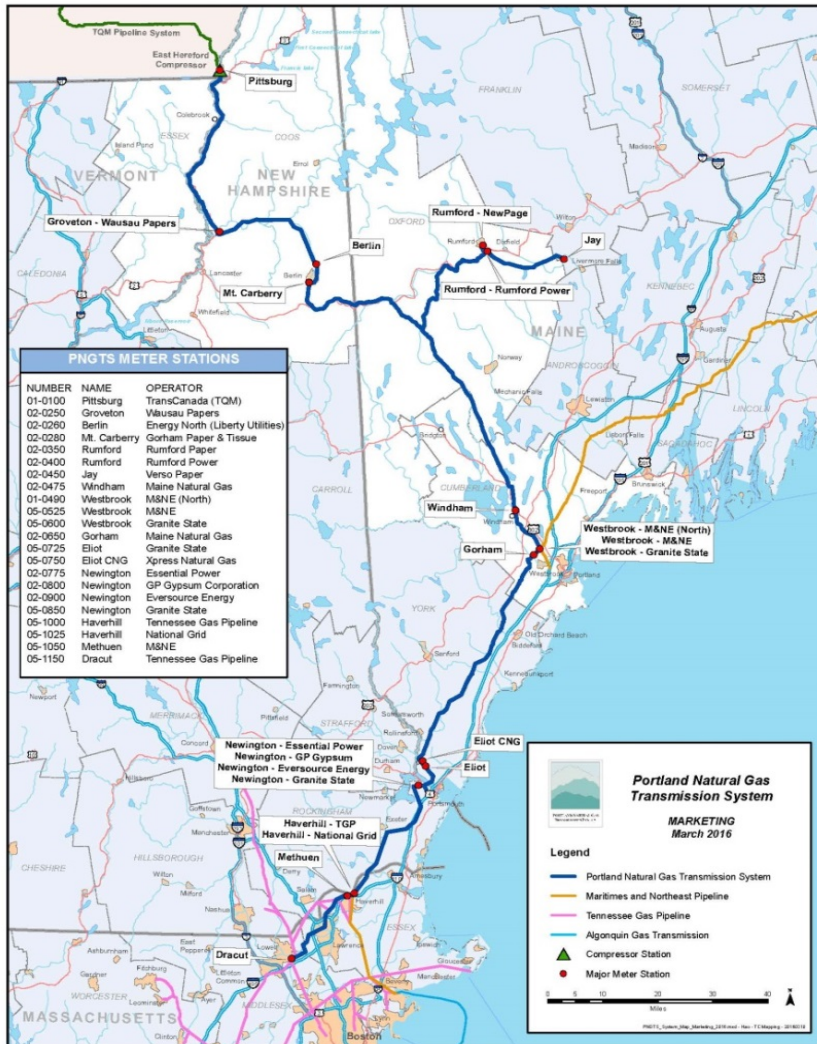


Forward Looking Statement

Forward-Looking Information

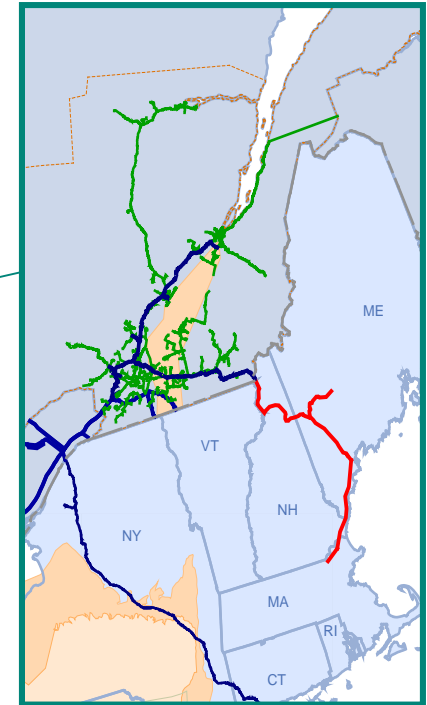
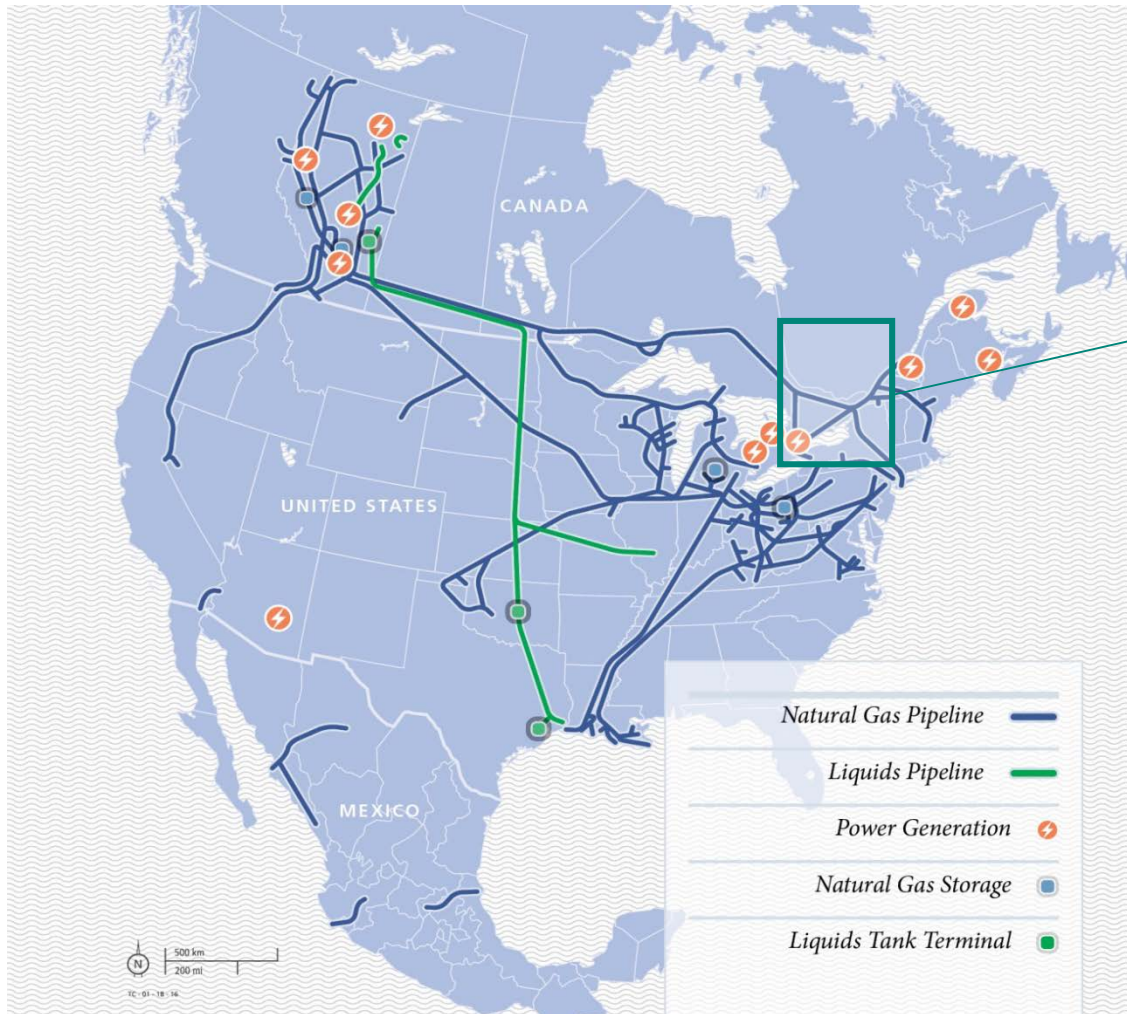
This presentation may contain certain information that is forward-looking and is subject to important risks and uncertainties. The words "anticipate", "expect", "believe", "may", "should", "estimate", "project", "outlook", "forecast" or other similar words are used to identify such forward-looking information. Forward-looking statements in this presentation are intended to provide information regarding TransCanada and its subsidiaries, including management's assessment of PNGTS' future financial and operations plans and outlook. Forward-looking statements in this document may include, among others, statements regarding the anticipated business prospects and financial performance of PNGTS, expectations or projections about the future, and strategies and goals for growth and expansion. All forward-looking statements reflect TransCanada's beliefs and assumptions based on information available at the time the statements were made. Actual results or events may differ from those predicted in these forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among others, the ability of PNGTS to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the operating performance of PNGTS, the availability and price of energy commodities, capacity payments, regulatory processes and decisions, changes in environmental and other laws and regulations, competitive factors in the pipeline and energy sectors, construction and completion of capital projects, and the current economic conditions in North America. By its nature, forward looking information is subject to various risks and uncertainties, which could cause actual results and experience to differ materially from the anticipated results or expectations expressed.. PNGTS undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

Portland Natural Gas Transmission System



- **1999 (In Service):**
 - **Delivered Western Canadian Sedimentary Basin ("WCSB") gas to New England markets**
- **Now:**
 - **Delivers WCSB (Shales and Conventional) and Marcellus gas to New England and Atlantic Canada Markets**

PNGTS' Ownership



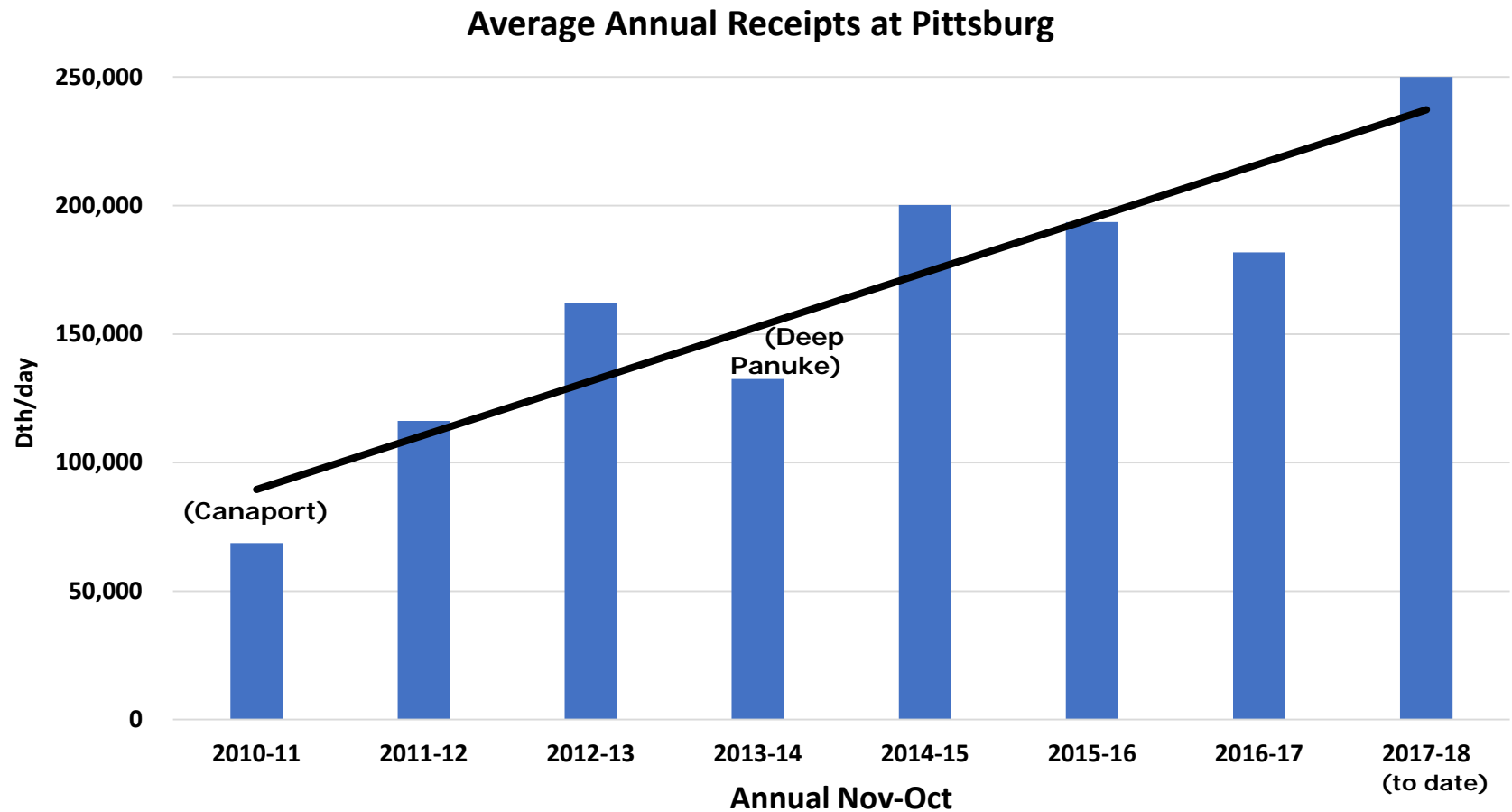
**PNGTS = Partnership
of TCPL and Energir
(formerly GazMetro)**

- TC PipeLines, LP 61.71%
- Energir 38.29%

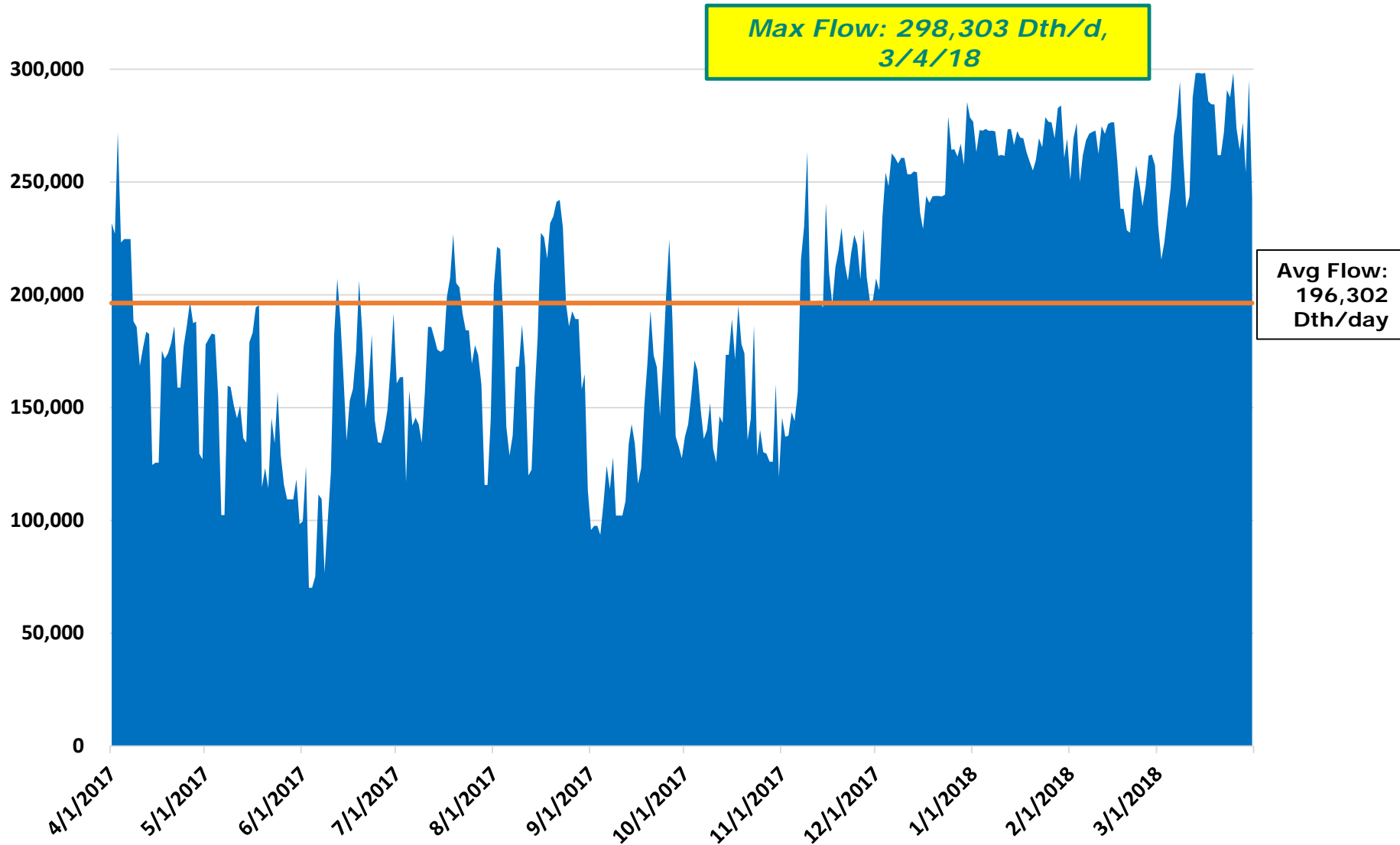
Current Regional Natural Gas Landscape

- 
- **Severe Bottlenecks**
 - **Cold Winter/Volatile Pricing**
 - **Sable Island/Deep Panuke Decline and Impending Shut In**
 - **Cancelled/Delayed Projects**
 - **Increasing Electric Gen Demand**

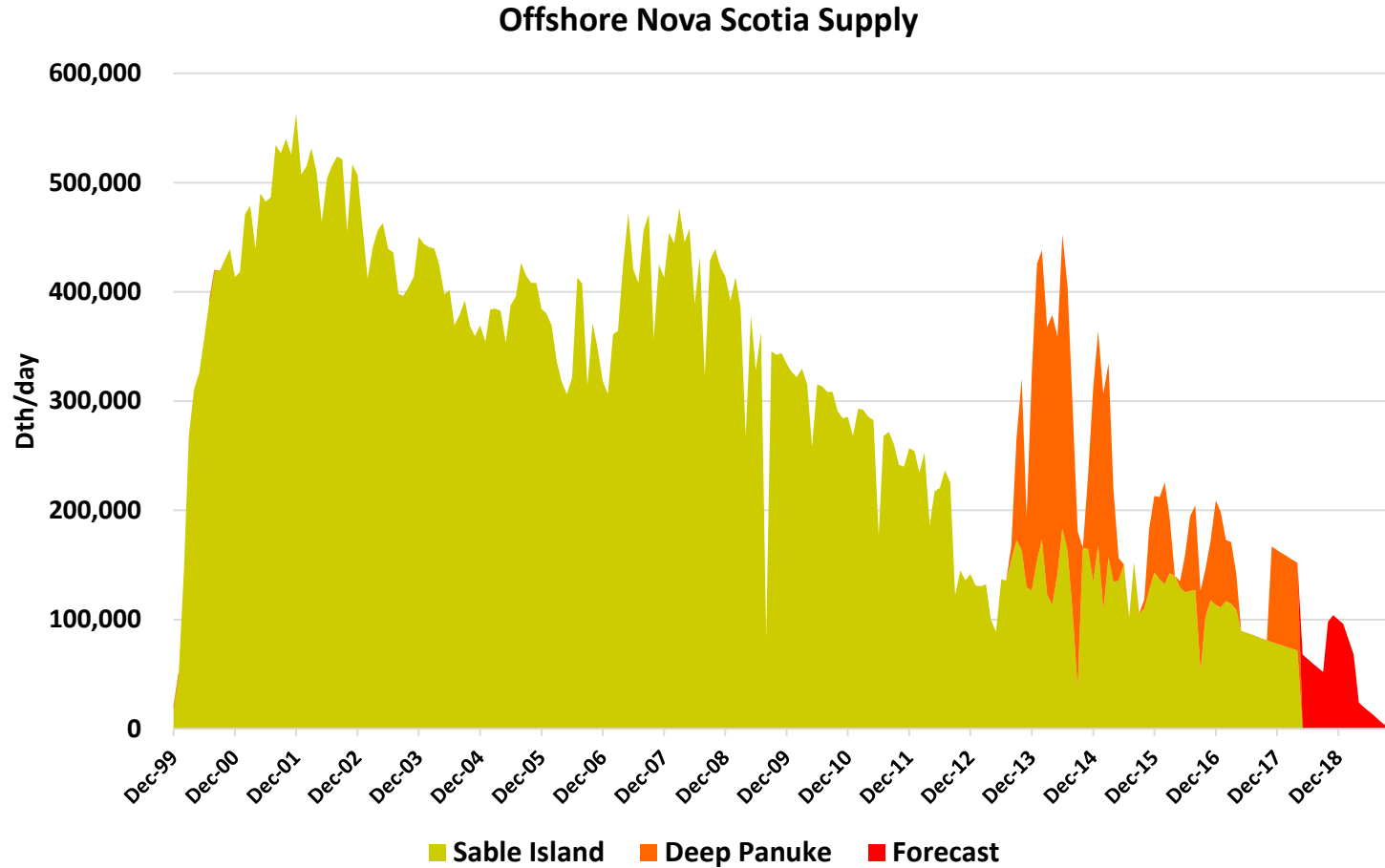
Increasing Demand for PNGTS Capacity



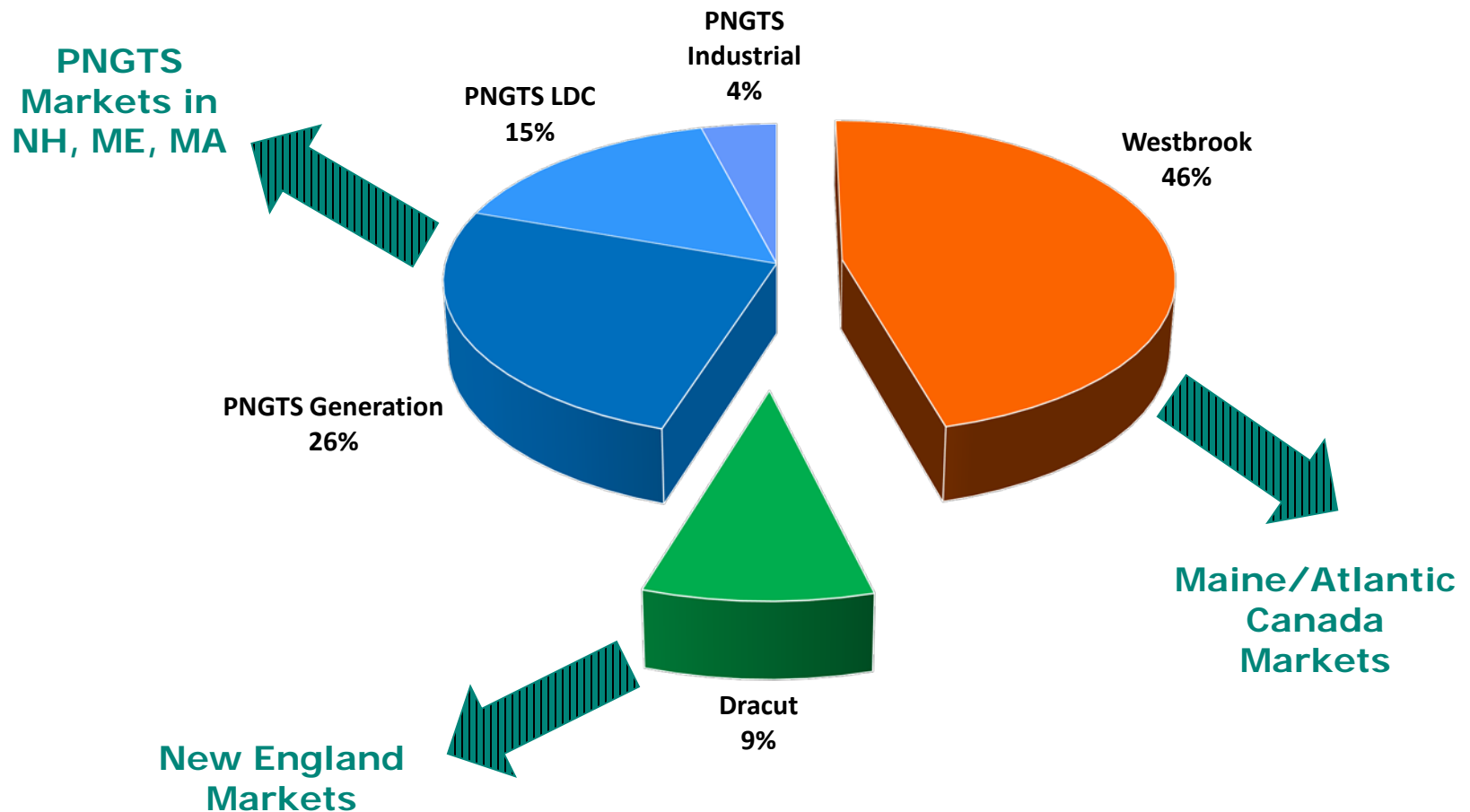
PNGTS Total Volume: Receipts at Pittsburg



Impending Shutdown of Sable Island, Deep Panuke

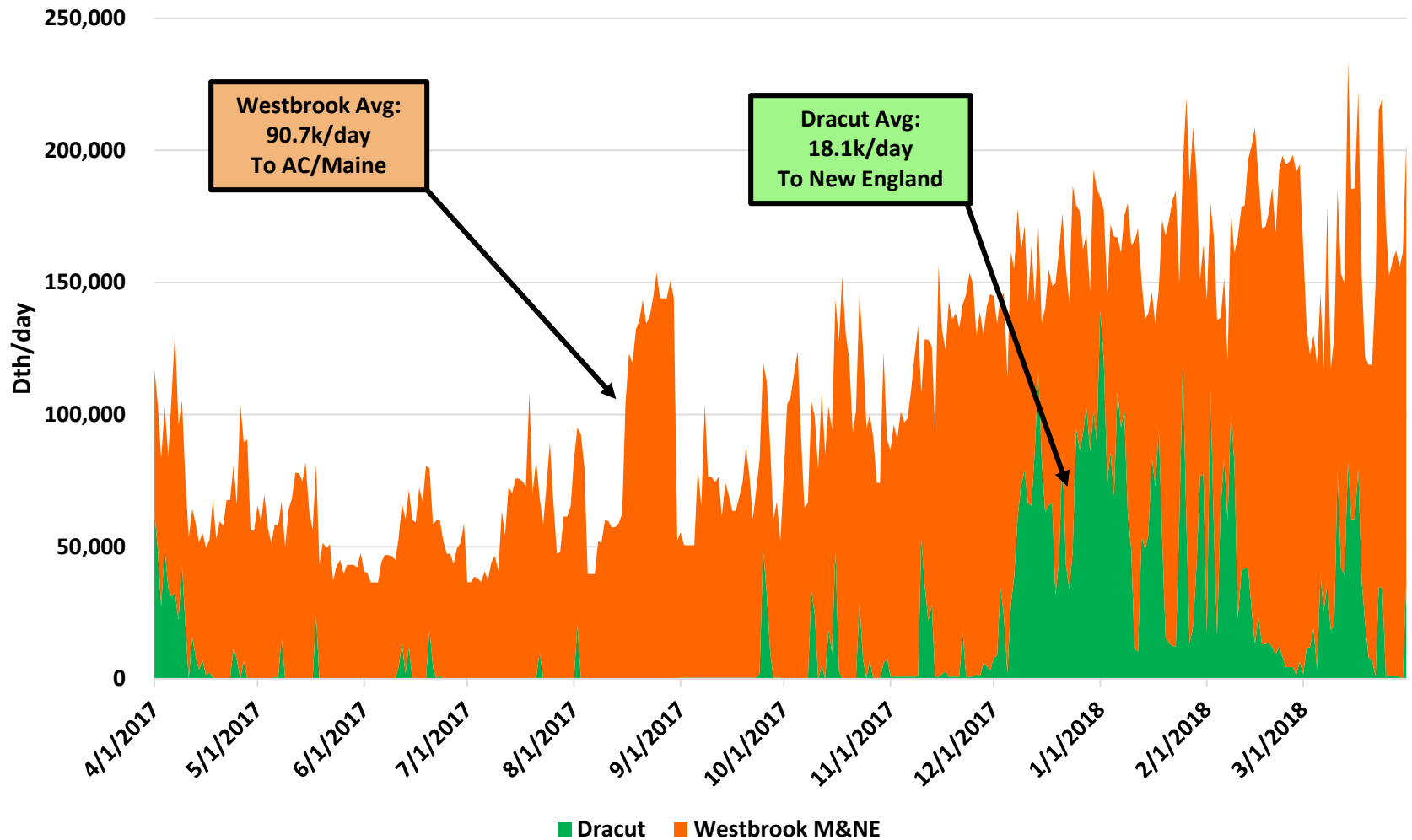


Current PNGTS Market Mix (by Flow Volume)



Off System Annual Demand: To New England and Atlantic Canada/Maine

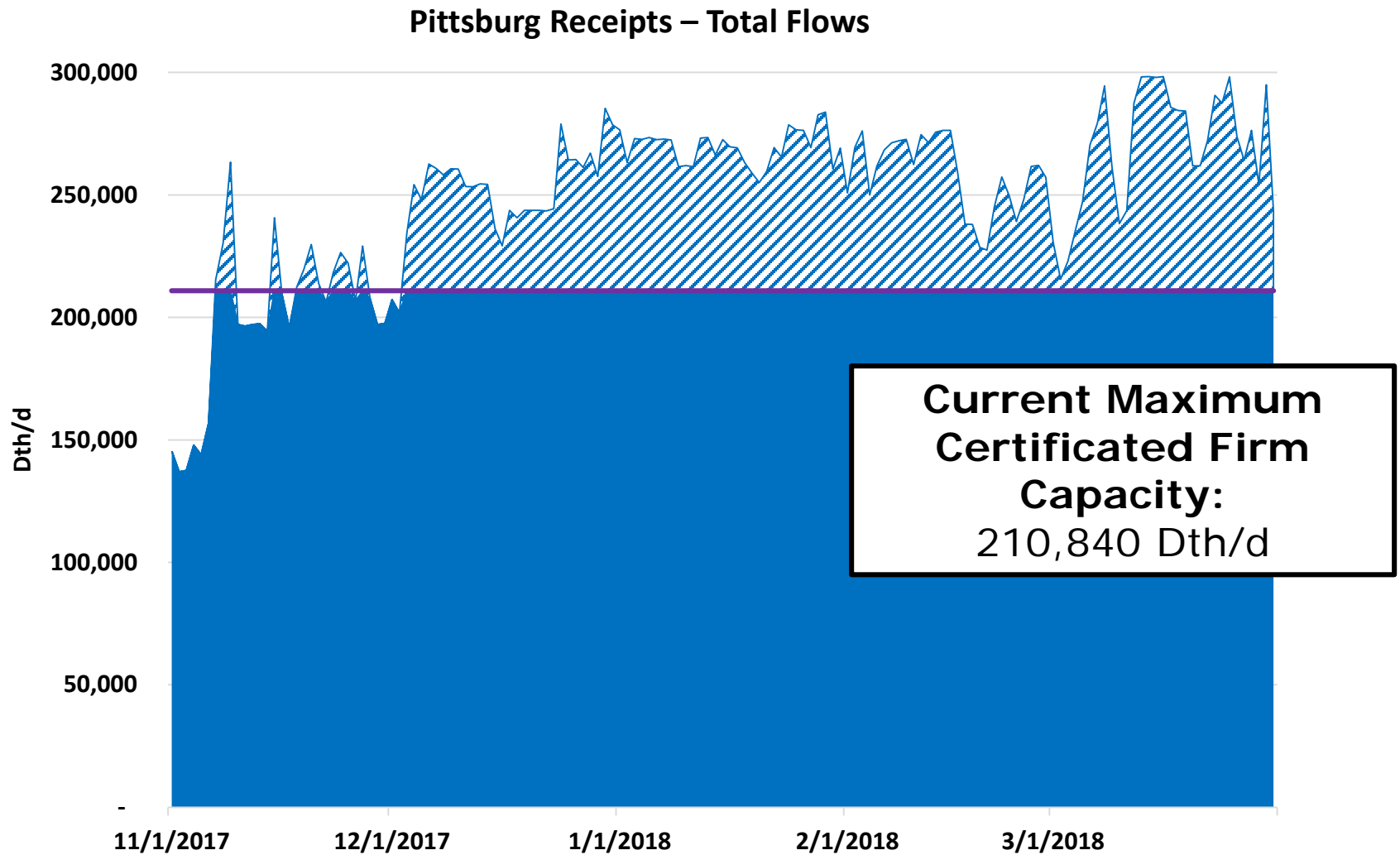
Dracut to New England and Westbrook to Atlantic Canada/Maine



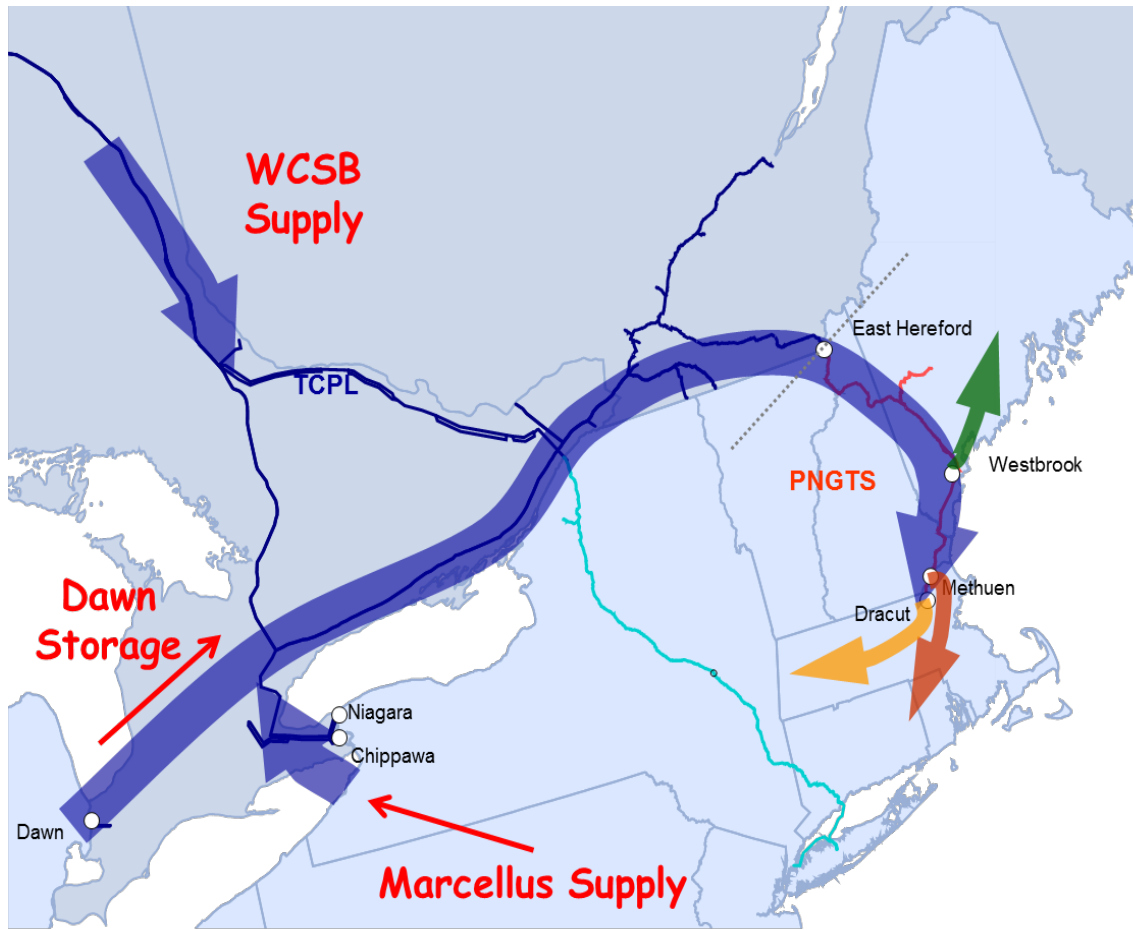


- In Service, with firm upstream capacity on TCPL
- 82,404 Dth/day
- Shippers:
 - Northern Utilities
 - Columbia of MA
 - Liberty Utilities
 - Irving Oil

Current Firm + Day-to-Day, Operationally Available Capacity



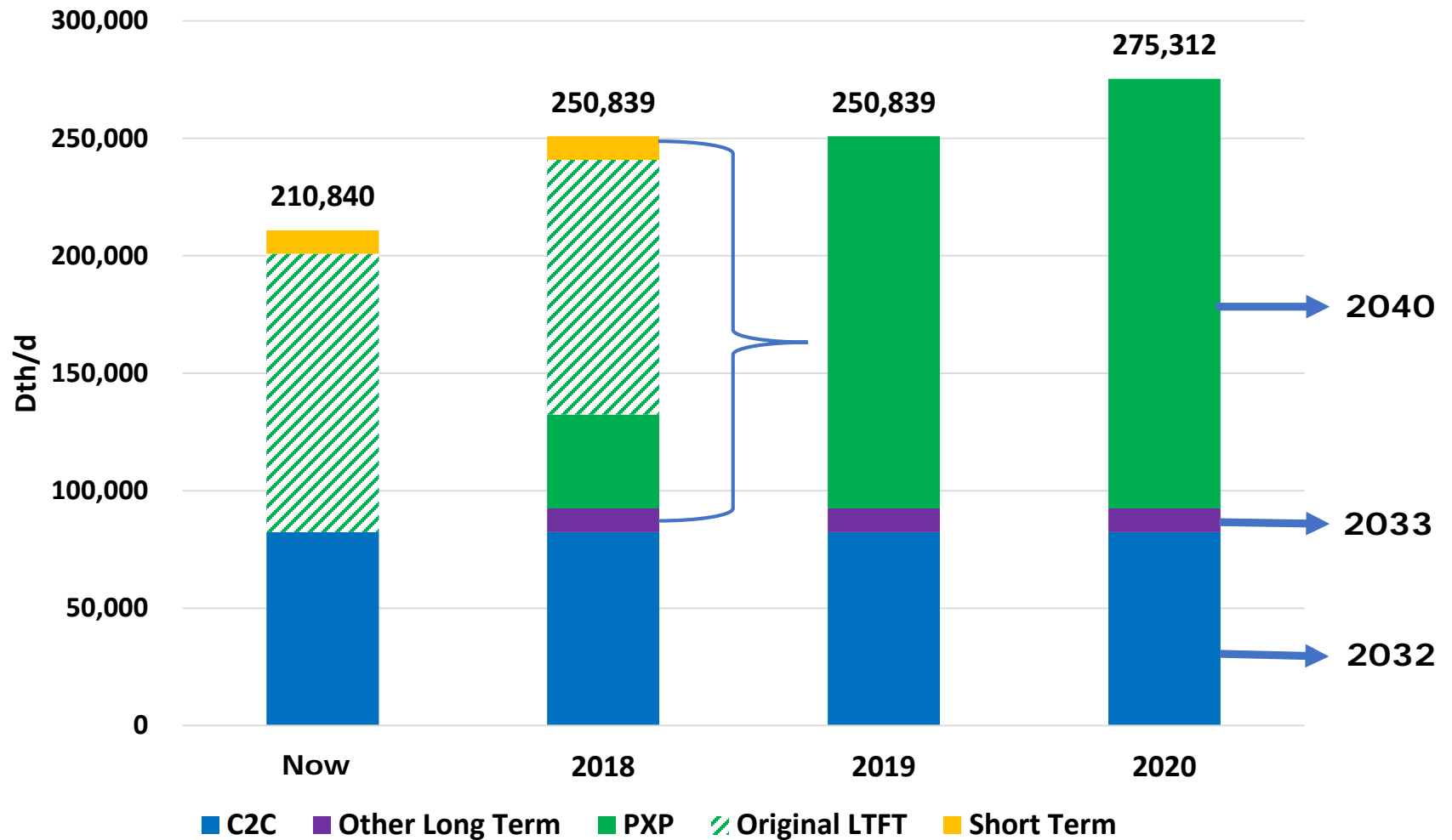
The Portland Xpress Project ("PXP")



- ***Project Scope:***
 - *LDC-based Project*
 - *Total Project Capacity of ~183,000 Dth/d*
 - *Construction (in Canada) on the TransCanada Mainline*
 - *Construction of Compression on PNGTS' Joint Facilities*
 - *Nov-20 Target In-Service Date (phased-in over 3 year period 2018-2020)*

- **Phase I – Expected In-Service Nov 1, 2018**
 - Volume 40,000 Dth/day
 - Using Joint Facilities operational capacity on a short term basis
- **Phase II – Expected In-Service Nov 1, 2019**
 - Total volume 158,400 Dth/day
 - Recontracting expiring contracts
- **Phase III – Expected In-Service Nov 1, 2020**
 - Total volume 183,000 Dth/day
 - Construction of compression to replace Phase I operational capacity and meet total project volume need

The “New” PNGTS



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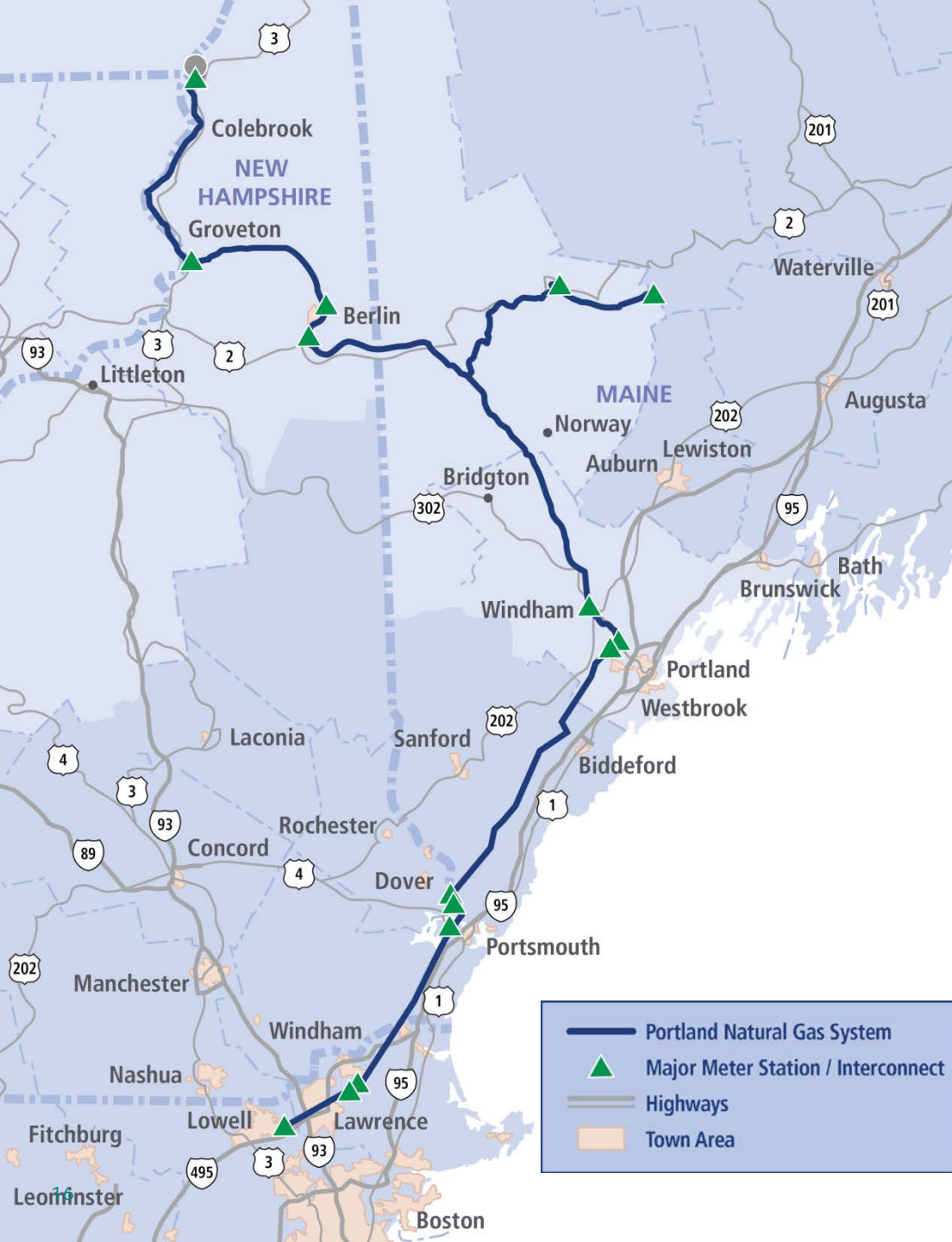
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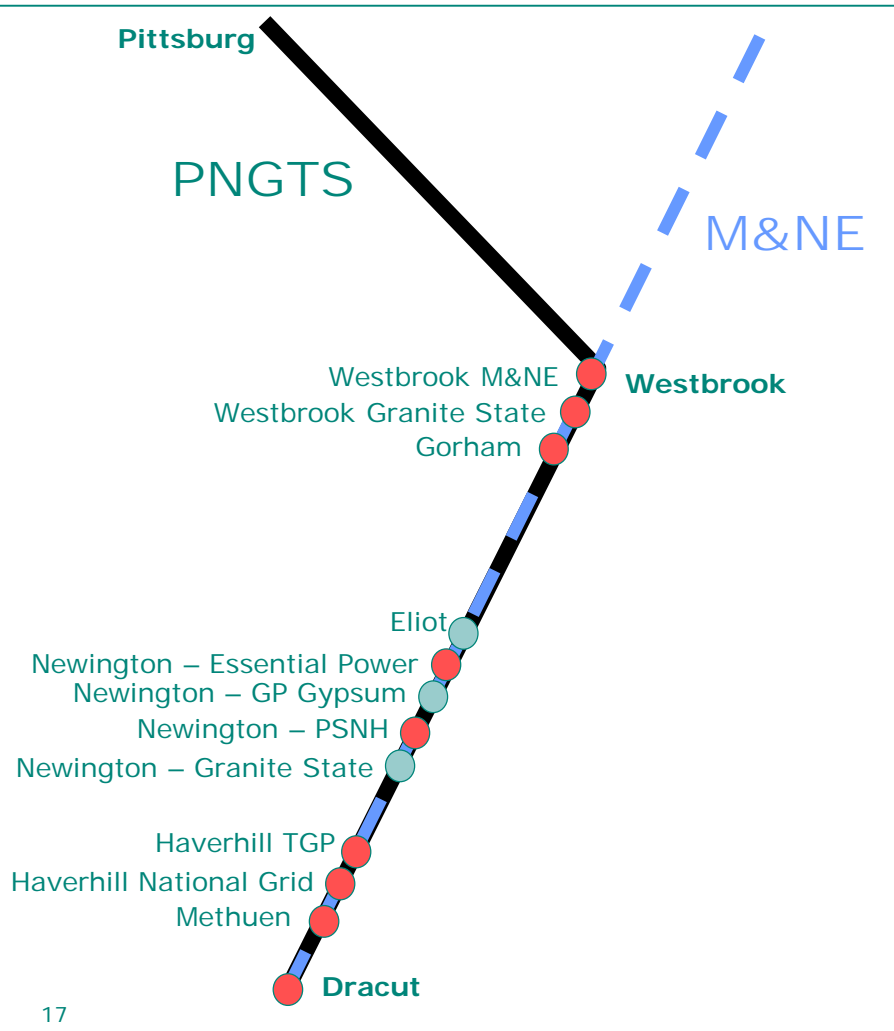
AOL IM: cynthiarmstrong

LinkedIn: www.linkedin.com/in/cynthiarmstrong/



Existing PNGTS/MNE Joint Facilities Compressor Stations

(One Physical Pipe)



(Two Commercially Separate Pipelines,
each with their own capacity)

