



TransCanada Investor Days

November 14-15, 2012



Forward-Looking Information



This presentation contains certain information that is forward looking and is subject to important risks and uncertainties. The words "anticipate", "expect", "believe", "may", "will", "should", "estimate", "project", "outlook", "forecast", "intend", "target", "plan" or other similar words are used to identify such forward-looking information. Forward-looking statements in this presentation are intended to provide TransCanada security holders and potential investors with information regarding TransCanada and its subsidiaries, including management's assessment of TransCanada's and its subsidiaries' future plans and financial outlook. Forward-looking statements in this presentation may include, but are not limited to, statements regarding anticipated business prospects; financial and operational performance of TransCanada and its subsidiaries and affiliates; expectations or projections about strategies and goals for growth and expansion; expected cash flows; expected costs; expected costs for projects under construction; expected schedules for planned projects (including anticipated construction and completion dates); expected regulatory processes and outcomes; expected outcomes with respect to legal proceedings, including arbitration; expected capital expenditures and contractual obligations; expected operating and financial results; and expected impact of future commitments and contingent liabilities.

These forward-looking statements reflect TransCanada's beliefs and assumptions based on information available at the time the statements were made and as such are not guarantees of future performance. By their nature, forward-looking statements are subject to various assumptions, risks and uncertainties which could cause TransCanada's actual results and achievements to differ materially from the anticipated results or expectations expressed or implied in such statements. Key assumptions on which TransCanada's forward-looking statements are based include, but are not limited to, assumptions about inflation rates, commodity prices and capacity prices; timing of debt issuances and hedging; regulatory decisions and outcomes; arbitration decisions and outcomes; foreign exchange rates; interest rates; tax rates; planned and unplanned outages and utilization of the Company's pipeline and energy assets; asset reliability and integrity; access to capital markets; anticipated construction costs, schedules and completion dates; and acquisitions and divestitures.

The risks and uncertainties that could cause actual results or events to differ materially from current expectations include, but are not limited to the ability of TransCanada to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits; the operating performance of the Company's pipeline and energy assets; the availability and price of energy commodities; amount of capacity payments and revenues from the Company's energy business; regulatory decisions and outcomes; outcomes with respect to legal proceedings, including arbitration; counterparty performance; changes in political environment; changes in environmental and other laws and regulations; competitive factors in the pipeline and energy sectors; construction and completion of capital projects; labour, equipment and material costs; access to capital markets; interest and currency exchange rates; weather; technological developments; and economic conditions in North America.

Additional information on these and other factors is available in the reports filed by TransCanada with Canadian securities regulators and with the U.S. Securities and Exchange Commission (SEC). Readers are cautioned against placing undue reliance on forward-looking information, which is given as of the date it is expressed in this presentation or otherwise stated, and not to use future-oriented information or financial outlooks for anything other than their intended purpose. TransCanada undertakes no obligation to publicly update or revise any forward-looking information in this presentation or otherwise stated, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Measures



TransCanada uses the measures Comparable Earnings, Comparable Earnings per Share, Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), Comparable EBITDA, Funds Generated from Operations, and Funds Generated from Operations per Share in this presentation. These measures do not have any standardized meaning prescribed by U.S. generally accepted accounting principles (U.S. GAAP). They are, therefore, considered to be non-GAAP measures and may not be comparable to similar measures presented by other entities. Management of TransCanada uses these non-GAAP measures to improve its ability to compare financial results among reporting periods and to enhance its understanding of operating performance, liquidity and ability to generate funds to finance operations. These non-GAAP measures are also provided to readers as additional information on TransCanada's operating performance, liquidity and ability to generate funds to finance operations.

EBITDA is an approximate measure of the Company's pre-tax operating cash flow and is generally used to better measure performance and evaluate trends of individual assets. EBITDA comprises earnings before deducting interest and other financial charges, income taxes, depreciation and amortization, net income attributable to non-controlling interests and preferred share dividends. EBITDA includes Income from Equity Investments.

Comparable Earnings and Comparable EBITDA comprise Net Income Attributable to Common Shares and EBITDA respectively, and are adjusted for specific items that are significant but are not reflective of the Company's underlying operations in the period. Specific items are subjective, however, management uses its judgment and informed decision-making when identifying items to be excluded in calculating these non-GAAP measures, some of which may recur. Specific items may include but are not limited to certain fair value adjustments relating to risk management activities, income tax adjustments, gains or losses on sales of assets, legal and bankruptcy settlements, and write-downs of assets and investments. These non-GAAP measures are calculated on a consistent basis from period to period. The specific items for which such measures are adjusted in each applicable period may only be relevant in certain periods and are disclosed in the Reconciliation of Non-GAAP Measures table in TransCanada's Management's Discussion and Analysis (MD&A) for the Third Quarter 2012. This table presents a reconciliation of these non-GAAP measures to Net Income Attributable to Common Shares. Comparable Earnings per Share is calculated by dividing Comparable Earnings by the weighted average number of common shares outstanding for the period.

Funds Generated from Operations comprise Net Cash Provided by Operations before changes in operating working capital and allows management to better measure consolidated operating cash flow, excluding fluctuations from working capital balances which may not necessarily be reflective of underlying operations in the same period. A reconciliation of Funds Generated from Operations to Net Cash Provided by Operations is presented in the Summarized Cash Flow table in the Liquidity and Capital Resources section of the Third Quarter 2012 MD&A. Funds Generated from Operations per Share is derived by dividing Funds Generated from Operations by the average common shares outstanding for the period.



Strategic Overview

Russ Girling
President & Chief Executive Officer



Our Vision

TransCanada will be the leading energy infrastructure company in North America...

With a strong focus on pipeline and power generation opportunities...

Located in regions where we have or can develop significant competitive advantage.



Our Value Proposition



Track Record of Delivering Shareholder Value

12.9% average annual return over the last 12 years

Visible Growth

\$19 billion of secured projects

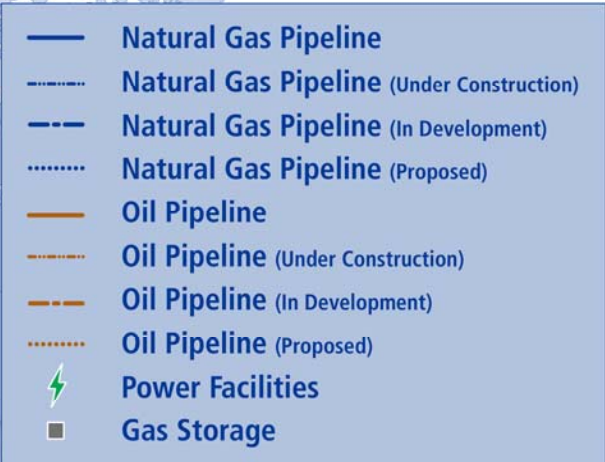
Attractive Dividend

3.9% yield

Strong Financial Position

Capacity to fund growth and increase dividends

Our Assets



One of North America's Largest Natural Gas Pipeline Networks

- 68,500 km (42,500 mi) of pipeline
- 14 Bcf/d or 20% of demand

Third Largest Natural Gas Storage Operator

- 380 Bcf of capacity

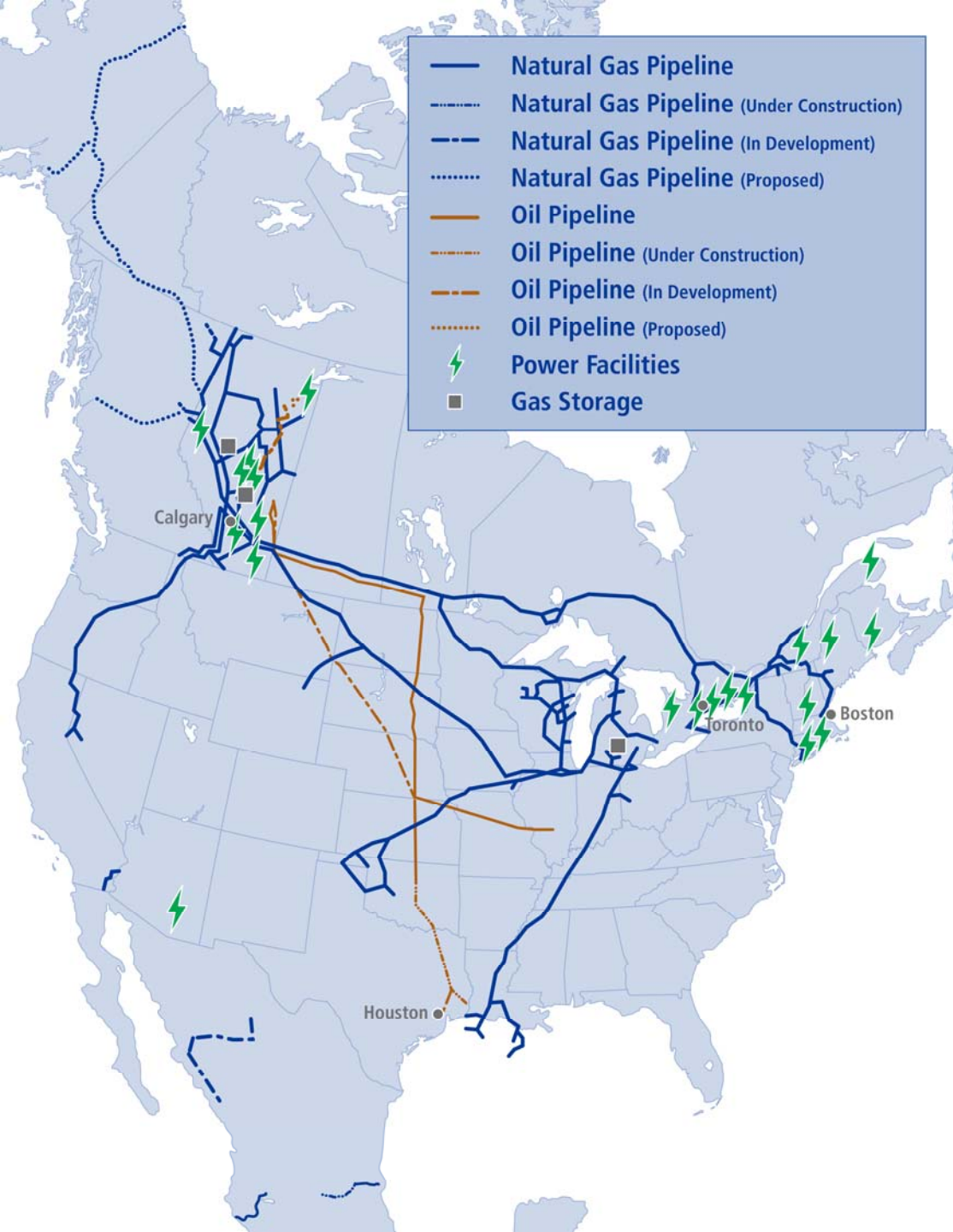
Largest Private Sector Power Generator in Canada

- 21 power plants, 11,800 MW

Premier Oil Pipeline System

- 1.4 million bbl/d ultimate capacity
- 33% of Canadian exports

Enterprise Value ~ \$55 billion



Our Executive Management Team



Russ Girling
President & Chief Executive Officer



Don Marchand
EVP &
Chief Financial
Officer



Alex Pourbaix
President,
Energy &
Oil Pipelines



Dennis McConaghy
EVP
Corporate
Development



Karl Johansson
President,
Natural
Gas Pipelines



Wendy Hanrahan
EVP
Corporate
Services



Greg Lohnes
EVP
Operations &
Major Projects



Sean McMaster
EVP Stakeholder
Relations &
General Counsel



Brandon Anderson
Senior VP
Gas Storage &
Western Power



Paul Miller
Senior VP
Oil Pipelines



Bill Taylor
Senior VP
Eastern Power



Steve Clark
Senior VP
Canadian &
Eastern US Natural
Gas Pipelines



Lee Hobbs
Senior VP and GM
US Pipelines



James Baggs
Senior VP
Operations &
Engineering

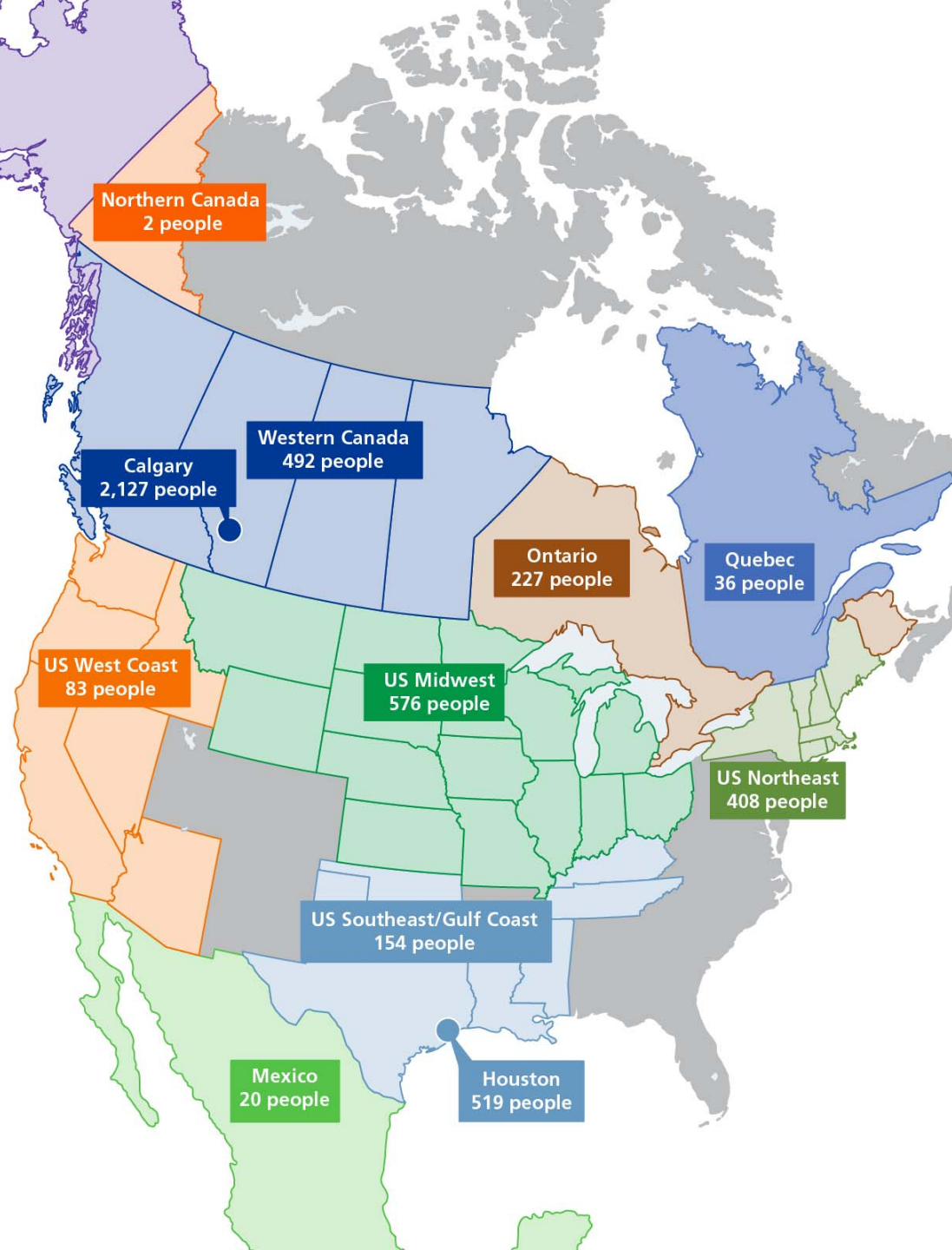


Robert Jones
Senior VP
Major Projects



Kristine Delkus
Senior VP
Pipelines Law &
Regulatory Affairs

Our Talented Employees



- Over 4,600 employees
- Located in
 - 8 Canadian Provinces
 - 32 U.S. States and Mexico
- Includes a wide range of skill sets
 - 2,400+ Operating Staff
 - 500+ Engineers
 - 175+ Legal/Regulatory Experts
 - 350+ Finance Professionals

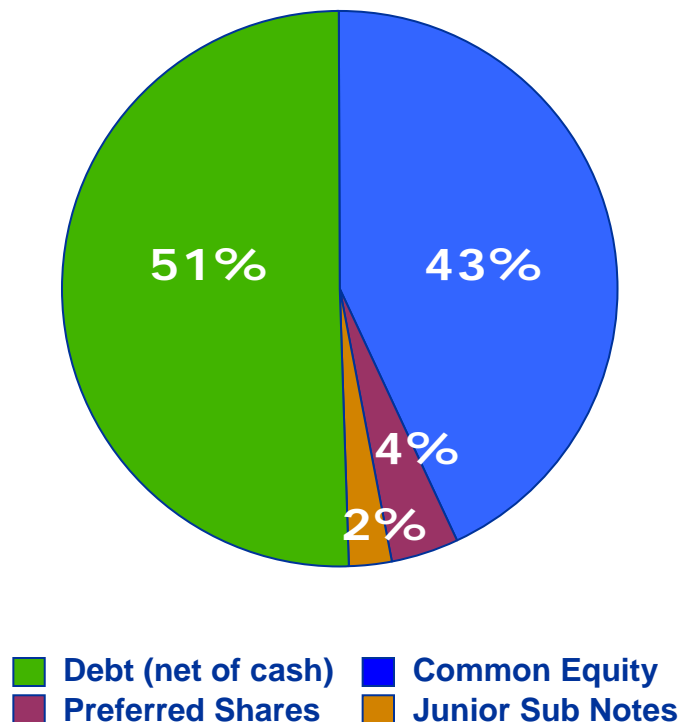


Our Financial Strength and Flexibility



Consolidated Capital Structure*

(at September 30, 2012)



- **Financial position remains strong**
 - 'A' grade credit ratings
 - Access to capital at very attractive rates
- **Funds generated from operations**
 - \$3.5 billion in 2011
 - Expected to grow significantly by 2015

* Common equity includes non-controlling interests in TC PipeLines, LP and Portland.
Effective January 1, 2012, TransCanada adopted U.S. GAAP.

Our Progress Over the Last Year



- ✓ **\$2.3 billion Gulf Coast Project under construction**
- ✓ **\$5.3 billion Keystone XL Project continues to advance**
- ✓ **\$3.2 billion of assets placed into service**
- ✓ **\$9.9 billion of new investment opportunities secured**
- ✓ **Sundance A arbitration decision received**
- ✓ **Ravenswood capacity market complaints resolved**
- ✓ **Mainline tolls hearing nearing completion**

Our Priorities



- Maximize the value of our \$47 billion asset portfolio
- Deliver energy safely and reliably, everyday
- Deliver capital projects on time, on budget
- Continue to invest in low-risk growth opportunities
- Maintain our financial strength and flexibility

*Grow Earnings, Cash Flow and Dividends per Share
Deliver Superior Total Shareholder Returns*

Maximizing the Value of Our Existing Assets



- **\$400 million spent on maintenance capital**
- **Bruce Power Units 3 and 4 operating lives extended**
- **Sundance A to return to service in Fall 2013**
- **Ravenswood received a constructive FERC Order**
- **Northern Border, GTN, Tuscarora and ANR Storage negotiated rate settlements with customers**
- **Mainline Tolls Application addresses significant changes in supply, demand and transportation in North America**
- **Assets positioned to benefit from a recovery in natural gas and power prices**

\$13 Billion of Assets Expected to be In-Service by 2015



Project	(\$Billions)		Expected In-Service Date
	Capital Cost*	Invested to Date	
Bruce Power (Units 1 & 2)	2.4	2.4	Completed
Cartier Wind (Phase V)	0.1	0.1	Completed
Alberta System	1.7	0.7	2012-2014
Gulf Coast Project	2.3	0.9	2013
Keystone XL and Bakken ML	5.4	1.6	2014/2015
Keystone Hardisty Terminal	0.3	--	2014
Ontario Solar	0.5	--	2013-2014
Tamazunchale Extension	0.5	--	2014
	<u>13.2</u>	<u>5.7</u>	

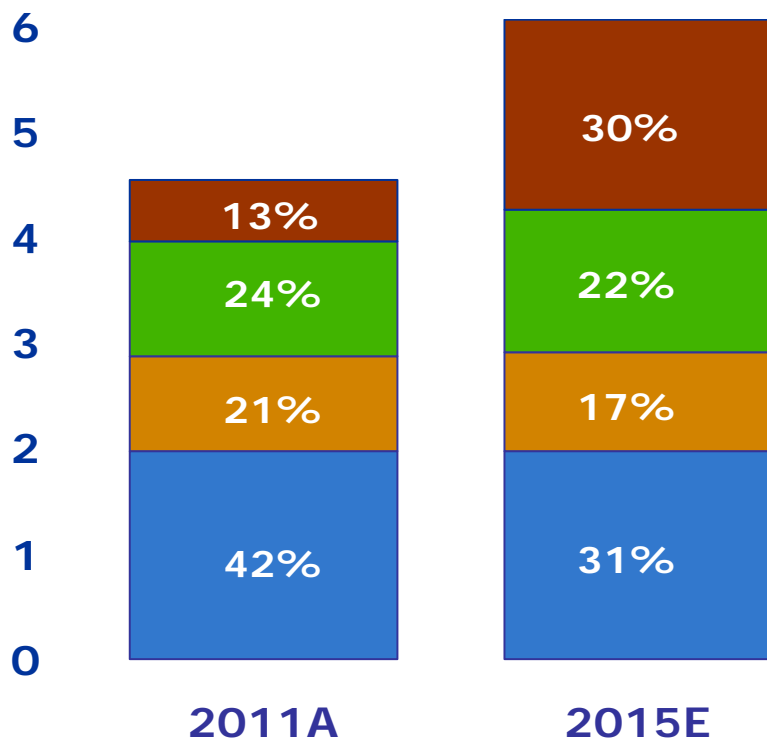
* TransCanada share in Canadian dollars. Excludes small projects, maintenance capital and interest during construction.

\$13 Billion Capital Program Drives Growth



EBITDA Outlook

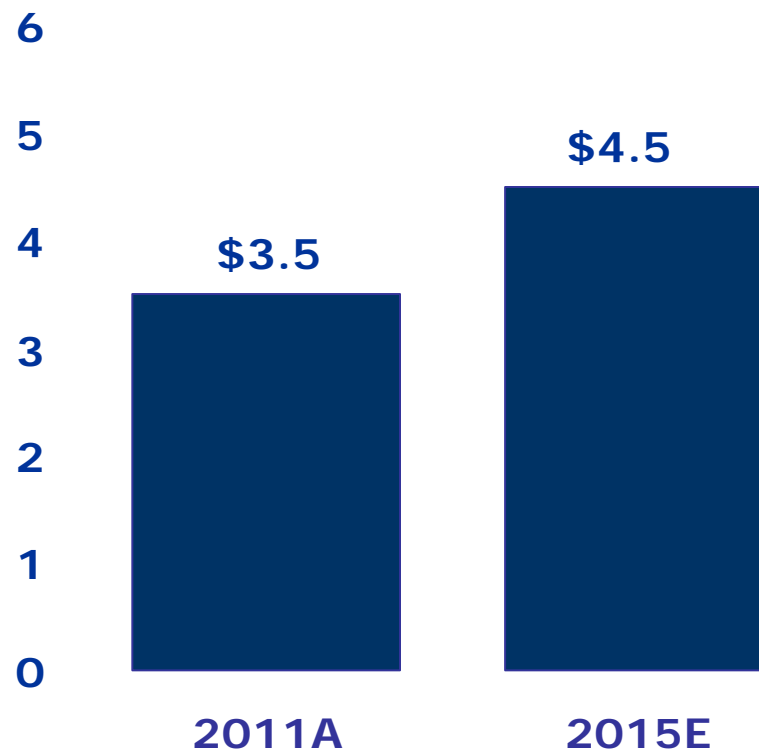
\$Billions



Presented in accordance with U.S. GAAP

Funds Generated from Operations Outlook

\$Billions

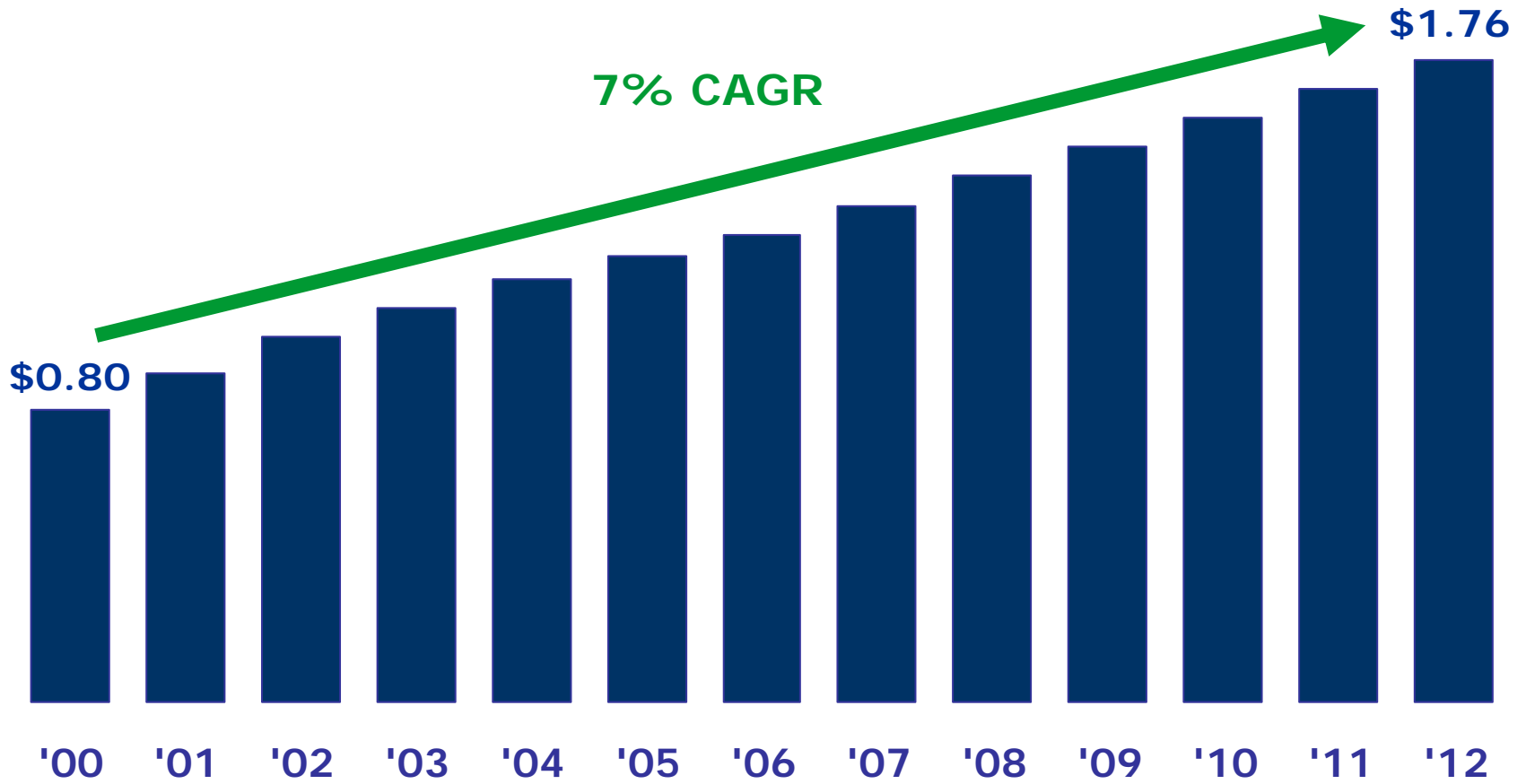


Presented in accordance with U.S. GAAP

Dividends Per Common Share



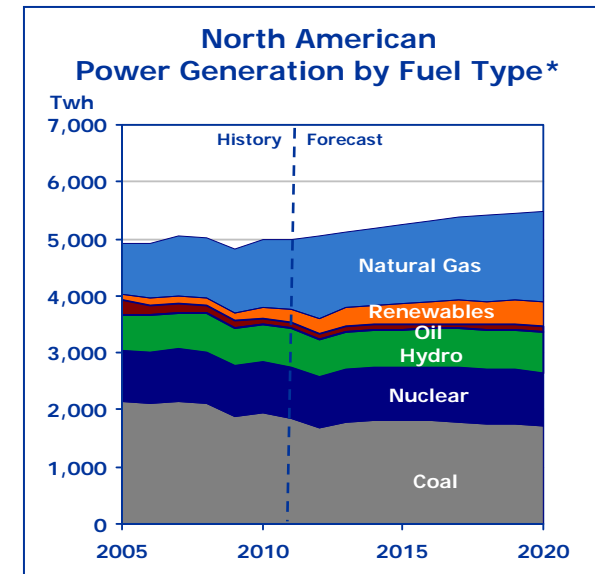
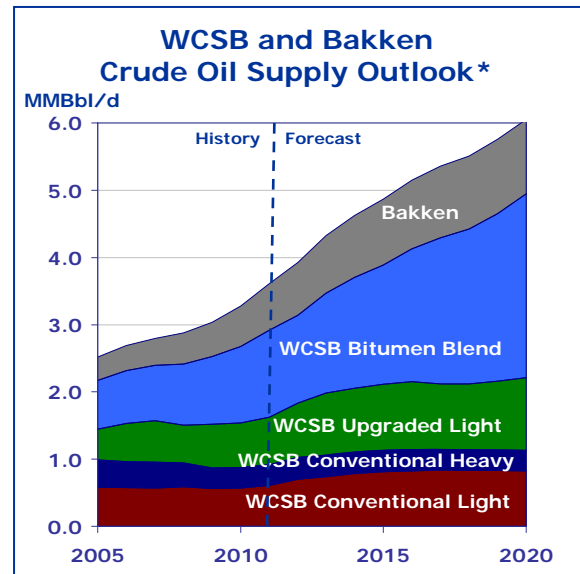
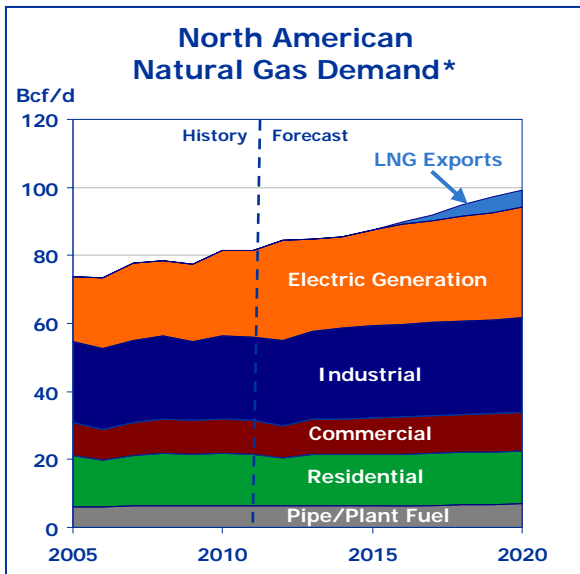
Track Record of Dividend Growth



The North American Energy Landscape



- New *natural gas and crude oil pipelines needed* to connect growing supply with traditional and new markets
- New *power generation and transmission needed* to meet growing demand and replace aging infrastructure
- IEA projects *North America needs \$6 trillion of investment* in energy infrastructure by 2035

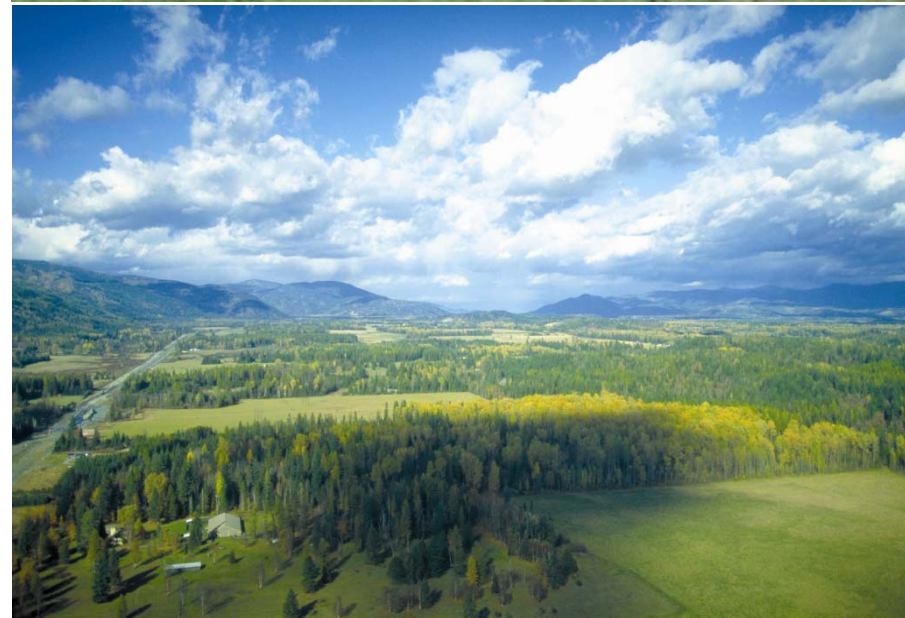


* Source: TransCanada

The North American Energy Landscape



- *Challenging environment* for energy infrastructure projects
- *Socially responsible development* is critical to being successful
- We are committed to...
 - Communities where we work
 - Safety and the Environment
 - Research and Development



\$9 Billion of Commercially Secured Projects Expected to be In-Service Post 2015



Project	Capital Cost* (\$Billions)	Expected In-Service Date
Topolobampo	1.0	2016
Mazatlan	0.4	2016
Northern Courier	0.7	2016
Grand Rapids	1.5	2017
Napanee	1.0	2017
Coastal GasLink	4.0	2018+
	<u>8.6</u>	

* TransCanada share in Canadian dollars



A Decade of Unprecedented Growth (2010-2020)



\$32 billion of commercially secured projects including

- **\$13 billion placed in service since 2010** – Keystone, Alberta System Expansions, Bison, Guadalajara, Halton Hills, Coolidge, Kibby Wind, Cartier Wind and the Bruce Power Unit 1 & 2 Restart
- **\$10 billion expected to enter operations by 2015** – Gulf Coast Project, Keystone XL, Hardisty Terminal, Alberta System Expansions, Ontario Solar, Tamazunchale Extension
- **\$9 billion to be completed post 2015** – Topolobampo, Mazatlan, Northern Courier, Grand Rapids, Napanee, Coastal GasLink

Areas of Potential Future Growth



• Natural Gas Pipelines

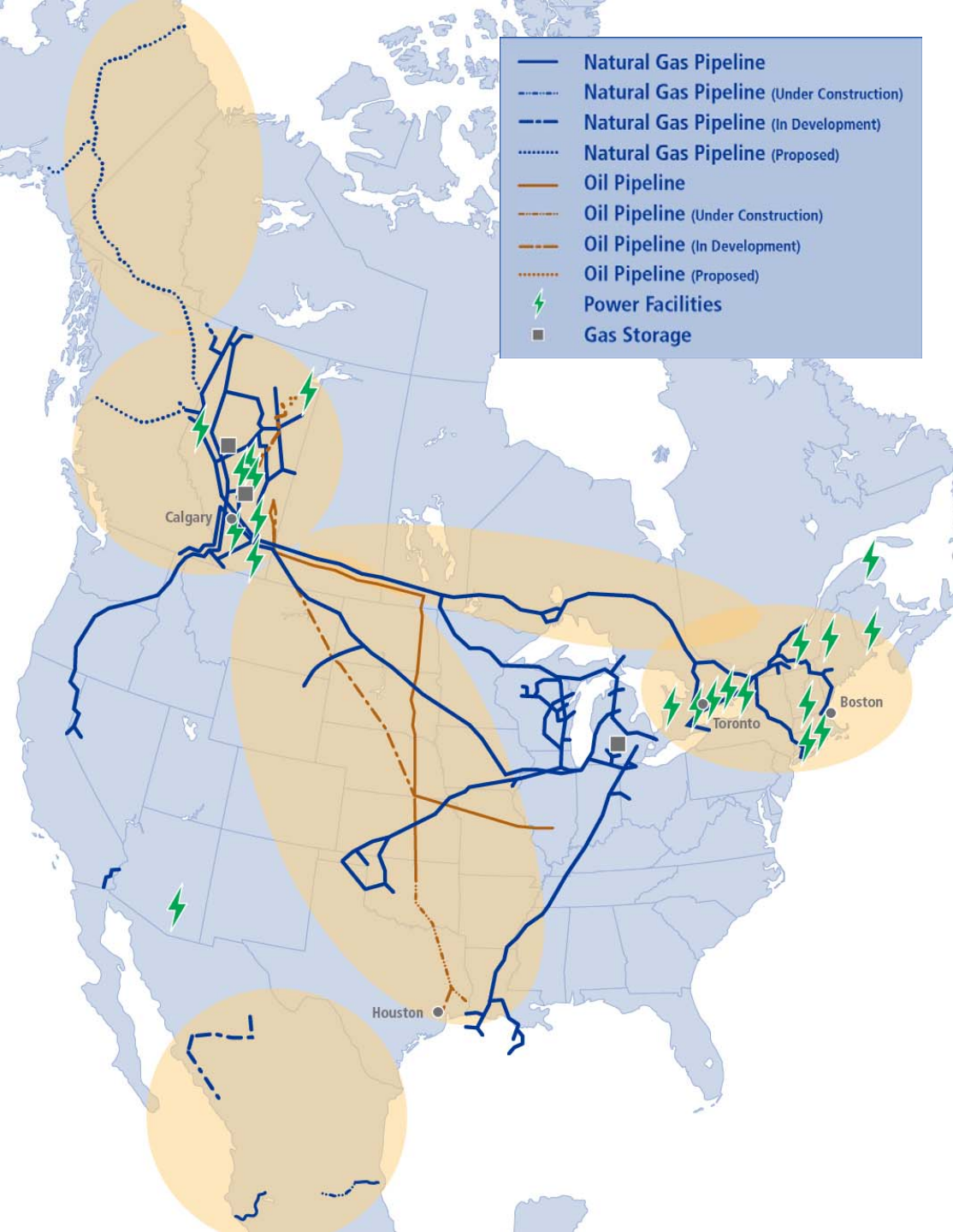
- Alberta System Expansions
- Canadian and U.S. Market Area Connections
- Mexico
- West Coast LNG and Alaska

• Oil Pipelines

- Alberta Regional Pipelines
- Mainline Conversion Proposal
- Other Western Canada and U.S. Shale Oil Market Connections
- Terminals, etc.

• Energy

- Natural Gas-Fired Generation
- Renewables
- Bruce Power Life Extensions



Key Takeaways



- **Leading North American Energy Infrastructure Company**
- **\$47 Billion of Assets Deliver Energy Safely and Reliably**
- **\$19 Billion of Commercially Secured Projects In Development**
- **Significant Additional Long-term Growth Opportunities**

***Growth in Earnings, Cash Flow and Dividends will
Generate Superior Total Shareholder Returns***



Strategic Overview

Russ Girling
President & Chief Executive Officer



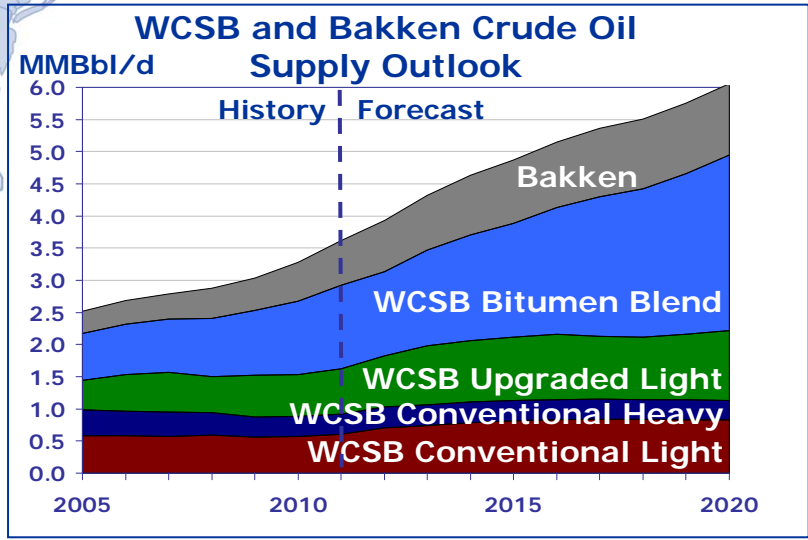
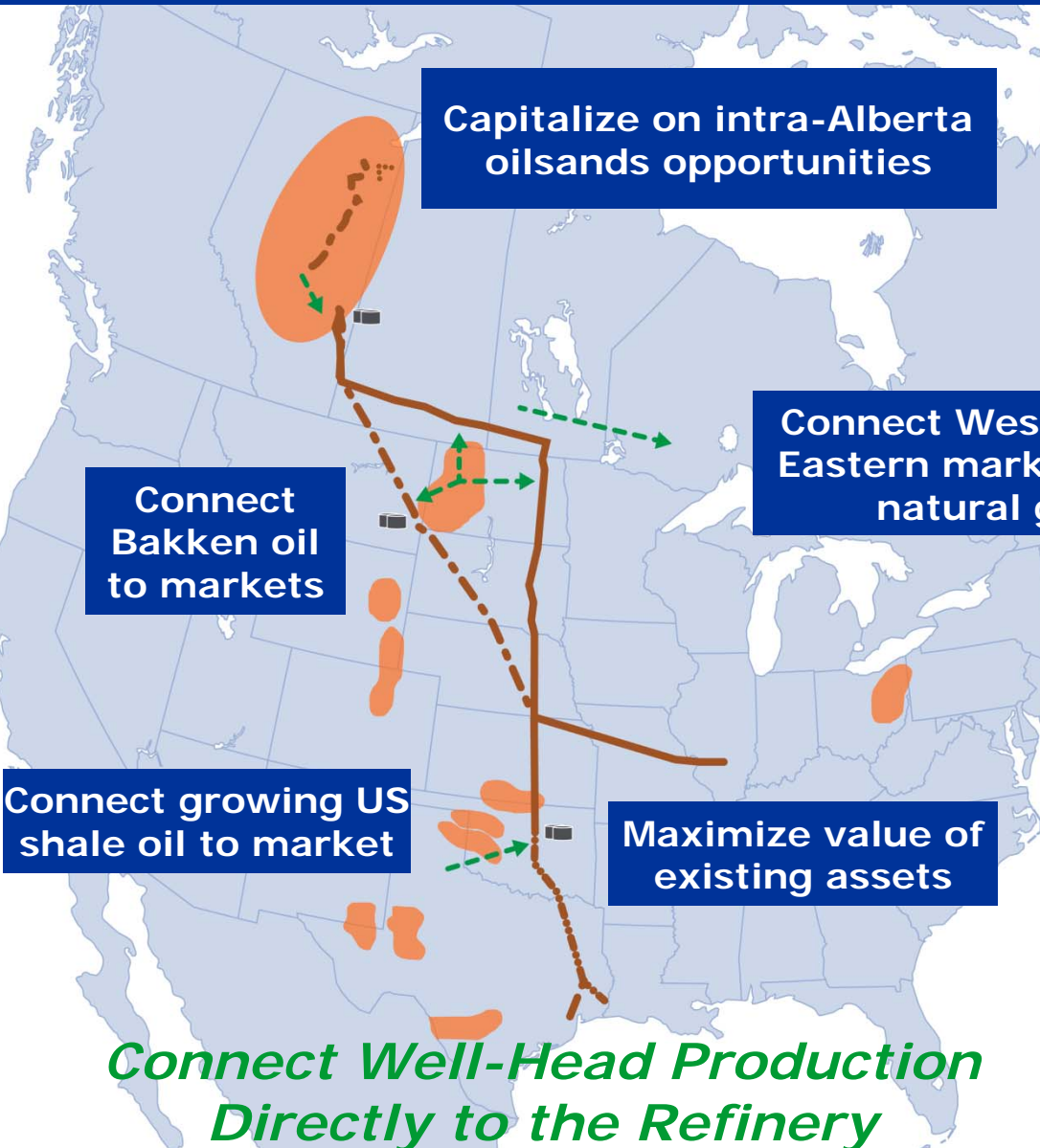


Oil Pipelines

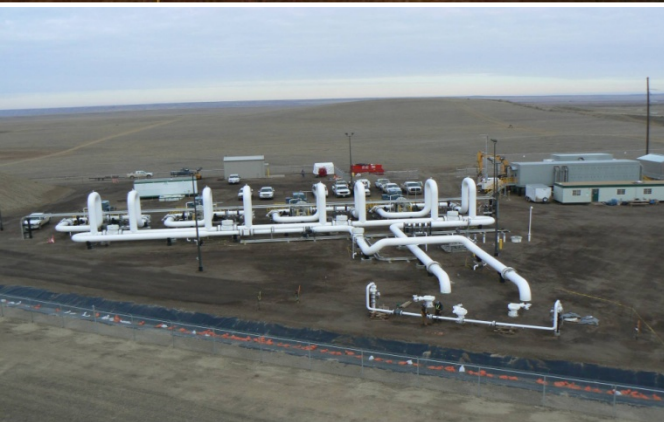
Alex Pourbaix
President, Energy & Oil Pipelines



Oil Pipelines Strategy



Competitive Position



- Safe and reliable operator
- Major builder with experienced staff
- Regulatory expertise
- Competitive tolls
- Integrated solutions
- Utilization of existing assets
- In-depth knowledge of markets and customer needs

*Significant Platform
for Future Growth*

Key Accomplishments in the Past Year

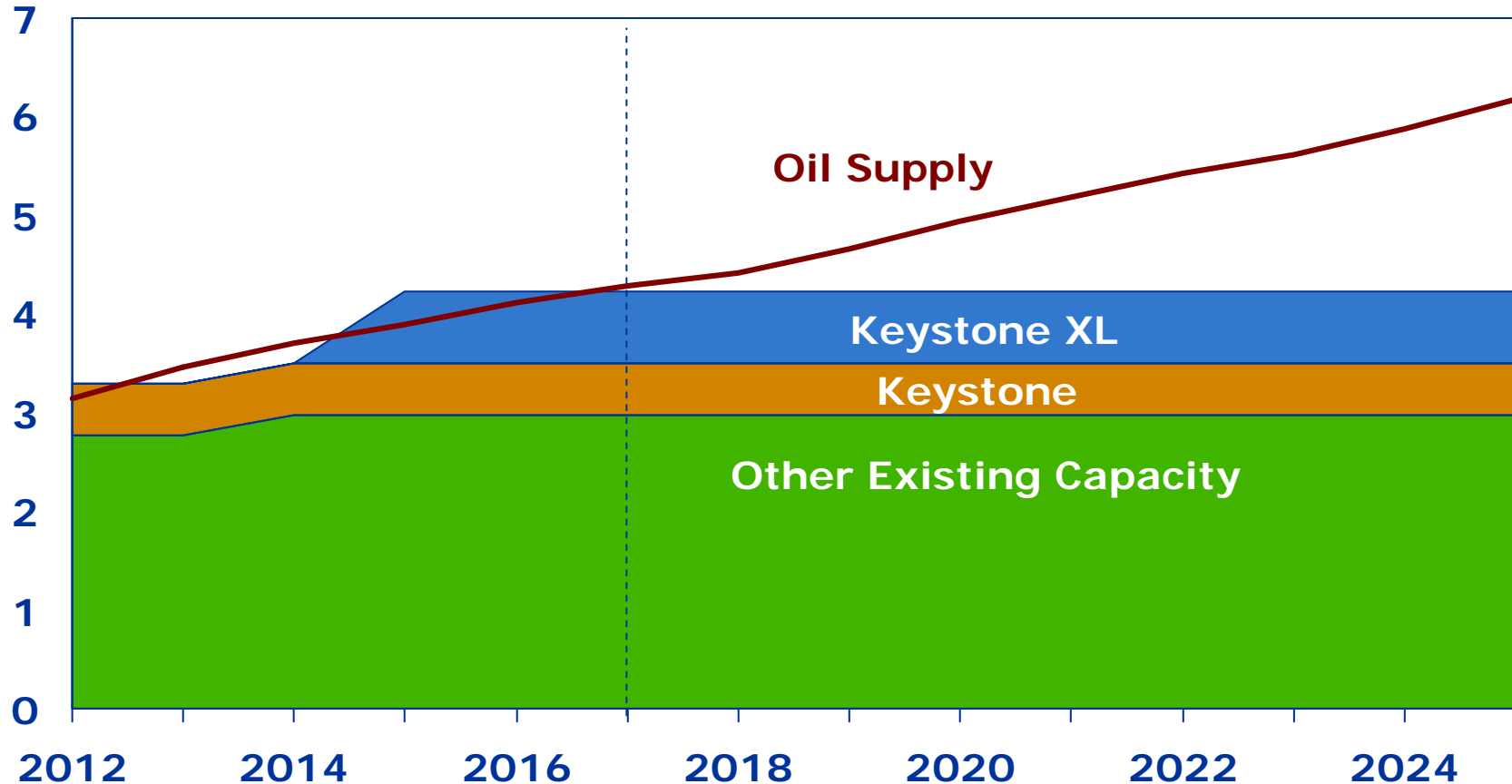


- ✓ **Keystone generating \$700 million of EBITDA annually**
- ✓ **Commenced construction on Gulf Coast Project**
- ✓ **Keystone XL continues to advance**
 - Filed for Presidential Permit in May
 - Proposed re-route around Nebraska Sandhills under review
 - Remain on track for late 2014 / early 2015 in-service
- ✓ **Additional barrels contracted on Keystone XL**
- ✓ **Announced \$2.5 billion in new investments**
 - Grand Rapids
 - Northern Courier
 - Hardisty Terminal

WCSB Pipeline Takeaway Capacity vs. CAPP Canadian Production Forecast

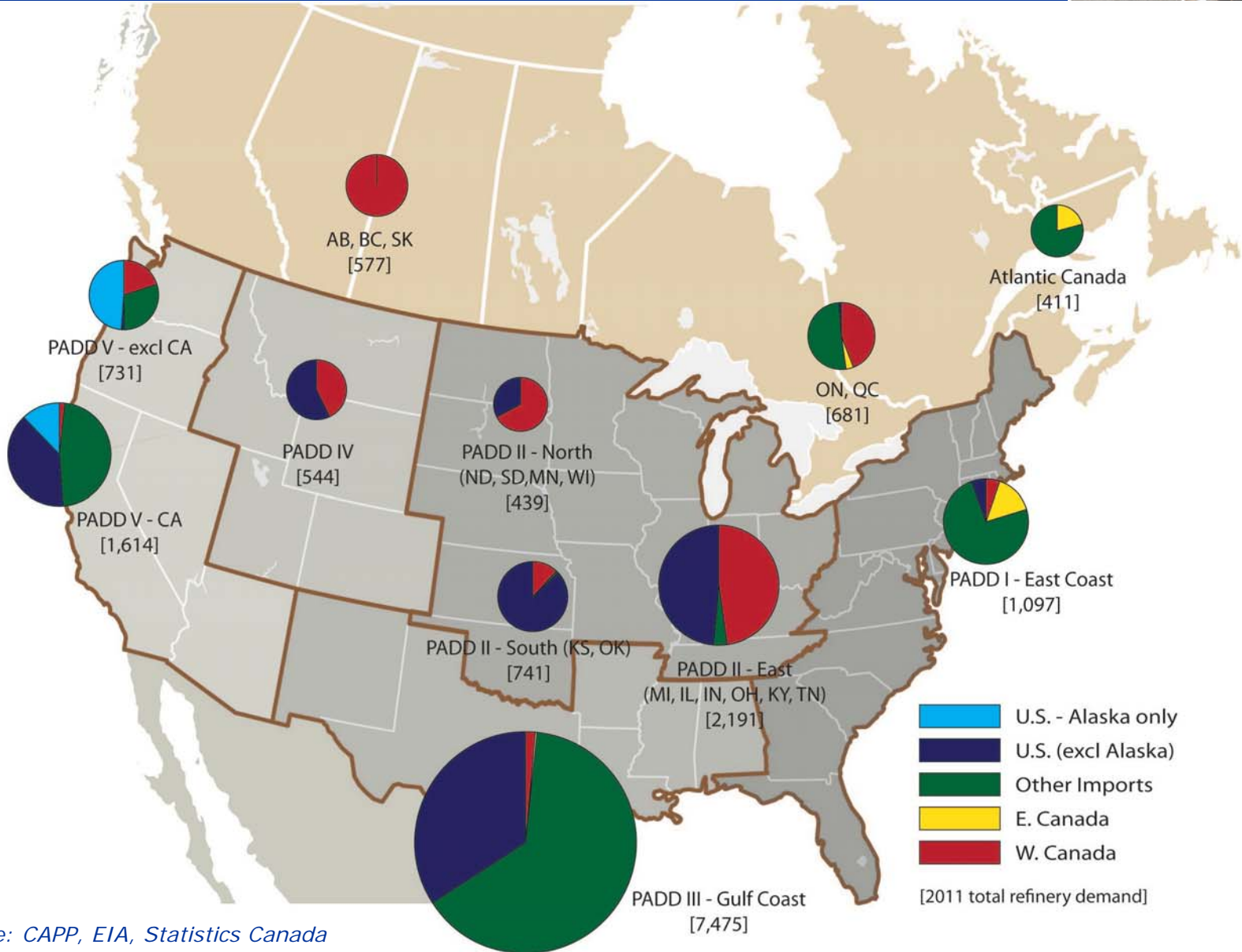


(Million bbl/d)



***New Pipeline Capacity Needed in 2017
to Meet Oilsands Production Growth***

2011 Canada and US Demand for Crude Oil by Source (Thousand bbl/d)



Source: CAPP, EIA, Statistics Canada

Key Priorities



- **Complete construction of Gulf Coast Project**
- **Receive Keystone XL permit and commence construction**
- **Execute on secured Alberta projects**
- **Advance Eastern Mainline proposal**
- **Cultivate additional business development opportunities**

Gulf Coast Project



- US\$2.3 billion; US\$0.9 billion invested to date
- Cushing, OK to Port Arthur and Houston, TX
- Initial capacity of up to 700,000 bbl/d; ultimate capacity of 830,000 bbl/d
- Construction commenced in August 2012
- In-service late 2013



Keystone XL and Bakken Marketlink



Keystone XL

- US\$5.3 billion; US\$1.6 billion invested to date
- 830,000 bbl/d of capacity with more than 500,000 bbl/d contracted for an average term of 18 years
- Nebraska re-route around the Sandhills filed with NDEQ
- Presidential Permit application submitted May 4, 2012
- Service expected to begin in late 2014/early 2015

Bakken Marketlink Project

- US\$140 million investment
- 65,000 bbl/d contracted

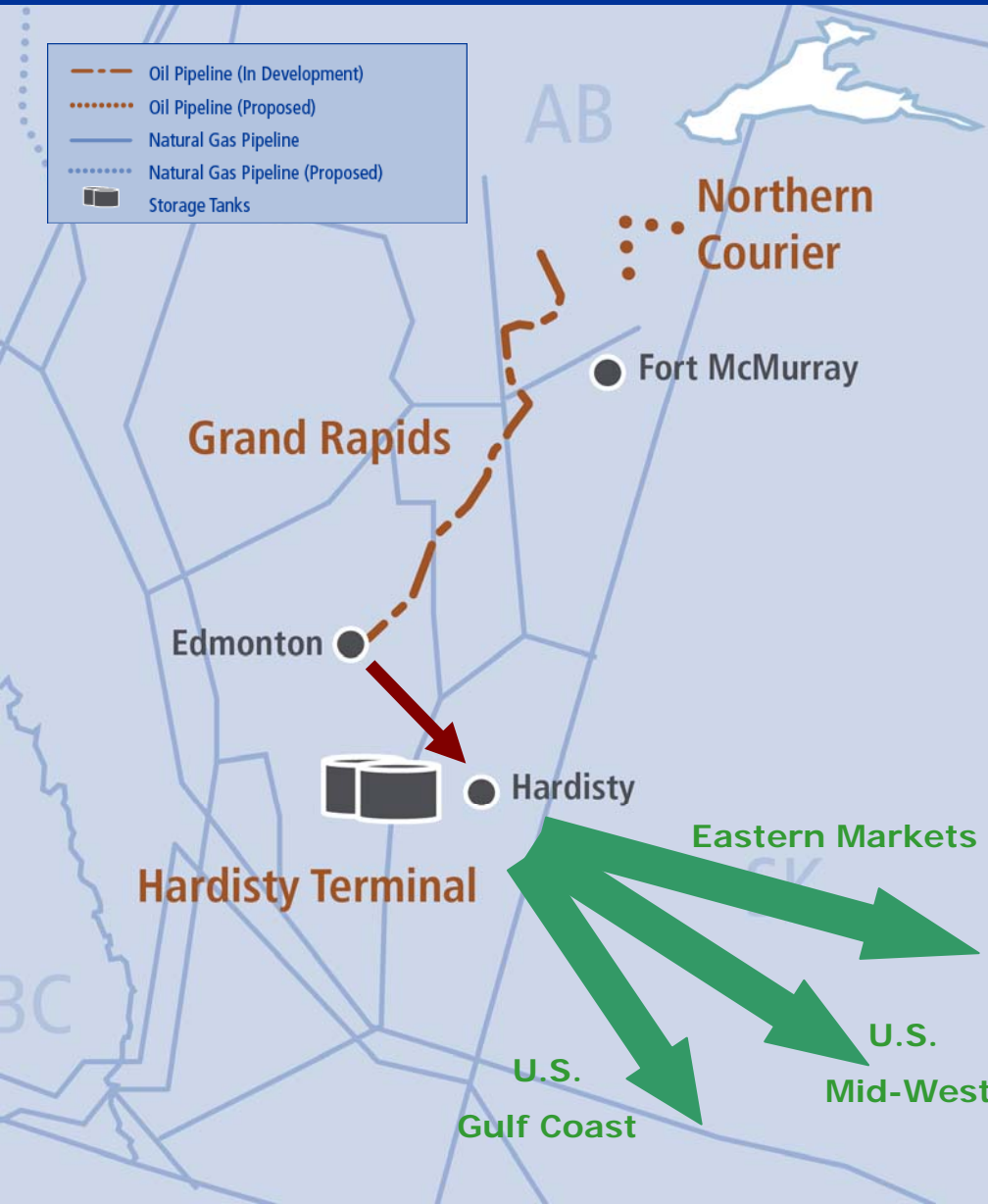
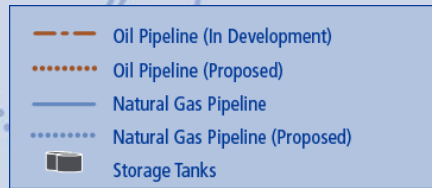


Keystone Pipeline System

- US\$14 billion investment, including expansion projects
- 1.4 million bbl/d ultimate capacity
- More than 1.1 million bbl/d contracted for an average term of 17 years
- 33% of Canadian Oil Exports to the U.S.
- Expected to generate US\$1.7 billion of contracted EBITDA when completed



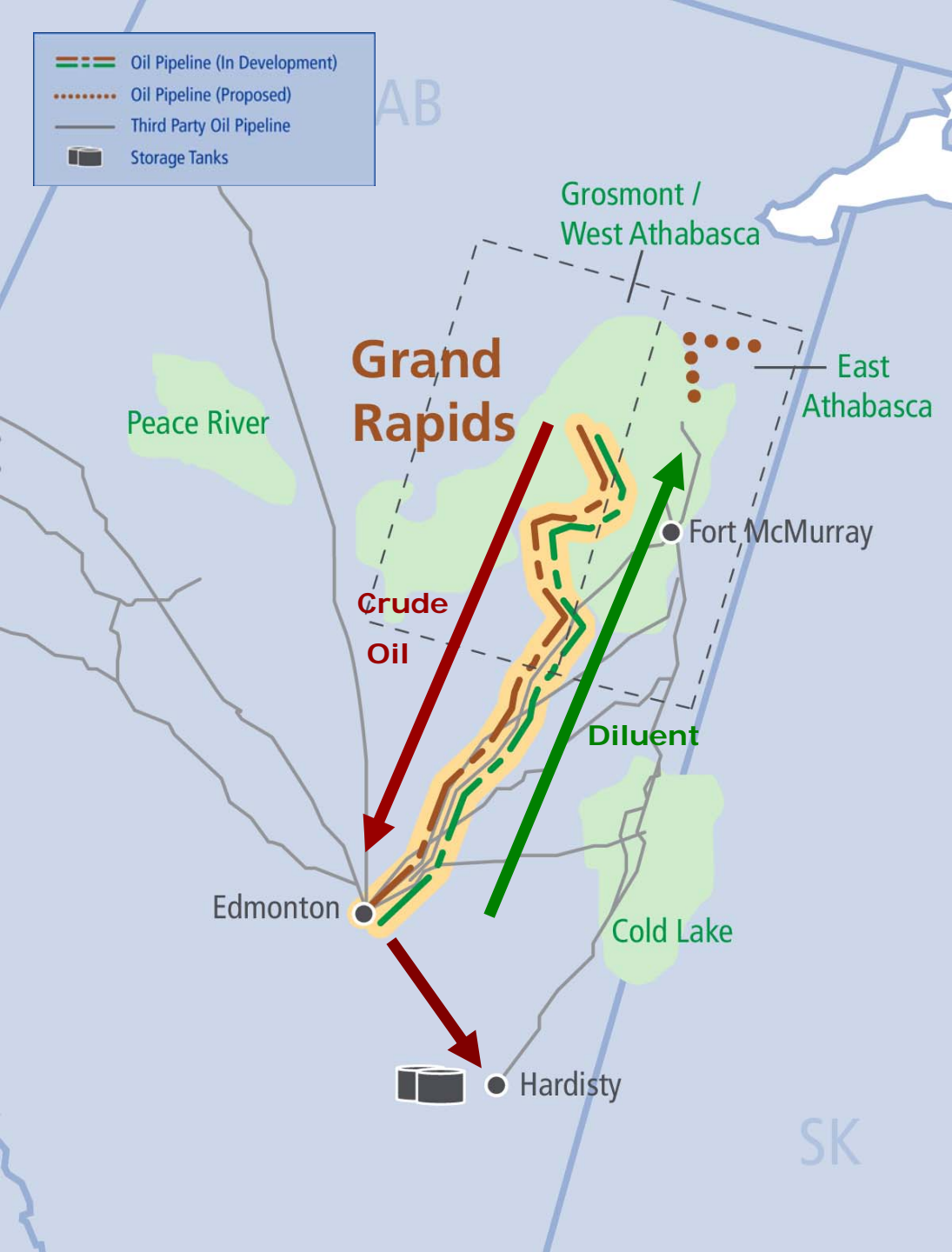
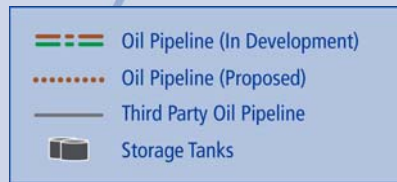
Creating a Regional Pipeline Business



- Platform to capture opportunities from growing oilsands production
 - Grand Rapids
 - Northern Courier
 - Hardisty Terminal
- Leverage operating experience of natural gas pipelines in Alberta
- Use existing ROW corridor
- Connect growing production to long-haul export pipelines

\$2.5 Billion of Investments Secured to Date

Grand Rapids Pipeline System



- 50 per cent joint venture with Phoenix Energy Holdings in \$3 billion investment
- 500 km (300 mi) dual crude oil/diluent pipeline system between northern Alberta and Edmonton/Heartland region
- Crude oil capacity of up to 900,000 bbl/d; 330,000 bbl/d of diluent capacity
- TransCanada will operate
- Phoenix has long-term shipping commitments
- Expect early 2017 in-service

First Pipeline Serving Emerging Oilsands Area West of Athabasca River

Northern Courier Pipeline Project

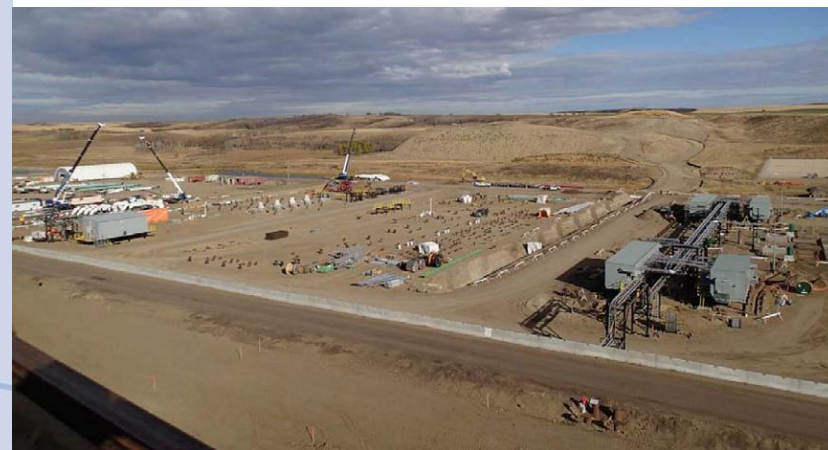
Northern Courier



- \$660 million investment
- 90 km (56 mi) pipeline system transporting bitumen and diluent between Fort Hills Mine site and Voyageur Upgrader
- 177,000 bbl/d of bitumen and 100,000 bbl/d of diluent capacity, fully contracted
- Expect pipeline to be operational in 2016

Hardisty Terminal

- \$275 million investment
- Long-term contracts in excess of 500,000 bbl/d
- 2.6 million barrel terminal
- Provides access to Keystone System
- Late 2014 in-service



Eastern Mainline Oil Pipeline Proposal



- **Combination of converted natural gas pipeline and new construction**
- **Technically and economically feasible**
- **Serve Eastern markets with lower priced Western Canadian crude oil supply**

Key Takeaways



- **Significant Position in the Oil Transportation Business with Existing \$6 Billion Keystone Pipeline**
- **Over \$10 Billion in Commercially Secured Projects; \$2.5 Billion Announced in the Past Year**
- **Significant Platform for Future Growth**





Oil Pipelines

Alex Pourbaix
President, Energy & Oil Pipelines



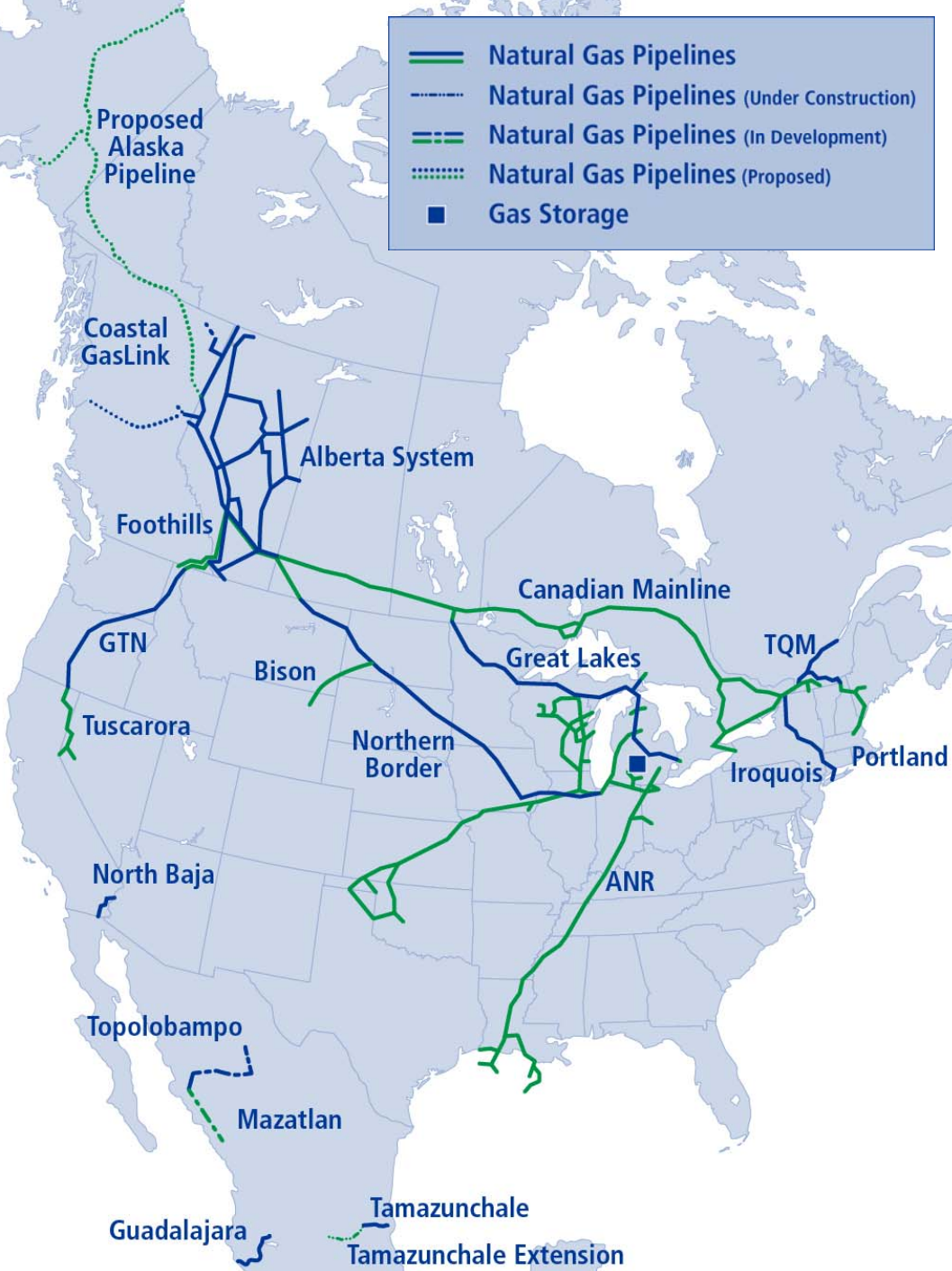


Natural Gas Pipelines

Karl Johansson
President, Natural Gas Pipelines



Natural Gas Pipelines



Large Network of Essential Infrastructure

- Regulated assets
 - 68,500 km (42,500 mi)
 - 250 Bcf of storage
- 20% of continental demand
- 60 years of safe, reliable operations

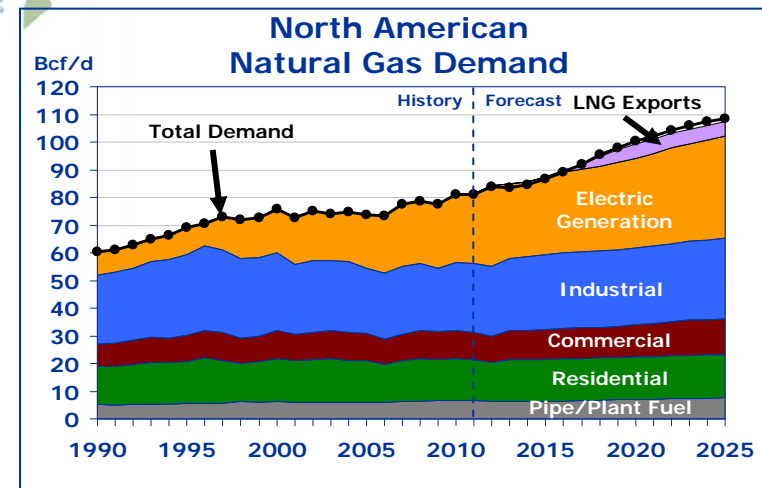
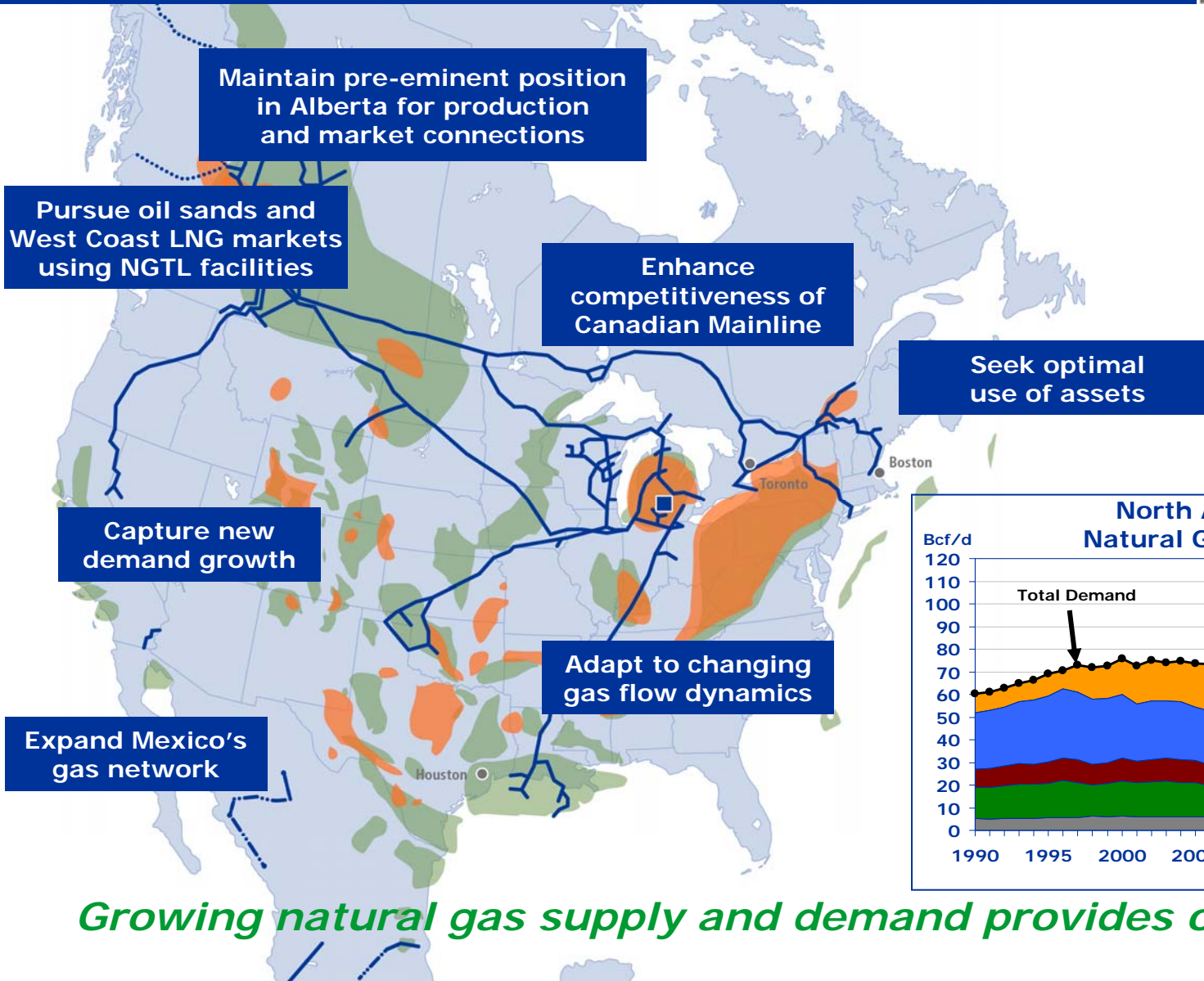
Competitive Position

- Broad based portfolio serving multiple supply points and end markets
- Expertise in large scale project development

Significant Growth Opportunities

- Positioned to meet growing demand for natural gas

Natural Gas Pipelines Strategy



Growing natural gas supply and demand provides opportunity

Key Accomplishments in the Past Year



Canadian Mainline

- ✓ 2012-2013 tolls hearing
- ✓ Transporting Marcellus gas into Canada; repurposed Niagara export capacity to import

Alberta

- ✓ Construction completed on approximately \$700 million of projects
- ✓ NEB approved \$630 million of additional extensions and expansions
- ✓ A further \$340 million awaiting approval

West Coast LNG

- ✓ Awarded \$4 billion Coastal GasLink pipeline by Shell and its partners

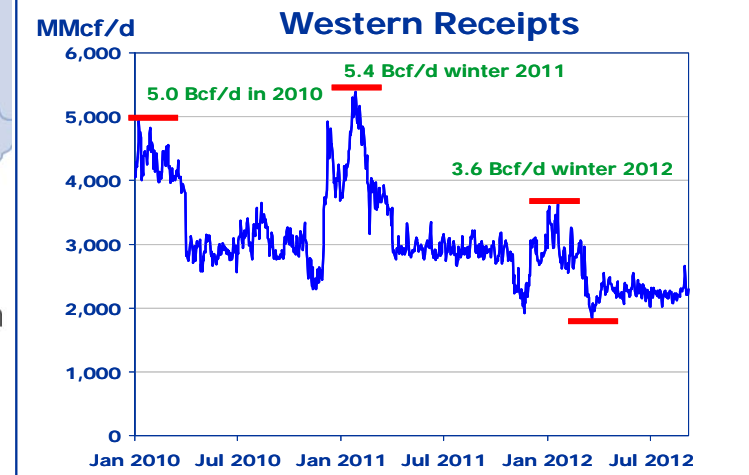
U.S.

- ✓ Negotiated rate settlements for Northern Border, GTN, Tuscarora and ANR Storage Company

Mexico

- ✓ Awarded three new pipeline projects totaling US\$1.9 billion

Canadian Mainline



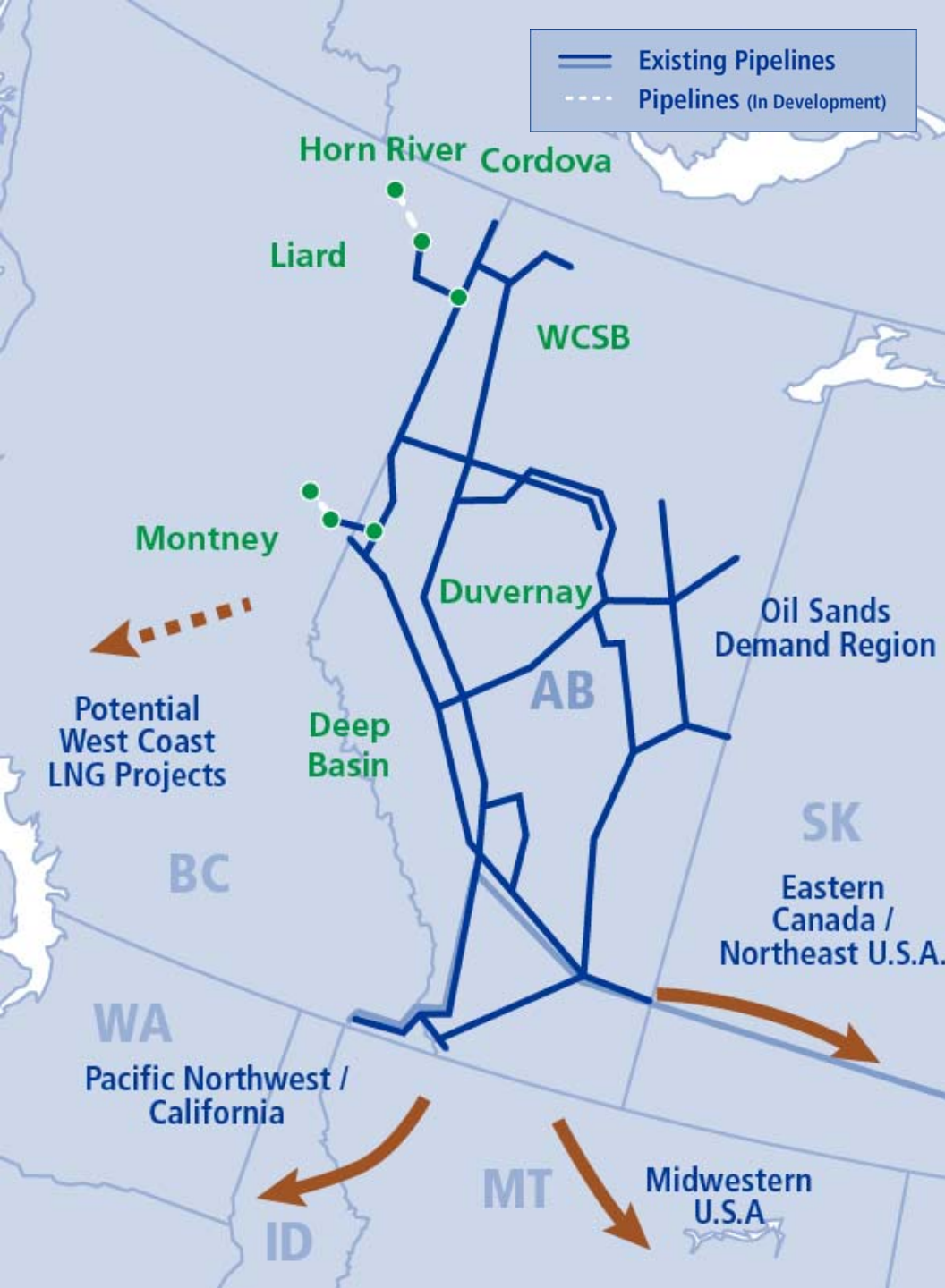
- Essential infrastructure serving Canadian and N.E. U.S. markets
- Reliable provider of peak day supply for cold winter demand
- Summer volume for storage refill and industrial and power generation
- Volumes this past winter and summer impacted by unseasonably warm weather and high storage levels
- Continues to be the largest transporter of natural gas out of the WCSB

Canadian Mainline Priorities



- **Complete NEB hearing on 2012/2013 Tolls Application**
 - Expect decision in late first quarter 2013
 - Expect to earn a return of and a fair return on capital
 - Implement decision features
- **Attract additional Marcellus production**
 - Further facilities expansion required for 2015
- **Develop the prospect of converting portions of the pipeline from natural gas to oil service**

Alberta System



- **Broad footprint across the WCSB**
- **Transports ~ 10 Bcf/d; equivalent to 70% of WCSB supply**
- **Adapting to shifting supply base**
 - Conventional to shale & tight gas
 - Firm commitments to transport 3.4 Bcf/d of BC shale and Alberta deep basin gas by 2014
- **Sole provider of gas to growing Alberta oil sands region**
- **NIT hub provides customers optionality and liquidity**

Alberta System Priorities



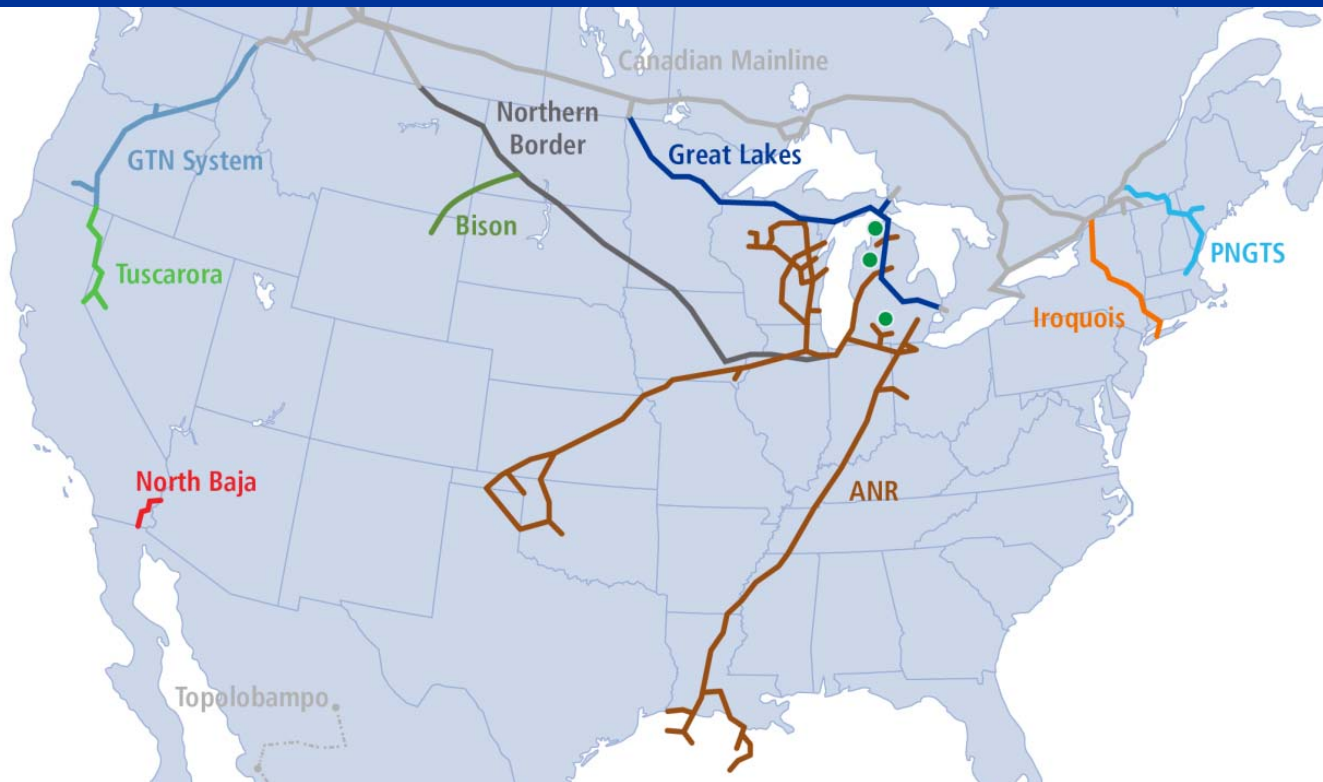
- **Complete remainder of \$1.7 billion of capital expansions through 2014**
- **Negotiate a new tolls settlement for 2013 and beyond**
- **Develop West Coast LNG projects**
 - Coastal GasLink (Kitimat)
 - Other opportunities (Prince Rupert)
- **Continue to connect new sources of supply**

Coastal GasLink Pipeline Project



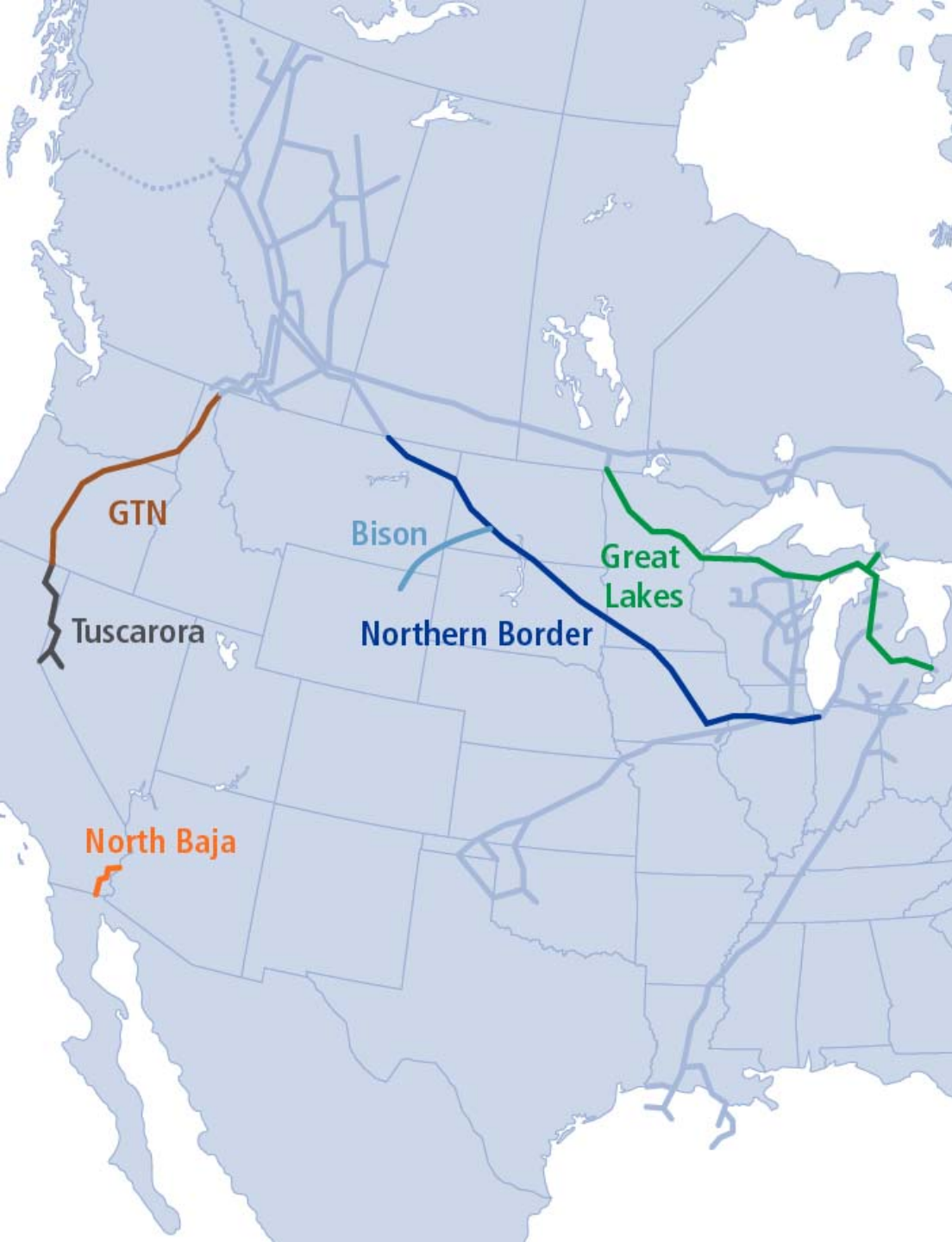
- Approximately \$4 Billion
- 700 km, large-diameter natural gas pipeline extending from Dawson Creek, BC to Kitimat, BC
- Initial capacity of more than 1.7 Bcf/d; fully contracted
- To serve LNG facility proposed by Shell, Korea Gas, Mitsubishi and PetroChina
- Expected in-service date towards end of the decade

U.S. Pipeline Priorities



- Adapt to changes in market - connect new supplies from unconventional sources and increase system usage through addition of industrial and power generation growth
- Actively market Great Lakes and ANR capacity
- Negotiate settlement / file rate case on Great Lakes

TC PipeLines, LP (NYSE: TCP)



- ~ **US\$3 billion** enterprise value
- **Low-risk infrastructure**
 - Interest in six natural gas pipeline assets
 - 7.5% yield*
 - 13 consecutive years of distribution increases
 - Disciplined growth
- **TransCanada**
 - Operates assets
 - Owns general partner
 - Owns 33.3% interest in LP
- **Actively pursuing growth opportunities**

* Based on November 9, 2012 closing price of \$41.85

Mexico Assets

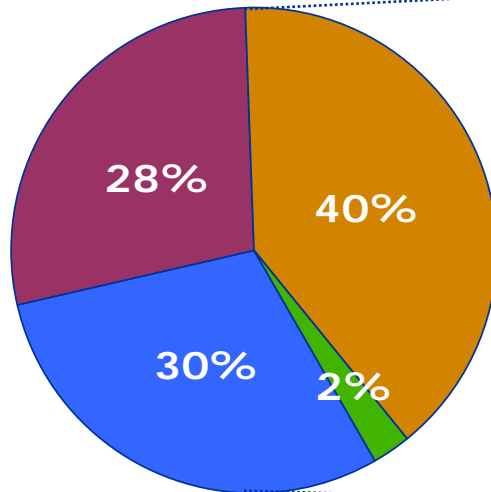


- **US\$2.5 billion of pipeline investments and opportunities**
- **Secured by 25-year contracts with CFE**
- **Investments US\$0.6 billion**
 - Tamazunchale
 - Guadalajara
- **Opportunities US\$1.9 billion**
 - Tamazunchale extension
 - Topolobampo
 - Mazatlan
- **Future opportunities to expand the gas network**

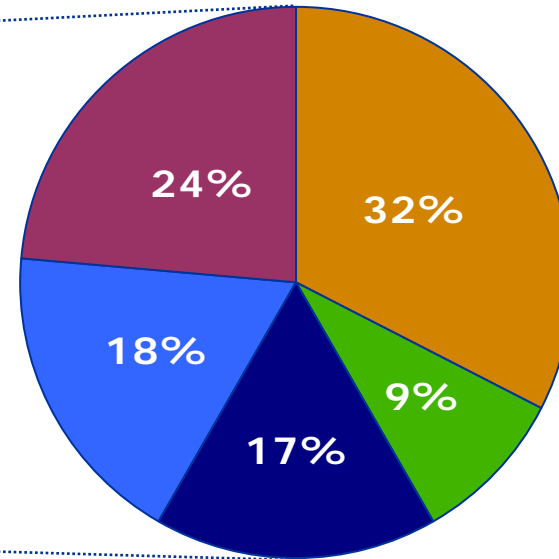
Natural Gas Pipelines Asset Growth and Diversification



2011A



2020E



Excludes potential transfer of Mainline assets from gas to oil service

Key Takeaways



- **Captured growth opportunities totaling ~ \$7.6 billion**
 - Alberta System, Mexico and West Coast LNG
- **Reliable, safe operator of essential natural gas pipeline infrastructure**
 - Serve 80% of Canadian demand and 15% of U.S.
- **Regulatory progress**
 - Canadian Mainline 2012/2013 Tolls
 - Negotiated rate settlements on Northern Border, GTN, Tuscarora, ANR Storage in 2012 and working on Great Lakes in 2013
- **Canadian Mainline – proposal would repurpose segments from natural gas to oil service**

*Growing Supply and Demand
Growing Opportunities*



Natural Gas Pipelines

Karl Johansson
President, Natural Gas Pipelines





Energy

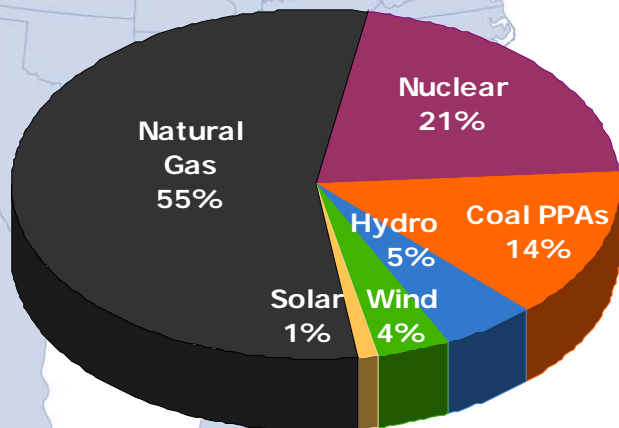
Alex Pourbaix
President, Energy & Oil Pipelines



Energy Assets



- **21 plants, 11,800 MW**
- **Diversified portfolio consists of**
 - Long-term contracts with stable, predictable earnings and cash flow
 - Low-cost, base-load generation
 - Approximately one-third emission-free energy
- **Concentrated in core regions**
- **130 Bcf of unregulated natural gas storage capacity in Alberta**



Key Accomplishments in the Past Year



✓ **Bruce Power**

- Unit 1 & 2 restart completed
- Operational life of Unit 3 extended to 2021, progressed Unit 4

✓ **Cartier Wind Phase V completed**

✓ **Announced \$470 million Ontario Solar acquisition**

✓ **Oakville Power Plant relocated to Napanee**

✓ **Sundance A dispute resolved**

✓ **Ravenswood capacity market issues resolved by FERC**

Competitive Position / Key Priorities Through 2013



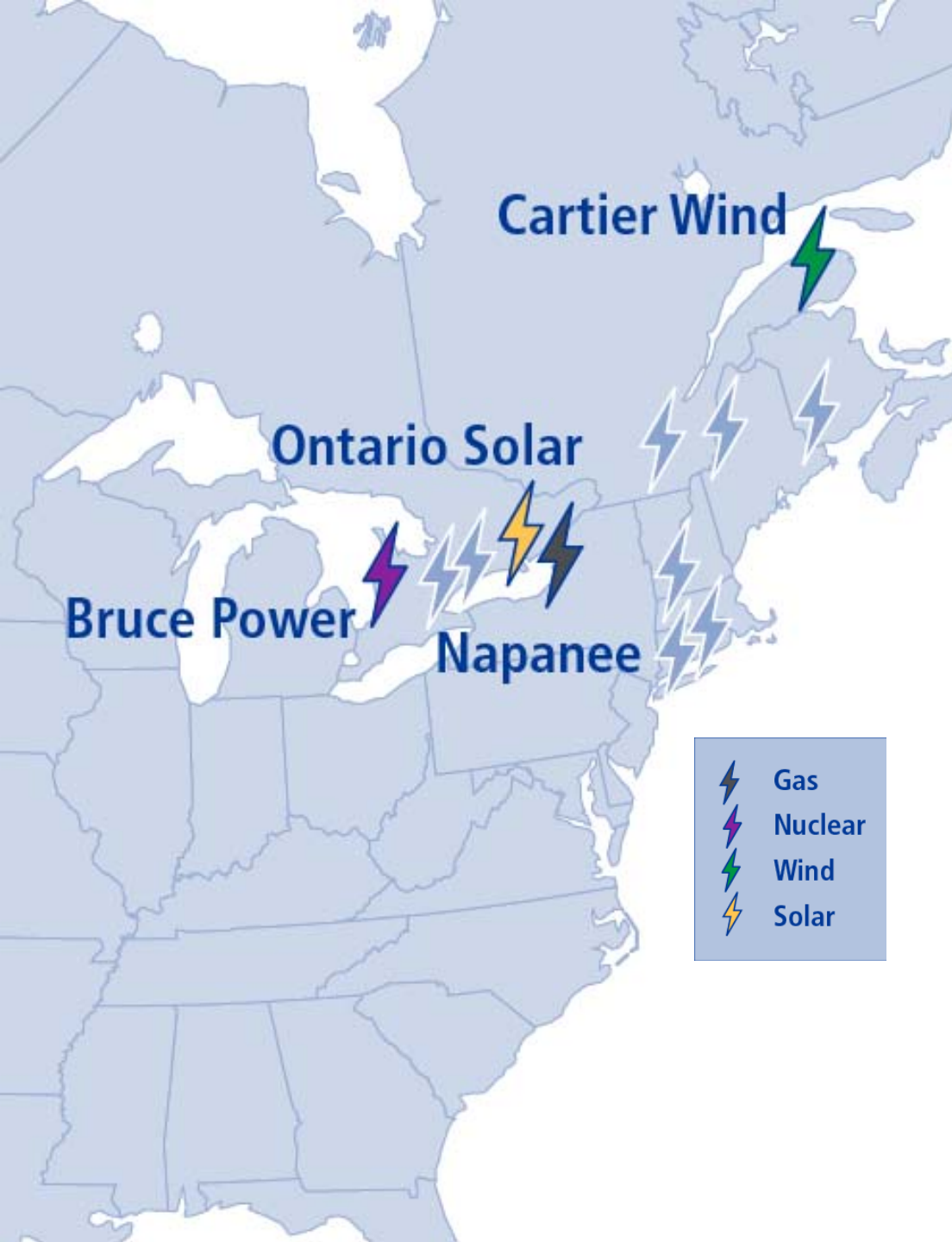
Competitive Position

- Strong reliability and safety record
- Portfolio of quality assets are critical infrastructure
- Proven excellence in greenfield development
- Expertise in power market regulatory and government relations

Key Priorities Through 2013

- Complete definitive agreements at Napanee
- Ensure Sundance A's timely return to service
- Fold completed Ontario Solar projects into portfolio
- Continue to maximize value of base business
- Pursue additional growth opportunities

Building a Stable Power Asset Base



- **\$3 billion investment in projects entering service between 2012 and early 2014**
 - Bruce A Units 1 & 2 Restart (1,500 MW) (50% interest)
 - Cartier Phase V (111 MW) (62% interest)
 - Ontario Solar (86 MW)
- **Additional \$1 billion project to enter service in 2017**
 - Napanee Generating Station (900 MW)
- **All underpinned by long-term contracts with stable, predictable earnings and cash flow**
 - Strong counterparties
 - No commodity price risk

Bruce Power L.P.

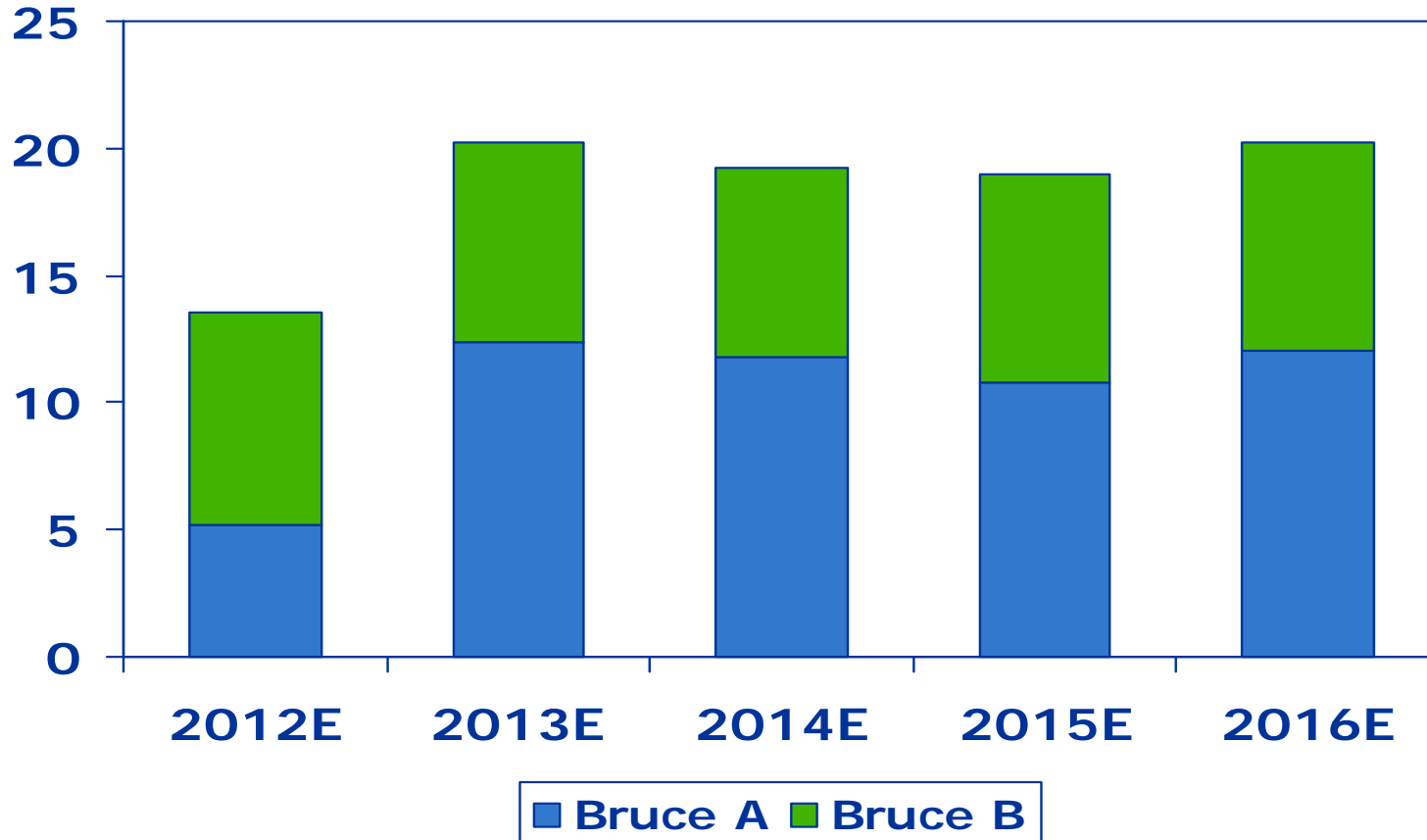
- **6,200 MW facility**
 - Bruce A – 3,000 MW (48.9%)
 - Bruce B – 3,200 MW (31.6%)
- **Power sold under long-term contract with the OPA**
- **Bruce complex is a critical facility in Ontario supply mix**
- **Bruce A Unit 1&2 refurbishment and restart completed**
 - Unit 1 entered commercial service on Oct 22, 2012
 - Unit 2 followed on Oct 31, 2012



Bruce Power - 5 Year Outlook



TWh of Power Generation – TransCanada's Share*



Approximately 20 TWh of Production Per Year Starting in 2013

* Represents TransCanada's share of Bruce Power production – 48.9% of Bruce A and 31.6% of Bruce B

Ontario Solar

- Includes nine solar projects, total capacity of 86 MW
- \$470 million investment
- 20-year PPA with the OPA
- Projects expected to come into service in 2013 and 2014

Cartier Wind

- Five phases with total capacity of 590 MW (62% interest)
- Final phase placed in-service in November
- 20-year PPA with Hydro Québec
- Largest wind farm in Canada



Napanee Generating Station

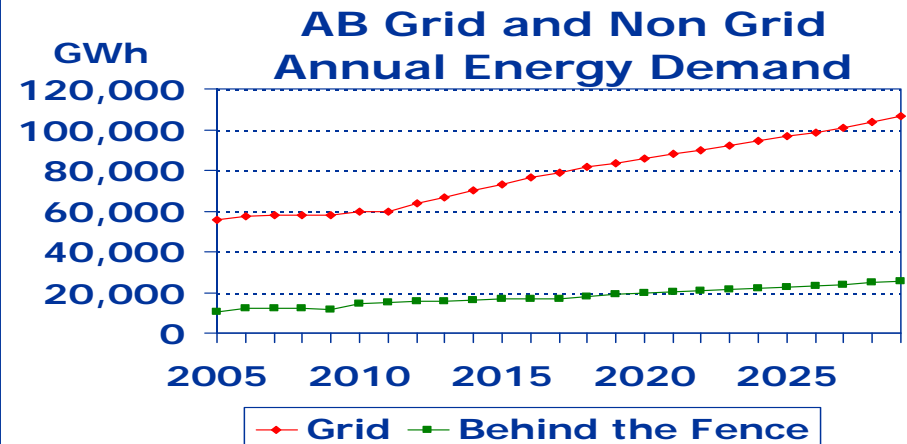


- 900 MW combined-cycle plant (Oakville relocated)
- \$1.0 billion investment
- In-service 2017
- Negotiating a 20-year contract with the Ontario Power Authority

Alberta Power



- 1,700 MW of low-cost, base-load, coal-fired generation with another 400 MW of gas-fired cogeneration
- 15% of the total Alberta market
- Alberta demand expected to grow by 3% per year
- For 2013, currently 48% contracted at an average price of \$65 per MWh
- TransAlta expected to return Sundance A to service in Fall 2013



Ravenswood Generating Station



- 2,480 MW base-load, intermediate and peaking facility
- Capacity, energy and ancillary revenues
- Critical infrastructure
 - Capacity to serve ~ 21% of peak market load in NY Zone J
 - Operated reliably through Hurricane Sandy
- Filed formal complaint with FERC regarding manner in which NYISO applied pricing rules
- FERC resolved issue in November and future capacity market prices expected to be positively impacted



Key Takeaways



- **Captured \$1.5 billion of growth opportunities**
- **Completed Bruce Unit 1 & 2 restart**
- **Resolved several issues**
 - Oakville, Sundance A and Ravenswood
- **Building a stable asset base, earnings becoming more contracted**
- **Long-term growth opportunities**
 - Natural gas-fired generation, renewable energy, other value chain opportunities, Bruce Power life extensions





Energy

Alex Pourbaix
President, Energy & Oil Pipelines





Operations and Major Projects

Greg Lohnes

Executive VP, Operations and Major Projects



TransCanada
In business to deliver

Key Accomplishments in the Past Year



- ✓ **\$47 billion asset base operated safely and reliably**
- ✓ **\$400 million spent on maintenance capital**
- ✓ **\$3.2 billion of assets placed into service**
 - Bruce Power Restart
 - Cartier Wind Phase V
 - Alberta System expansions, including Horn River project
- ✓ **Gulf Coast Project construction underway**
- ✓ **Tamazunchale Extension progressing as planned**

Key Priorities



1. Focus on safety, reliability, commitment to protecting the environment and stakeholder engagement
2. Deliver capital projects on time, on budget with quality workmanship
3. Operational and project execution excellence



Operational Excellence



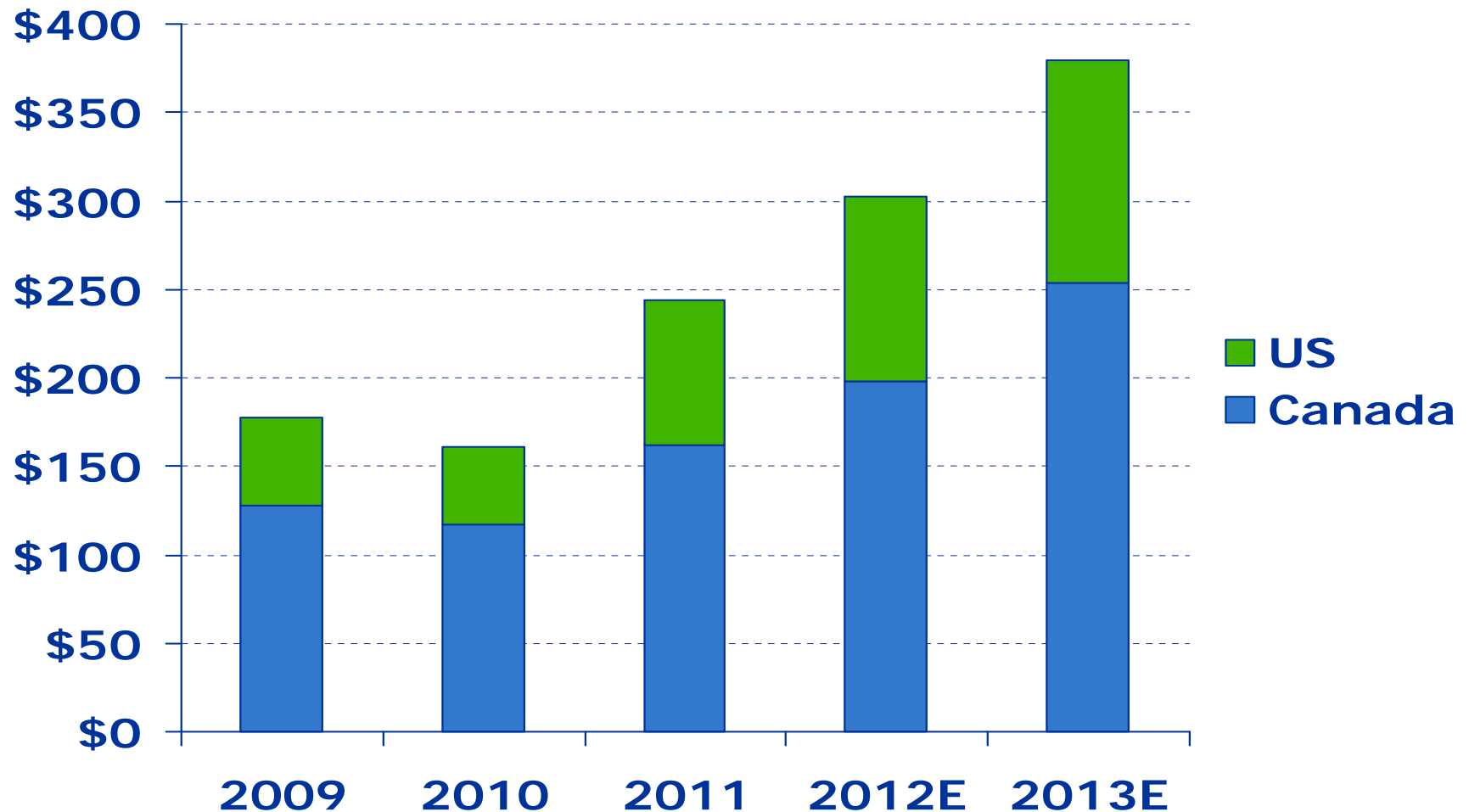
- **Strong culture of safety, “doing the right thing”**
- **Leader in new technology development: in-line inspection tools, horizontal directional drilling river crossings**
- **Experienced and talented employees and contractors**
- **Enhancing management systems drives operational efficiencies, practices and standards**
- **Prudent investments made to maintain safety and reliability**

Safety and Reliability are Critical



Pipeline Capital and Expense Maintenance Costs

(\$ Millions)

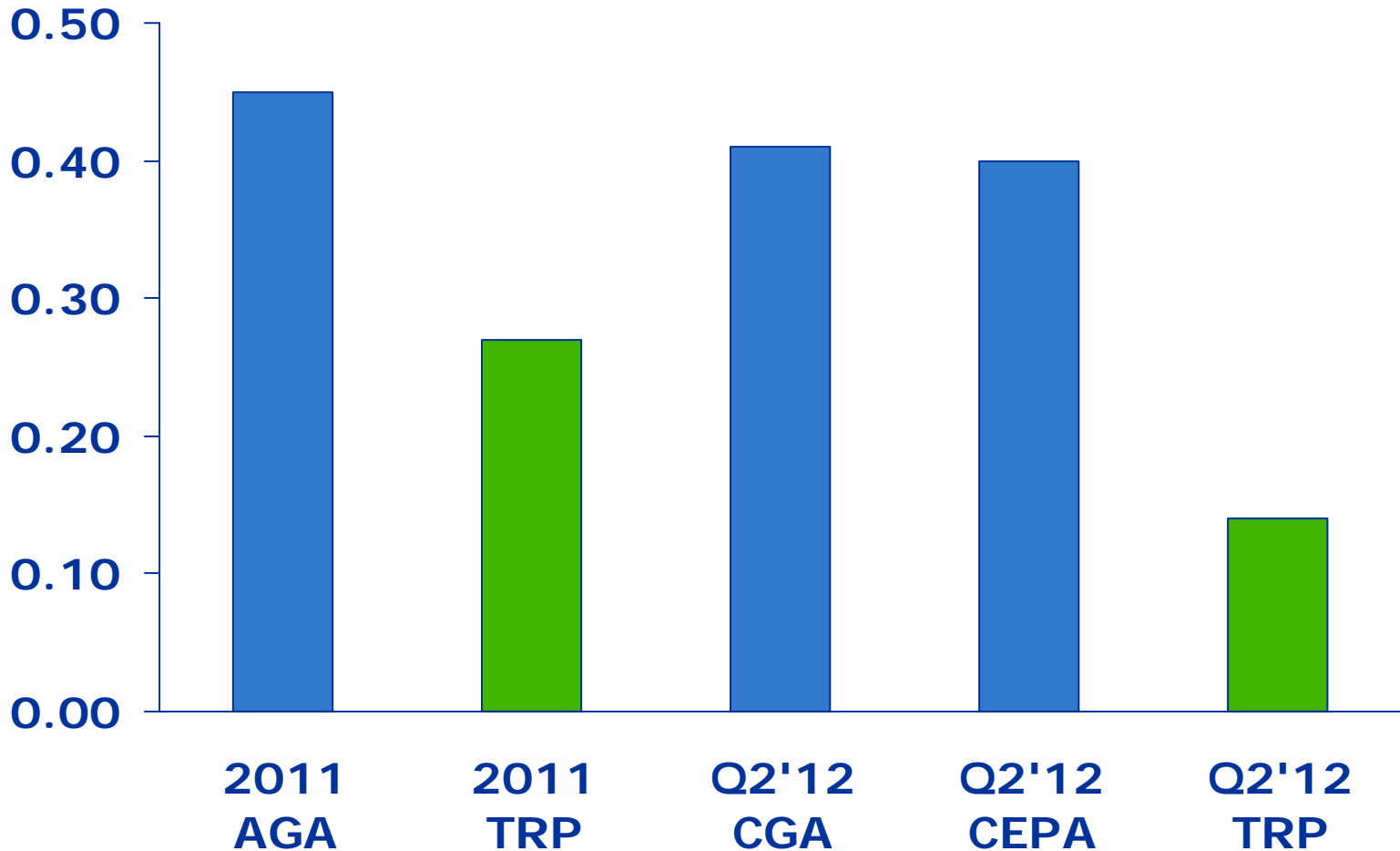


World Class Performance - Strong Culture Of Safety



Employee Away from Work Rate

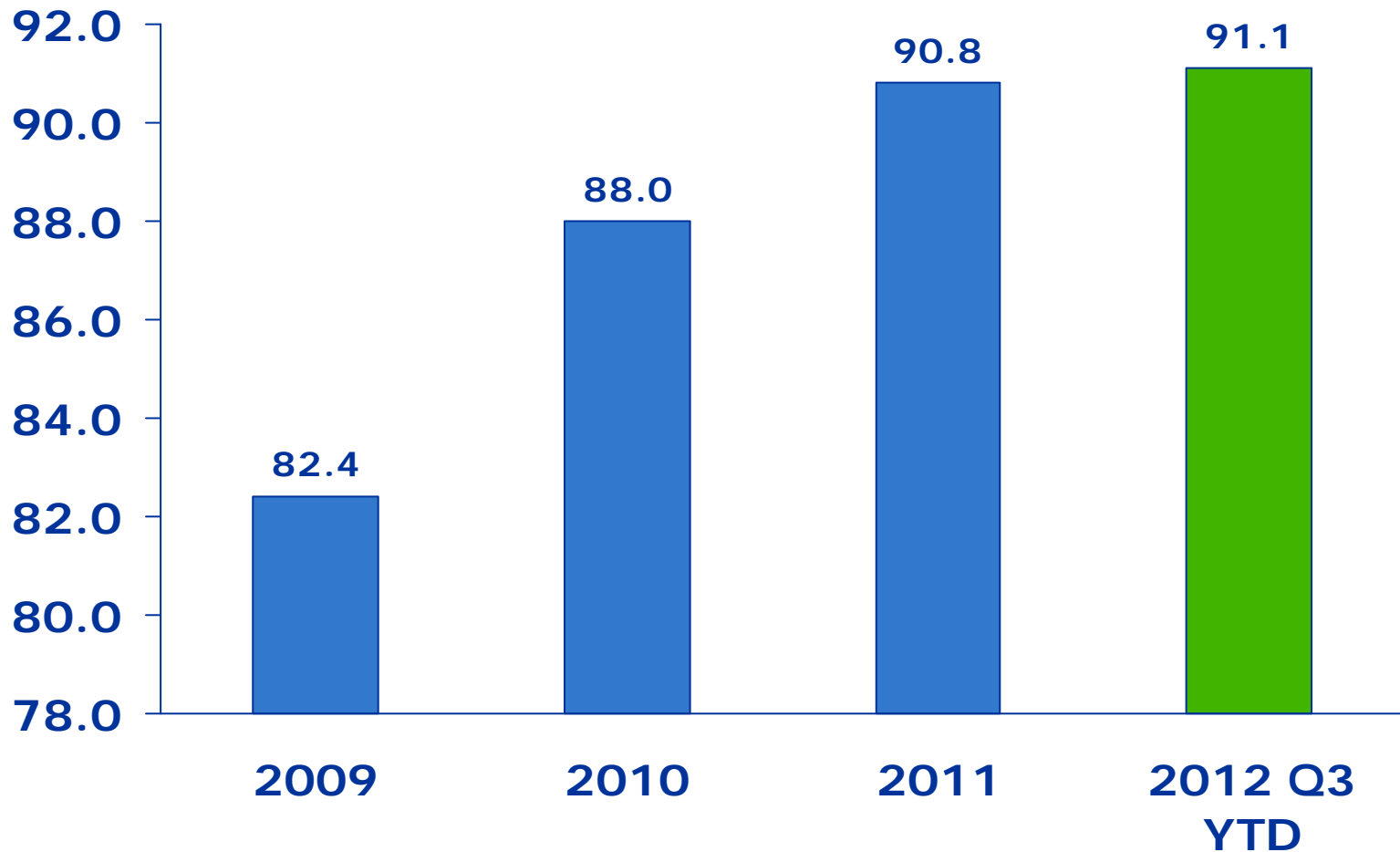
(Rate per 200,000 hours)



Power Assets – Increasing Operational Performance



Entire Fleet: Weighted Availability Factor (%)



* Excludes Bruce Power, PEC, Cartier and external factors

Stakeholder and Regulatory



- Long history of working collaboratively with landowners, aboriginals and other stakeholders in the communities where we work
 - Actively work with over 60,000 landowners
 - Eminent domain used for ~ 2% of Keystone and Keystone XL vs. industry average of ~ 10%
- Stakeholder engagement critical to success with focus on local issues
- Trend toward greater regulatory audits and directives
 - Gone through four NEB audits since 2002 with no safety or integrity findings



Major Projects Technical Expertise



- Track record of designing, building and operating large scale energy infrastructure
- Highly skilled team of engineers and project execution staff
- Leverage operational capabilities from large asset base
- Capital project management and quantitative risk systems

Canadian Mainline – Parkway Loop



- **13 km (8 mi) of 42" pipeline between Brampton and Vaughan, bringing in Marcellus shale gas to southern Ontario**
- **Capital investment of \$130 million**
- **Extensive stakeholder consultation and mitigation plans**
- **Specialized construction techniques used to manage significant urban encroachment along right of way**
- **In-service December 2012**

Cartier Wind – Phase V



- **\$100 million investment**
- **111 MW Gros Morne II went into service on November 6, 2012**
- **Marks completion of 590 MW Cartier Wind Project (62% interest)**

Capital Projects Expected to be Placed In-Service by 2015



Project	Capital Cost* (\$Billions)		Expected In-Service Date
	Total	Invested to Date	
Gulf Coast Project	2.3	0.9	2013
Keystone XL	5.3	1.6	2014/2015
Keystone Bakken Marketlink	0.1	--	2014/2015
Keystone Hardisty Terminal	0.3	--	2014
Tamazunchale Extension	0.5	--	2014
Alberta System	1.7	0.7	2012-2014
Ontario Solar	0.5	--	2013-2014
	<u>10.7</u>	<u>3.2</u>	

* Excludes small projects, maintenance capital and interest during construction.

Gulf Coast Project

- Pipeline and facility construction in progress along 780 km (485 mi) route
- Approximately 20% complete overall
 - 55% of right-of-way cleared
 - 27% of pipe welded
 - 16% of pipe installed
- Cushing terminal construction has commenced
- Houston lateral land and permit acquisition in progress – 78 km (47 mi) from Nederland to Moore Junction, Texas
- Expected in-service late 2013



Keystone XL Progress



- Operational storage tanks at Hardisty are 52% complete
- Two HDDs completed in Alberta
- Subject to regulatory approvals, expect to be in-service late 2014 / early 2015



Tamazunchale Extension



- Initial work focused on permitting, easements and camp pipe yard
- Construction to commence in Q4 2012
- Expected in-service in Q1 2014

Alberta System Expansions/Extensions



- \$630 million of projects have NEB approval; \$340 million are awaiting approval
- Projects to be placed into service between 2012 and 2014
- Required to accommodate changes in both new supply and growing demand



Ontario Solar

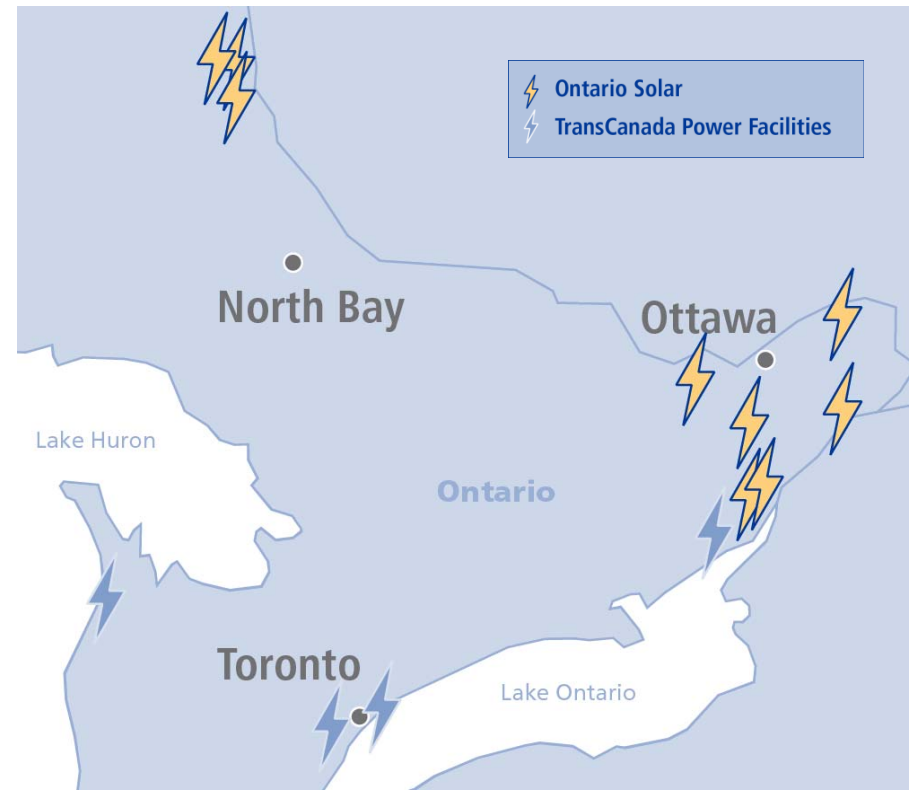


Brockville 1 Site – Oct. 24, 2012



William Rutley Site – Oct. 24, 2012

- \$470 million investment
- Nine projects with total capacity of 86 MW
- One project completed, one nearing completion
- Remaining projects expected to be completed in 2013 and 2014



\$9 Billion in Future Capital Projects



- **Progressing long lead time projects**
 - Grand Rapids, Northern Courier, Topolobampo, Mazatlan, Napanee, and Coastal GasLink
- **Stakeholder engagement has commenced on**
 - Grand Rapids, Northern Courier and Coastal GasLink
- **Cost sharing mechanisms and turnkey contracting strategies used to manage capital cost risks**

Focused on Delivering Quality Work on Time, on Budget

Key Takeaways



- **Strong Culture of Safety, Reliability and Commitment to Protecting the Environment**
- **World-Class Builder and Operator of Large Scale Energy Infrastructure**
- **Track Record of Delivering Capital Projects on Time, on Budget with Quality Workmanship**
- **Committed to Stakeholder Consultation**

Well Positioned to Deliver on Existing Capital Program in a Challenging Environment



Operations and Major Projects

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Executive VP, Operations and Major Projects



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Finance

Don Marchand
Executive VP & Chief Financial Officer



Financial Strategy



- Invest in low-risk assets that generate predictable and sustainable earnings and cash flow
- Finance long-term assets with long-term capital
- Maintain financial strength and flexibility
- Value 'A' grade credit rating
- Effective management of foreign exchange, interest rate and counterparty exposures

***Grow Earnings, Cash Flow and Dividends
Deliver Superior Total Shareholder Returns***

Where We Are Today

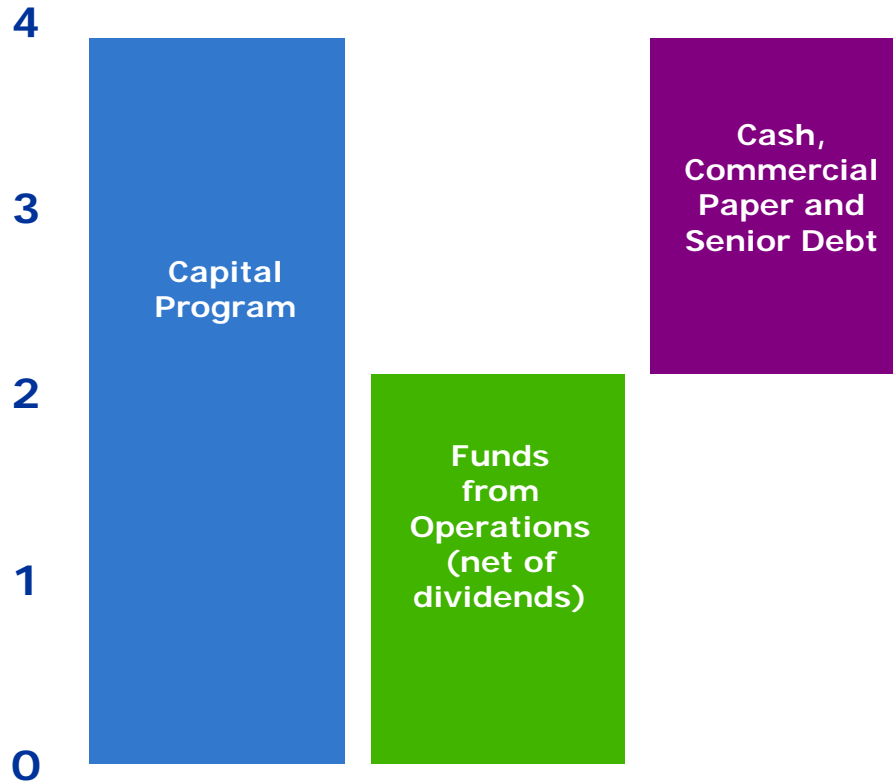


- **Funding for 2012 complete**
- **Well positioned to finance future capital commitments**
 - Predictable and growing cash flow from operations
 - Abundant liquidity and access to capital
 - Funding costs at or near historical lows
- **Manageable debt maturity profile**
- **'A' grade ratings with 'stable' outlooks**
 - Key credit metrics strengthen further as projects enter service

2012 Funding Program



\$Billions



Senior Debt Issues

- US\$500 million – 3 years at 0.875%
- US\$1 billion – 10 years at 2.50%

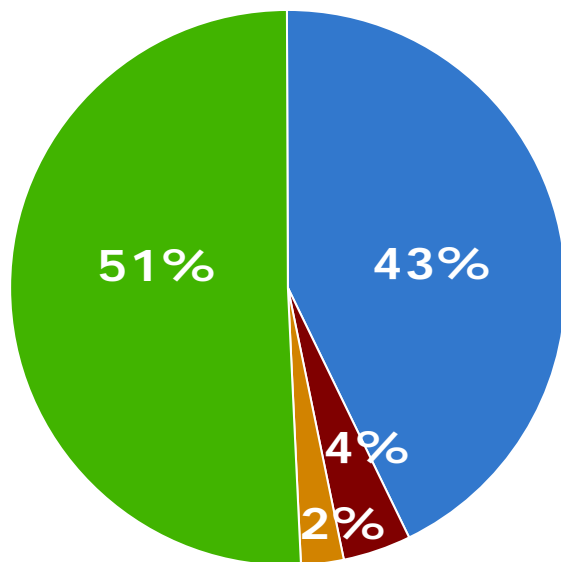
2012 Funding Complete

Strong Balance Sheet and Liquidity



Consolidated Capital Structure*

(at September 30, 2012)



■ Debt (net of cash) ■ Common Equity
■ Preferred Shares ■ Junior Sub Notes

Liquidity

- Predictable and growing cash flow
- \$4.3 billion committed and undrawn credit lines
- Three well supported commercial paper programs
 - TCPL – \$2.0 billion
 - TCPL USA – US\$1.0 billion
 - Keystone Pipeline, LP – US\$1.0 billion
- Significant debt and equity shelves in place

* Common equity includes non-controlling interests in TC PipeLines, LP and Portland.

Effective January 1, 2012, TransCanada adopted U.S. GAAP.

\$13 Billion of Assets Expected to be In-Service by 2015



Project	Capital Cost*		Expected In-Service Date	Revenue Stream
	Total (\$Billions)	Invested to Date		
Bruce Power (Units 1 & 2)	2.4	2.4	Completed	Fully Contracted
Cartier Wind (Phase V)	0.1	0.1	Completed	Fully Contracted
Alberta System	1.7	0.7	2012-2014	Cost of Service
Gulf Coast Project	2.3	0.9	2013	Contracted / Spot
Keystone XL and Bakken ML	5.4	1.6	2014/2015	Largely Contracted
Keystone Hardisty Terminal	0.3	--	2014	Largely Contracted
Ontario Solar	0.5	--	2013-2014	Fully Contracted
Tamazunchale Extension	0.5	--	2014	Fully Contracted
	<u>13.2</u>	<u>5.7</u>		

***Predictable Growth in
Earnings and Cash Flow***

* TransCanada share in Canadian dollars. Excludes small projects, maintenance capital and interest during construction.

\$9 Billion of Commercially Secured Projects Expected to be In-Service Post 2015



Project	Capital Cost* (\$Billions)	Expected In-Service Date	Revenue Stream	Counterparty
Topolobampo	1.0	2016	Fully Contracted	CFE
Mazatlan	0.4	2016	Fully Contracted	CFE
Northern Courier	0.7	2016	Fully Contracted	Suncor Consortium
Grand Rapids	1.5	2017	Contracted/Spot	Phoenix
Napanee	1.0	2017	Fully Contracted	OPA
Coastal GasLink	4.0	2018+	Fully Contracted	Shell Consortium
	8.6			

* TransCanada share in Canadian dollars.



2013–2015 Capital Expenditure Outlook



\$Billions

7

6

5

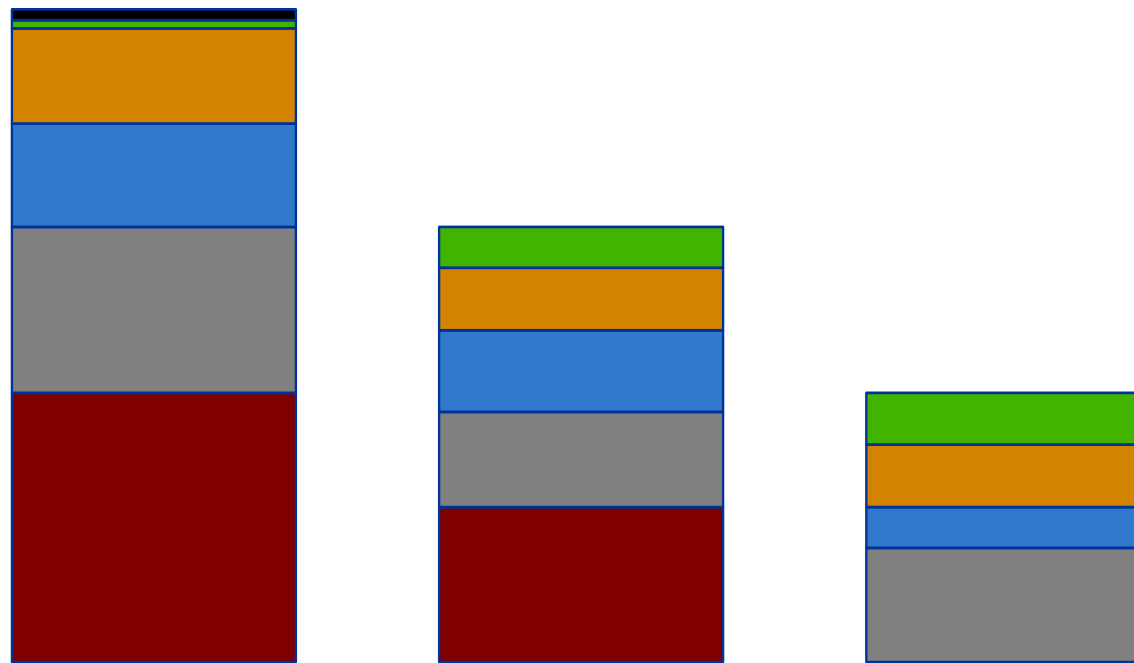
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1

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2013E

2014E

2015E

■ Keystone XL

■ Gulf Coast & Other Oil Pipelines

■ Canadian Gas Pipelines

■ U.S. & Mexico Gas Pipelines

■ Energy

■ Corporate

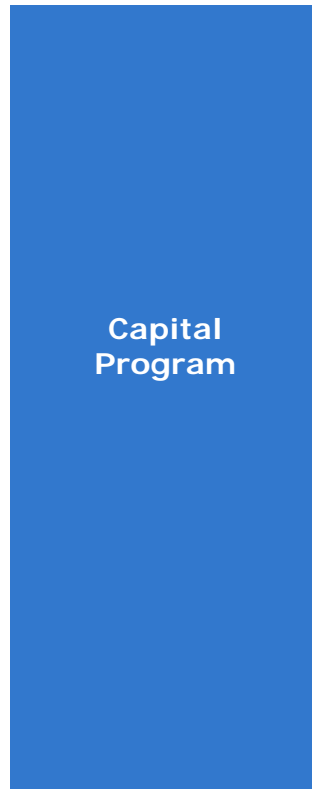
Includes small projects, maintenance capital and interest during construction.

2013–2015 Funding Program Outlook



\$Billions

15
14
13
12
11
10
9
8
7
6
5
4
3
2
1
0



*Program is Manageable
No Common Equity Required*

Subordinated Capital Alternatives



Source	Transaction Size (\$Millions)	Equity Credit
Preferred Shares (Cdn)	300-600	50%
Hybrid Securities (US)	750-1,000	25-50%
TC PipeLines, LP Drop Downs (US)	500-600	50%*

Decision Criteria:

- Relative cost
- Equity credit accorded
- Achievable deal size versus needs
- Desired currency

Diverse and Attractive Sources of Subordinated Capital

* Assumes TC PipeLines, LP funds acquisition with 50% debt and 50% equity.

Long-Term Debt Maturity Schedule



\$Millions

900

800

700

600

500

400

300

200

100

0

Q1 Q2 Q3 Q4

2013

855 @ 4.7%*

930 @ 6.5%*

Q1 Q2 Q3 Q4

2014

1,450 @ 3.7%*

Q1 Q2 Q3 Q4

2015

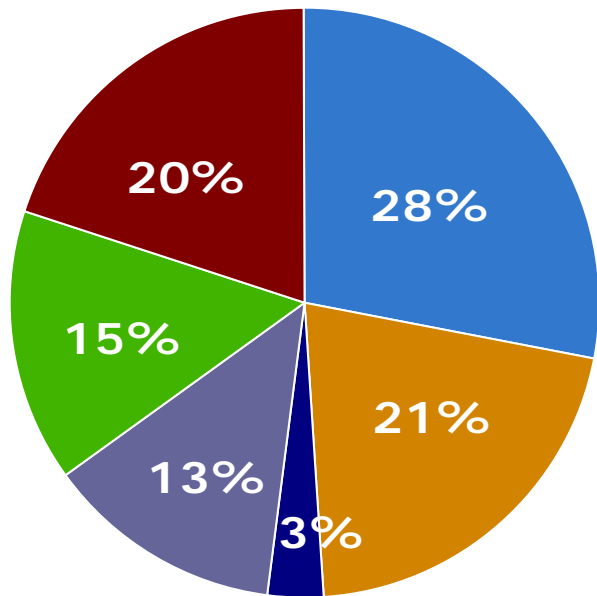
* Average interest rate on long-term debt maturities.

Diversified Asset Base



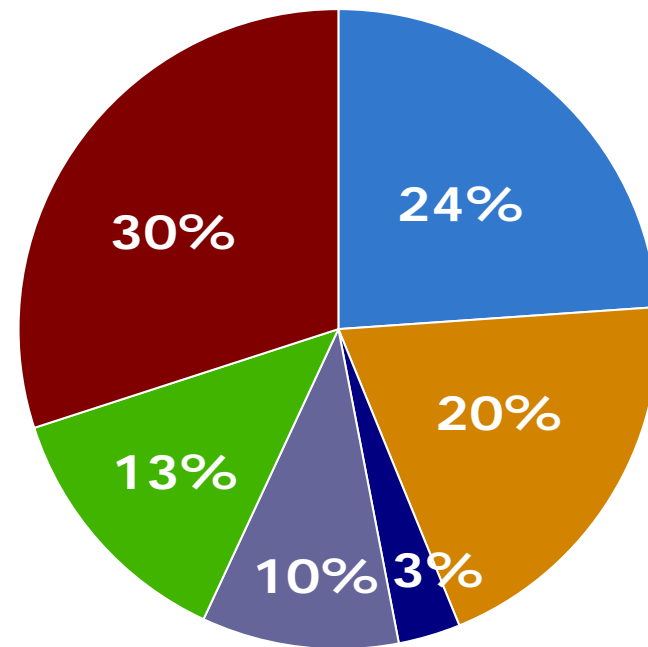
2011A

\$47 Billion



2015E

\$56 Billion



- | | |
|-------------------------------|-----------------------------|
| Oil Pipelines | Canadian Gas Pipelines |
| Energy – Contracted (20 yrs+) | U.S. & Mexico Gas Pipelines |
| Energy – Other Generation | Corporate |

\$13 Billion Capital Program Drives Growth



US GAAP EBITDA Expected to Grow by \$1.6 Billion

\$Billions

7

6

5

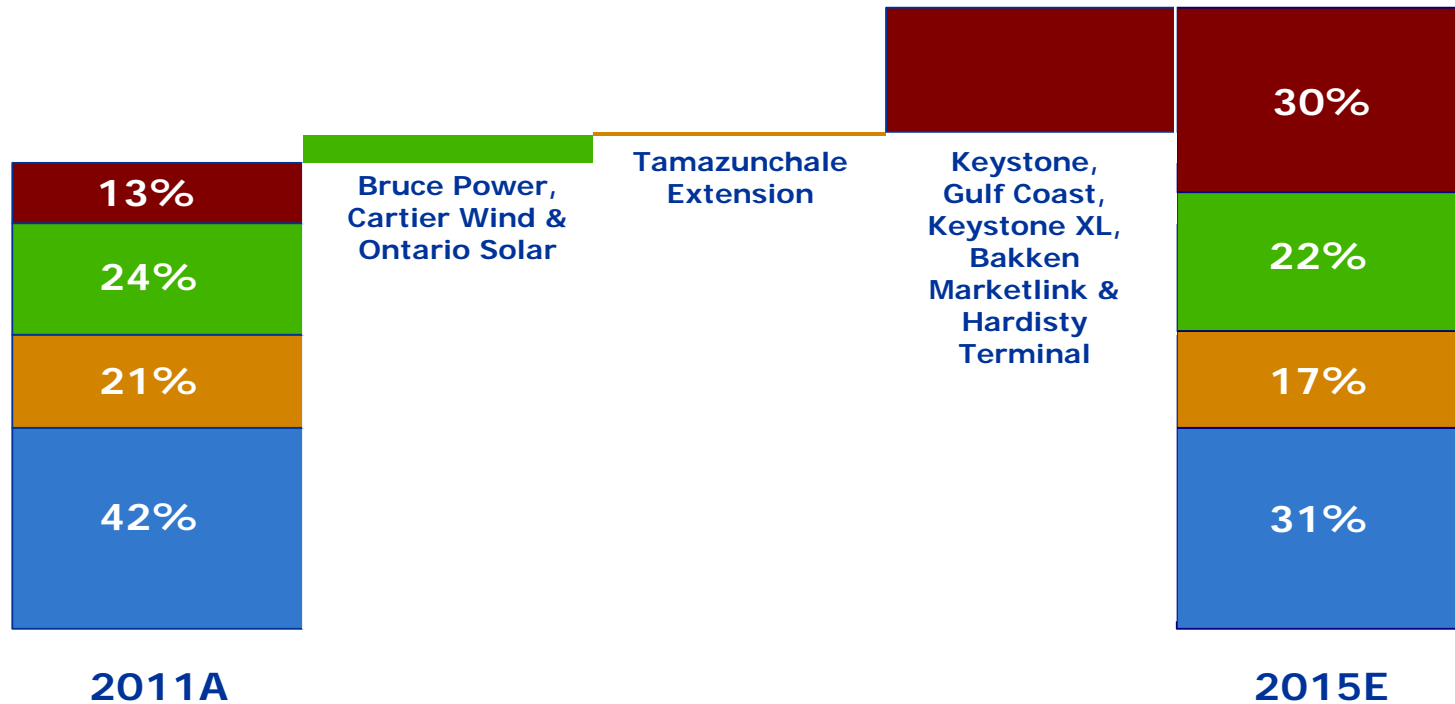
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Key EBITDA Sensitivities



Measure

Impact (+/-)

Commodity Prices

- | | | |
|---------------------------------|-----------|--------------|
| • Alberta Power Prices | \$1/MWh | \$10 million |
| • Alberta Gas Storage Spreads | \$0.10/GJ | \$8 million |
| • New York City Capacity Prices | \$1/KWm | \$26 million |

Regulatory Decisions

- | | | |
|-------------------------|----|--------------|
| • Canadian Mainline ROE | 1% | \$25 million |
| • Alberta System ROE | 1% | \$25 million |

Volumetric Changes

- Keystone spot volumes
- U.S. Pipeline volumes and pricing
- Bruce Power availability

Substantial Financial Capacity – 2015 and Beyond



\$Billions

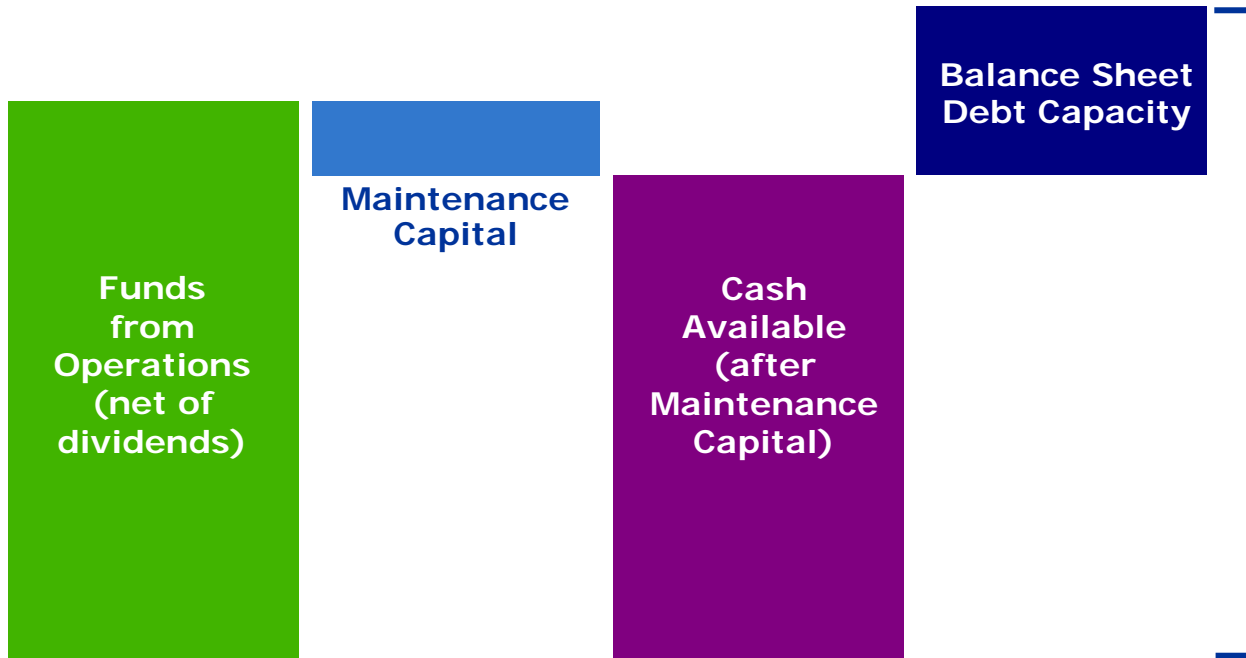
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Cash / debt capacity
available in 2015 and
beyond for:

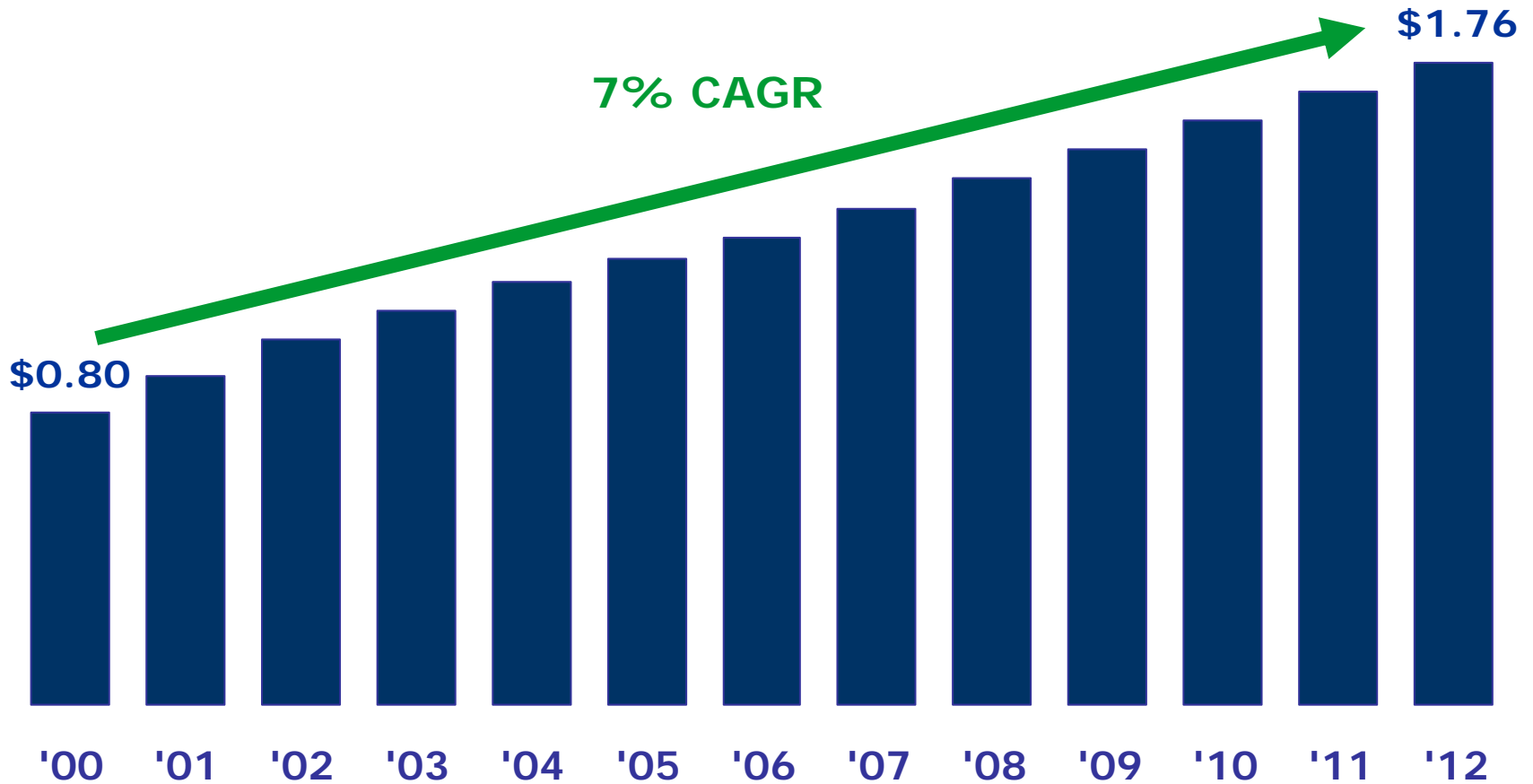
- Capital investment
- Dividend growth
- Capital management

More Than \$3.5 Billion of Capacity Per Year

Dividends Per Common Share



Track Record of Dividend Growth



Key Takeaways



- Proven track record of success
- \$13 billion of assets placed in service since 2010
- \$19 billion of commercially secured projects under development
 - Long-life, highly-contracted assets with strong counterparties
- Financial position remains strong
- Funding needs are manageable
- Well positioned to grow earnings, cash flow and dividends as we
 - Complete our current capital program
 - Secure attractive new growth opportunities

***Deliver Superior Long-Term
Returns to Shareholders***



Finance

Don Marchand
Executive VP & Chief Financial Officer



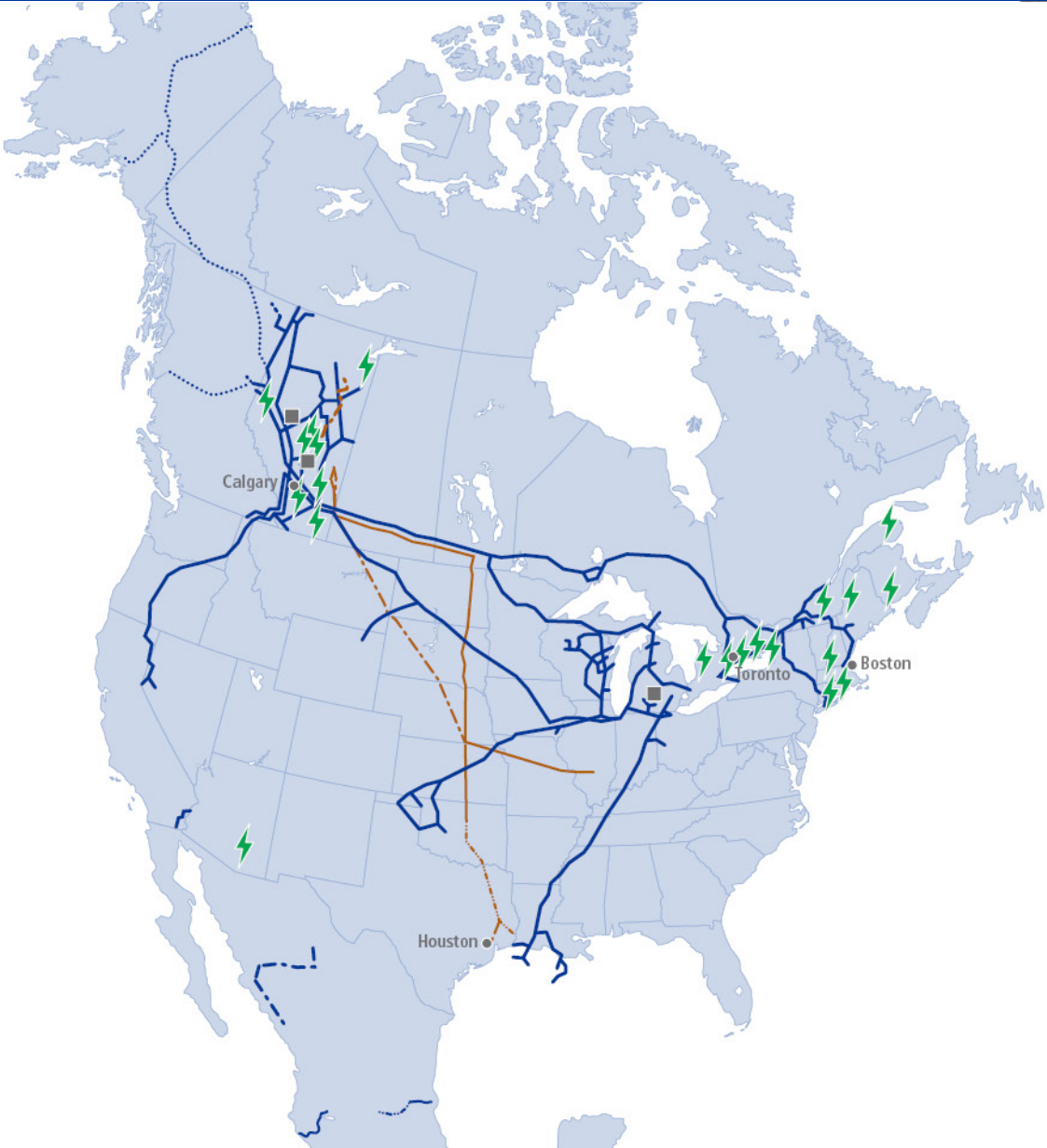


Closing Remarks

Russ Girling
President & Chief Executive Officer



A Leading North American Energy Infrastructure Company





TransCanada Investor Days

November 14-15, 2012

