2016 AGA Financial Forum

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Karl Johannson, President, Natural Gas Pipelines

TransCanada
In business to deliver

Forward Looking Information

This presentation includes “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) which is intended to provide potential investors with information regarding TransCanada Corporation (“TransCanada” or the “Corporation”), including management’s assessment of our future plans and financial outlook. In some cases 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 information in this presentation may include, but is not limited to, statements regarding: anticipated business prospects; our financial and operational performance, including the performance of our subsidiaries; expectations or projections about strategies and goals for growth and expansion; expected cash flows and future financing options available to us; expected costs for planned projects, including projects under construction and in development; expected schedules for planned projects (including anticipated construction and completion dates); expected regulatory processes and outcomes; expected impact of regulatory outcomes; expected capital expenditures and contractual obligations; expected operating and financial results; expected industry, market and economic conditions; the planned acquisition of Columbia Pipeline Group, Inc. (“Columbia”) (the "Acquisition") including the expected closing thereof; plans regarding financing for the Acquisition, and the repayment of Acquisition credit facilities through planned divestitures; planned changes in the Corporation’s business including the divestiture of certain assets; expected impacts of the Acquisition on EBITDA composition, earnings, cash flow and dividend growth; transportation services to the liquefied natural gas sector and growth opportunities and modernization initiatives relating to Columbia business.

This forward-looking information reflects our beliefs and assumptions based on information available at the time the information was stated and as such is not a guarantee of future performance. By its nature, forward-looking information is subject to various assumptions, risks and uncertainties which could cause our actual results and achievements to differ materially from the anticipated results or expectations expressed or implied in such statements.

Key assumptions on which our forward-looking information is based include, but are not limited to, assumptions about: the timing and completion of the Acquisition including receipt of regulatory and Columbia stockholder approval; the planned monetization of TransCanada's U.S. Northeast merchant power business and of a minority interest in our Mexican natural gas pipeline business; inflation rates, commodity prices and capacity prices; timing of financings and hedging; regulatory decisions and outcomes; foreign exchange rates; interest rates; tax rates; planned and unplanned outages and the use of our and Columbia’s pipeline and energy assets; integrity and reliability of our assets; access to capital markets; anticipated construction costs, schedules and completion dates; acquisitions and divestitures; and the realization of the anticipated benefits and synergies of the Acquisition to TransCanada including impacts on growth and accretion in various financial metrics.

The risks and uncertainties that could cause actual results or events to differ materially from current expectations include, but are not limited to: our ability to successfully implement our strategic initiatives; whether our strategic initiatives will yield the expected benefits; the operating performance of our and Columbia’s pipeline and energy assets; amount of capacity sold and rates achieved in our and Columbia’s pipeline business; the availability and price of energy commodities; 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 and credit risk of our counterparties; changes in market commodity prices; changes in the political environment; changes in environmental and other laws and regulations; competitive factors in the pipeline and energy sectors; construction and completion of capital projects; costs for labour, equipment and material; access to capital markets; interest, tax and foreign exchange rates; weather; cybersecurity; technological developments; economic conditions in North America as well as globally; uncertainty regarding the length of time to complete the Acquisition and uncertainty regarding the ability of TransCanada to realize the anticipated benefits of the Acquisition; and the timing and execution of TransCanada’s planned asset sales. Additional information on these and other factors are discussed in our Quarterly Report to Shareholders dated April 28, 2016, our 2015 Annual Report and final short form prospectus dated March 28, 2016 (the “Prospectus”) filed with Canadian securities regulators and the SEC and available at www.transcanada.com.

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, and not to use future-oriented information or financial outlooks for anything other than their intended purpose. We undertake no obligation to publicly update or revise any forward-looking information in this presentation or otherwise, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Measures and Additional Information

Certain information presented in this presentation with respect to TransCanada and Columbia includes certain financial measures which do not have any standardized meaning as prescribed by U.S. GAAP and therefore may not be comparable to similar measures presented by other entities. Prospective readers are cautioned that these measures should not be construed as an alternative to U.S. GAAP-based audited consolidated financial statements. These non-GAAP measures are Comparable Earnings, Comparable Earnings per Share, Comparable Earnings Before Interest and Taxes (EBIT), Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), Comparable EBITDA, Adjusted EBITDA, Distributable Cash Flow, Comparable Distributable Cash Flow, Comparable Distributable Cash Flow per Share and Funds Generated from Operations.

A description of the purpose of providing non-GAAP measures and a reconciliation of non-GAAP measures in this presentation to the most closely related GAAP measures can be found in our Quarterly Report to Shareholders dated April 28, 2016 or in the case of Adjusted EBITDA in the Prospectus, in each case filed with Canadian securities regulators and the SEC and available at www.transcanada.com.

Adjusted EBITDA reflects an adjustment to historical and pro forma EBITDA for the year ended December 31, 2015 related to (i) a non-cash impairment charge incurred by TransCanada relating to Keystone XL and related projects, including the Keystone Hardisty Terminal, in connection with the November 6, 2015 denial of the U.S. Presidential permit, and (ii) a non-cash impairment charge incurred by TransCanada relating to certain energy turbine equipment previously purchased for a power development project that did not proceed, each as recorded in the Corporation's audited consolidated financial statements as at December 31, 2015. TransCanada believes that Adjusted EBITDA is a useful measure for evaluating our historical and unaudited pro forma financial results, given the exceptional nature of these one-time asset impairment charges.

Additional Information and Where to Find it:

This presentation may be deemed to be solicitation material in respect of the proposed acquisition of Columbia by TransCanada. In connection with the proposed merger transaction, Columbia filed a preliminary proxy statement with the SEC on April 8, 2016 with respect to a special meeting of its stockholders to be convened to approve the merger transaction, and intends to file other relevant documents with the SEC, including a proxy statement in definitive form (which Columbia expects to commence disseminating to its stockholders on or about May 18, 2016). BEFORE MAKING ANY VOTING DECISION, COLUMBIA STOCKHOLDERS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED MERGER OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER.

Investors and security holders will be able to obtain, free of charge, a copy of the definitive proxy statement (when available) and other relevant documents filed with the SEC from the SEC's website at http://www.sec.gov. In addition, the proxy statement and Columbia's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Exchange Act will be available free of charge through Columbia's website at https://www.cpg.com/ as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC.

Participants in the Merger Solicitation:
Columbia and its directors, executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed merger. Information regarding Columbia's directors and executive officers can be found in Columbia's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed with the SEC on February 18, 2016, as amended by Amendment No. 1 thereto on Form 10-K/A, filed with the SEC on April 7, 2016. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests in the merger, which may be different than those of Columbia's stockholders generally, will be contained in the proxy statement and other relevant materials to be filed with the SEC when they become available.

Key Themes

Proven Strategy – Low Risk Business Model

- 90%+ of EBITDA derived from regulated assets or long-term contracts
- Planned sale of U.S. Northeast Power will further reduce merchant exposure

US$13 Billion Acquisition of Columbia Pipeline is Transformational

- Creates one of North America's largest regulated natural gas transmission businesses and positions the company for long-term growth

Visible Growth Through 2020

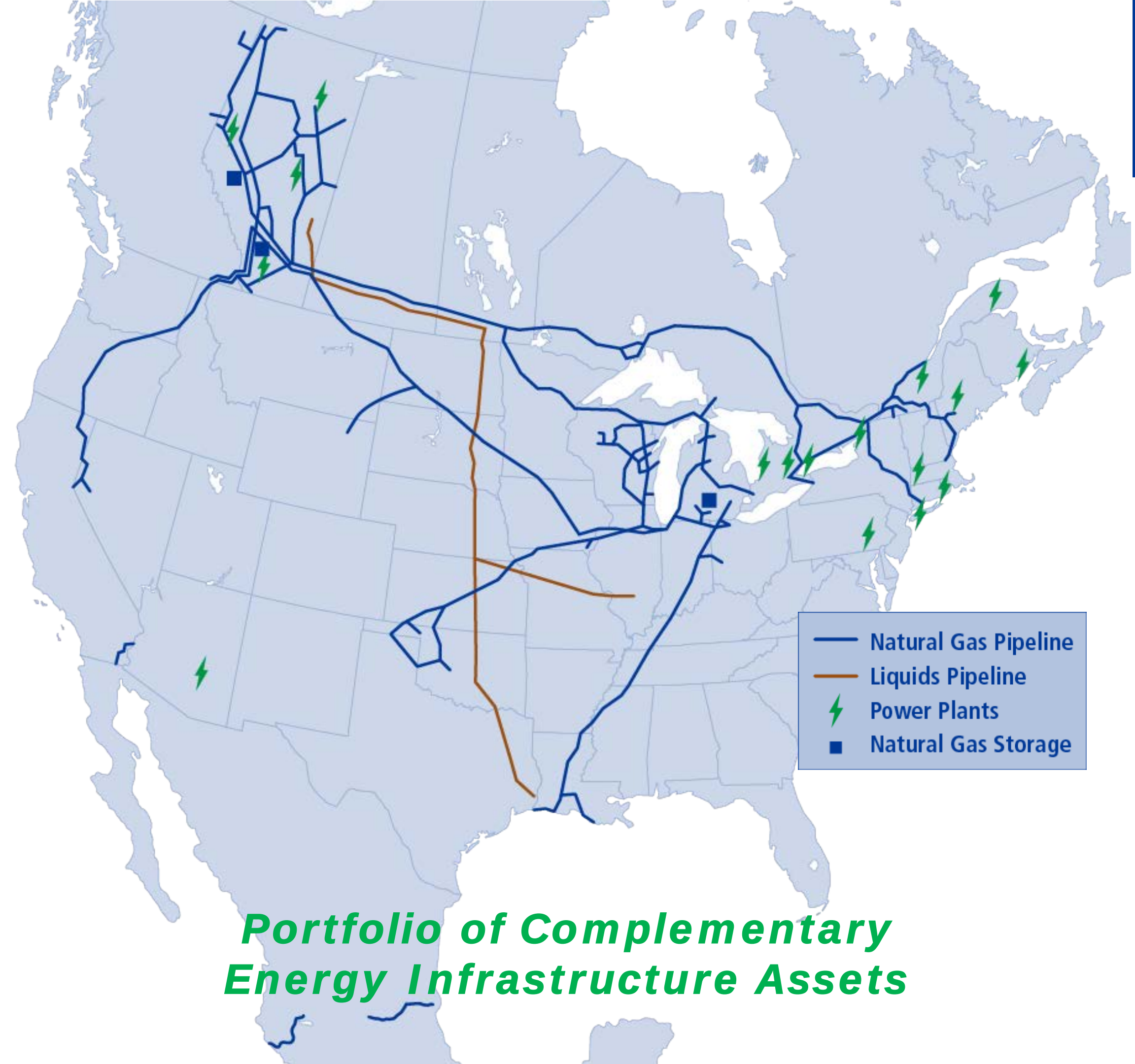
- $24 billion of pro forma near-term growth projects
- Over $45 billion of commercially secured long-term projects

Dividend Poised to Grow Through 2020

- 8-10% average annual growth rate expected
- Columbia Pipeline acquisition supports and may augment dividend growth

Financial Discipline

- Finance long-term assets with long-term capital
- Value 'A' grade credit rating
- Corporate structure is simple and understandable

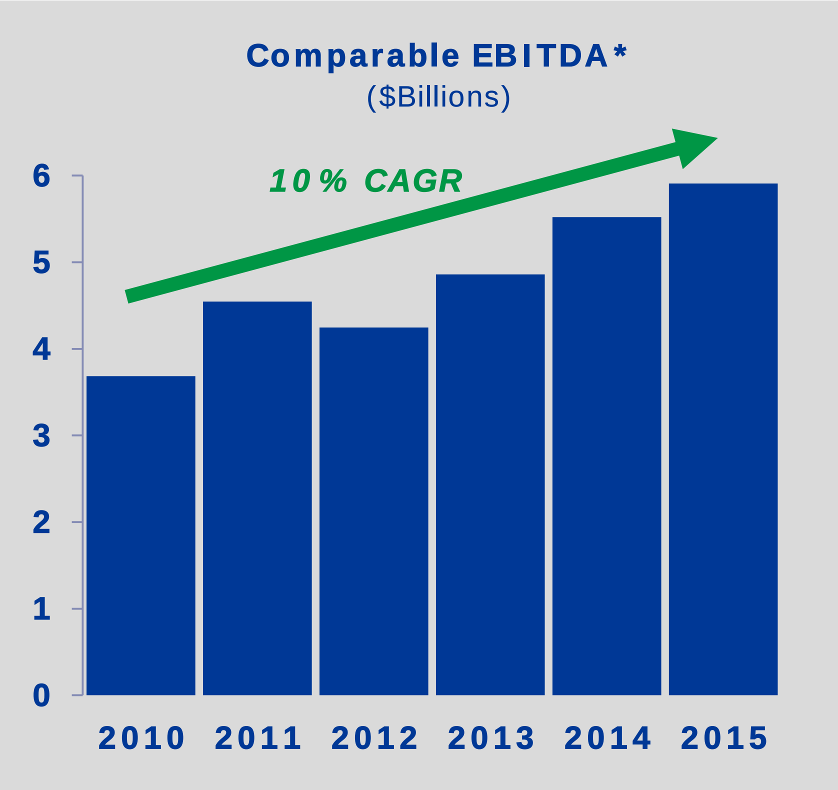


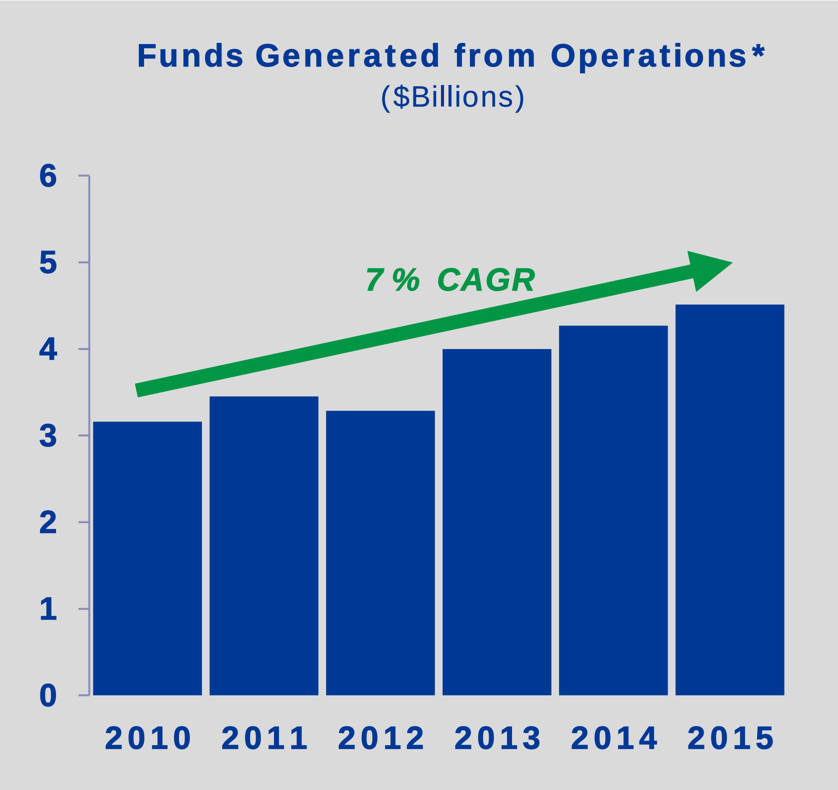
Portfolio of Complementary Energy Infrastructure Assets

TransCanada Today

- **One of North America's Largest Natural Gas Pipeline Networks**
  - 66,400 km (41,300 mi) of pipeline
  - 368 Bcf of storage capacity
  - 14 Bcf/d or 20% of continental demand
- **Premier Liquids Pipeline System**
  - 4,200 km (2,600 mi) of pipeline
  - 545,000 bbl/d or 20% of Western Canadian exports
- **One of the Largest Private Sector Power Generators in Canada**
  - 17 power plants, 10,500 MW
- **Total Assets ~ $64 billion as of March 31, 2016**

Strong Historical Financial Performance

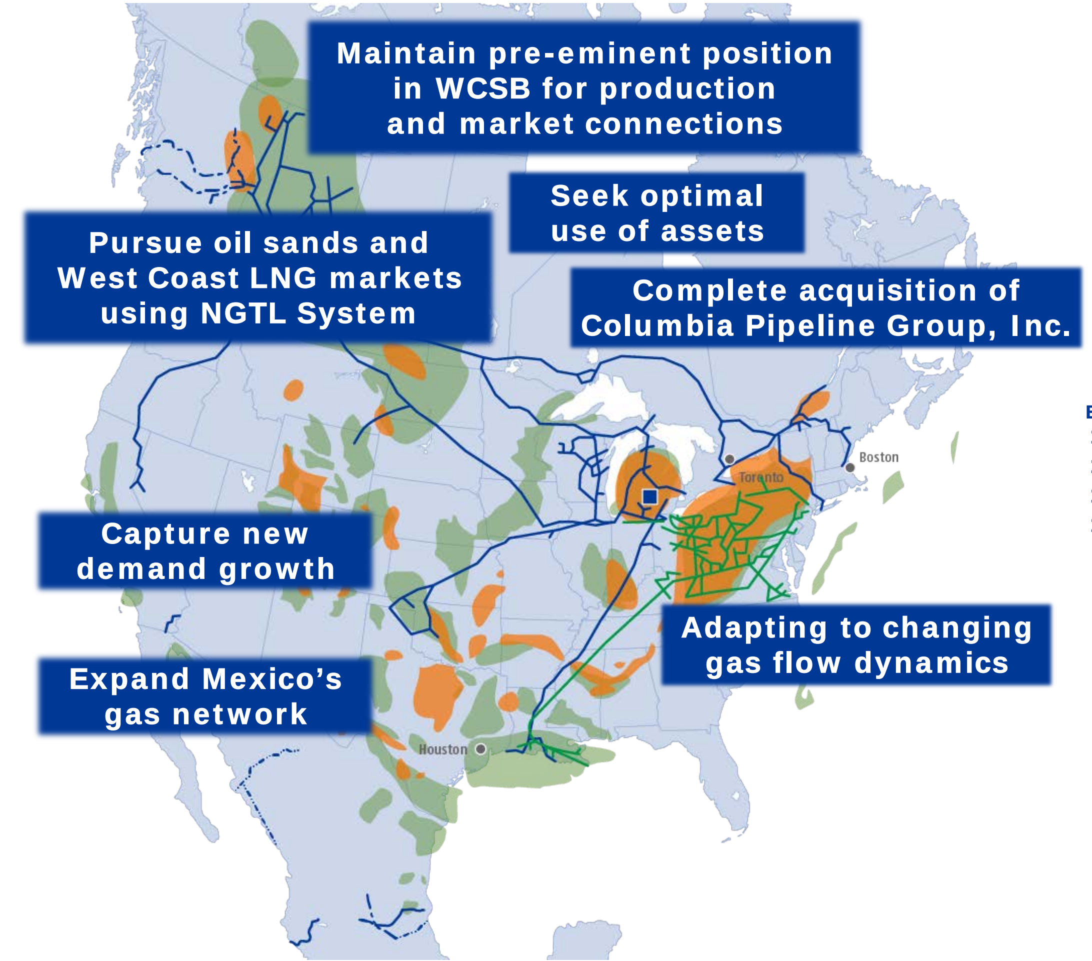




Significant Growth in Comparable EBITDA and Funds Generated from Operations

**Comparable EBITDA and Funds Generated from Operations are non-GAAP measures. See the non-GAAP measures slide at the front of this presentation for more information.*

Our Natural Gas Pipelines Strategy



Maintain pre-eminent position in WCSB for production and market connections

Seek optimal use of assets

Pursue oil sands and West Coast LNG markets using NGTL System

Complete acquisition of Columbia Pipeline Group, Inc.

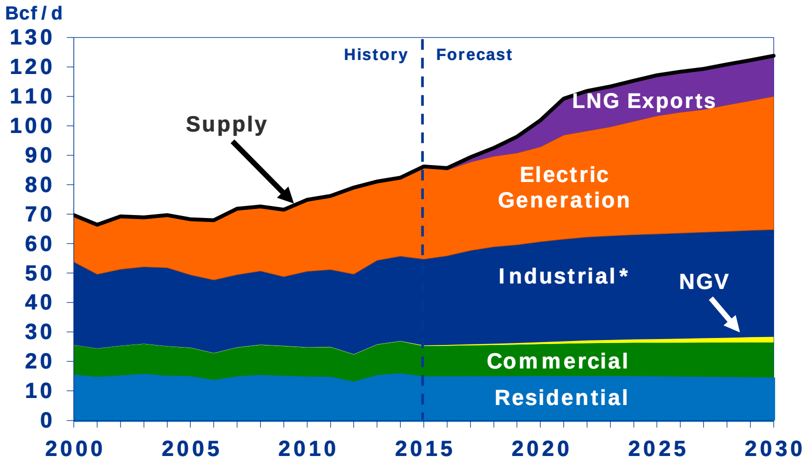
Capture new demand growth

Adapting to changing gas flow dynamics

Expand Mexico's gas network

Growing Natural Gas Supply and Demand Provides Opportunity

North American Natural Gas Supply / Demand Balance



Includes fuel used within the LNG process

Source: *TransCanada*

US$13 Billion Acquisition of Columbia Pipeline Group

Strategic Rationale

- Transformational acquisition creates one of North America's largest regulated natural gas transmission businesses and positions the company for long-term growth
- Results in a combined pro forma $24 billion portfolio of secured, near-term growth projects
- Combines TransCanada's financial strength with Columbia's attractive growth opportunities

Financial Highlights

- Expected to be accretive to earnings per share in the first full year of ownership and thereafter as the combined $24 billion of pro forma near-term commercially secured projects enter service
- Targeted annual cost, revenue and financing benefits of approximately US$250 million

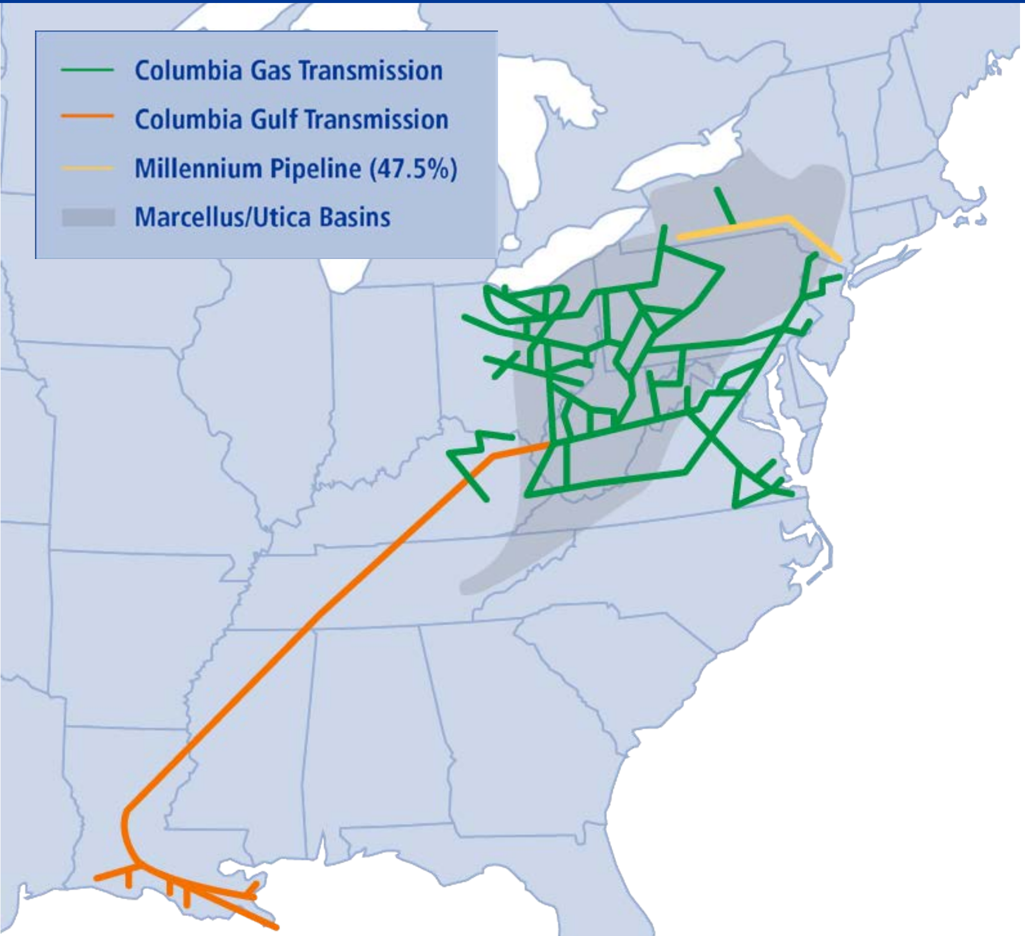
Financing Plan

- Issued $4.4 billion of subscription receipts, announced planned sale of U.S. Northeast power assets and monetization of minority interest in Mexican natural gas pipeline business

Transaction expected to close in second half of 2016

- Special meeting of Columbia stockholders scheduled for June 22, 2016
- Filings made with the U.S. Federal Trade Commission and the Committee on Foreign Investment in the United States (CFIUS)

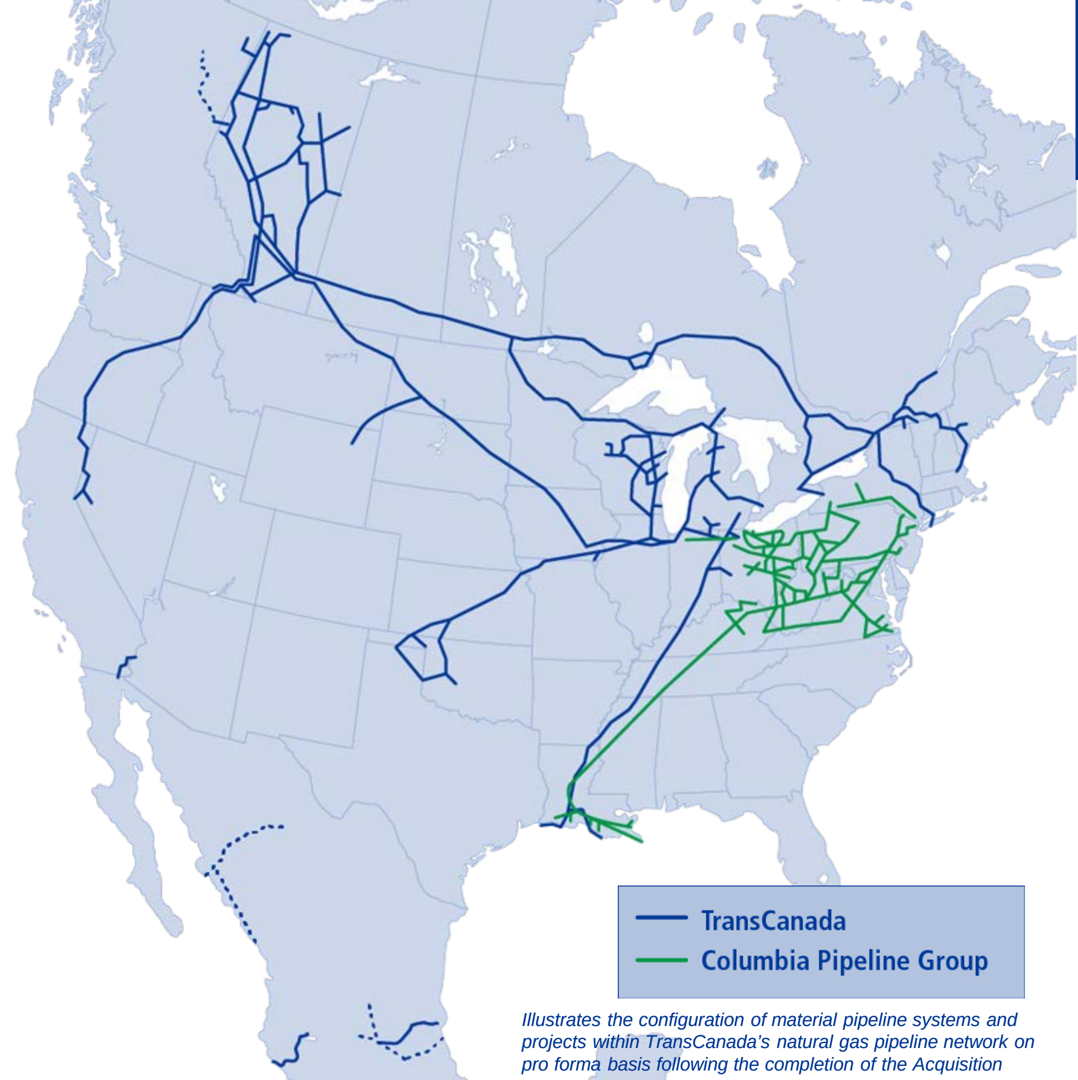
Acquisition of Columbia Pipeline Group - Strategic Rationale



Illustrates the configuration of material systems within Columbia's natural gas pipeline network

- **Premium natural gas pipeline and storage assets**
- **Extensive position in the Marcellus and Utica shale regions**
- **FERC regulated assets generate stable and predictable earnings and cash flow**
- **US$7.3 billion portfolio of growth initiatives and modernization investments**

Secures Incumbency Position in North America's Most Prolific Natural Gas Basins

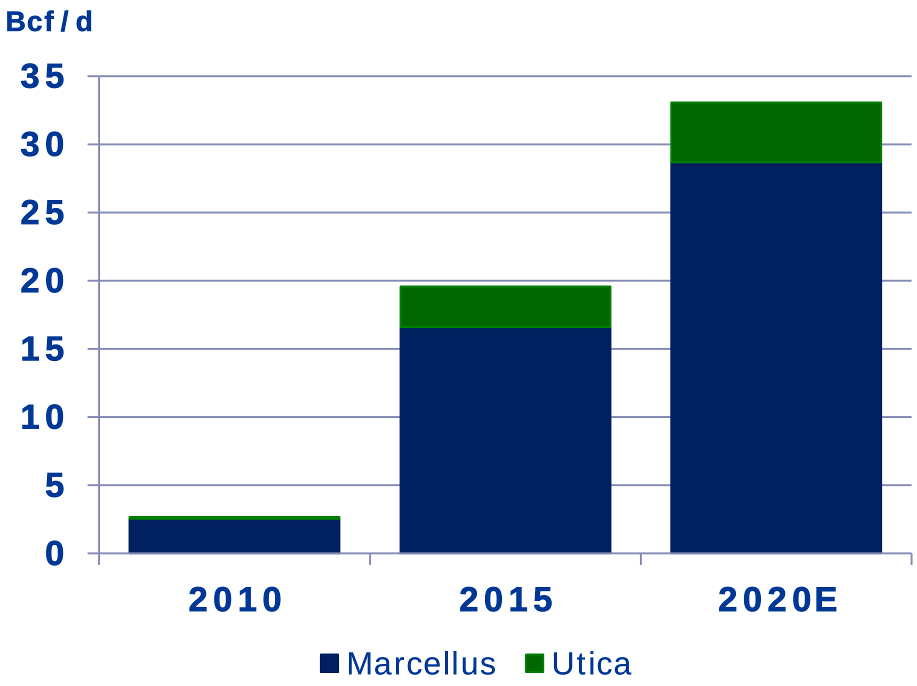


Illustrates the configuration of material pipeline systems and projects within TransCanada's natural gas pipeline network on pro forma basis following the completion of the Acquisition

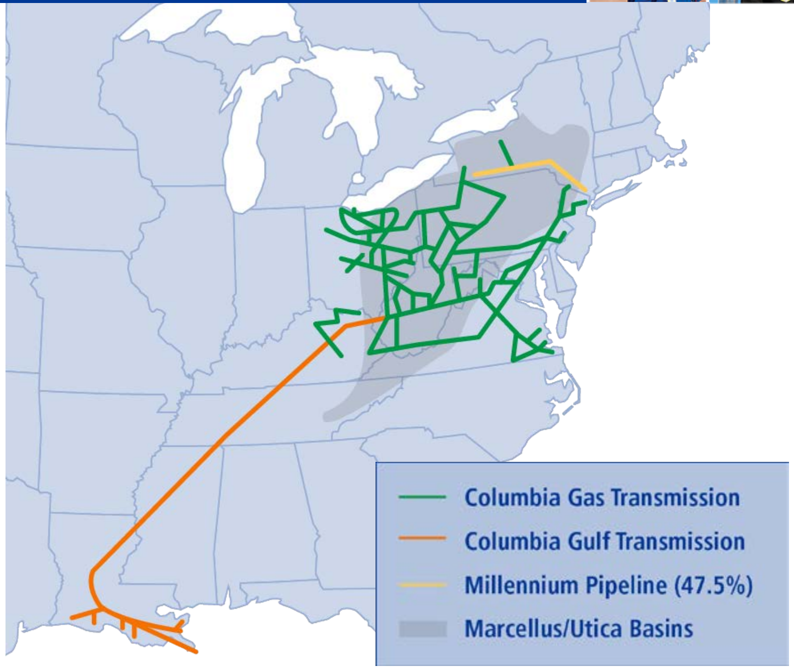
Combined Natural Gas Pipeline Footprint

- **One of North America's largest natural gas transmission businesses**
  - Approximately 91,000 km (56,900 miles) of gas pipeline
  - 664 Bcf of storage capacity
- **Complements our existing regulated natural gas pipeline and storage assets**
  - Long-term, fee-based contracts
  - Diversified customer base
- **Adds to basin diversification and access to large markets**
  - Established position in the Appalachia, the fastest growing gas production basin in North America
  - Improves access to U.S. Northeast, Midwest, Mid-Atlantic and Gulf Coast markets

Positioned to Capture Growing Marcellus and Utica Production



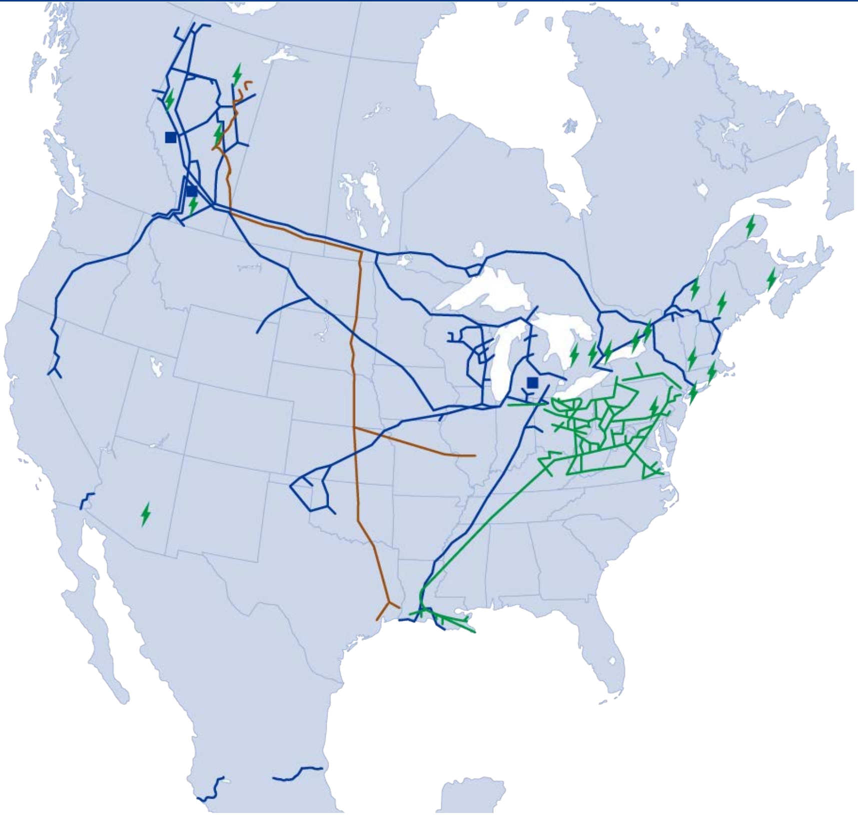
Source: EIA and IHS CERA, February 2016

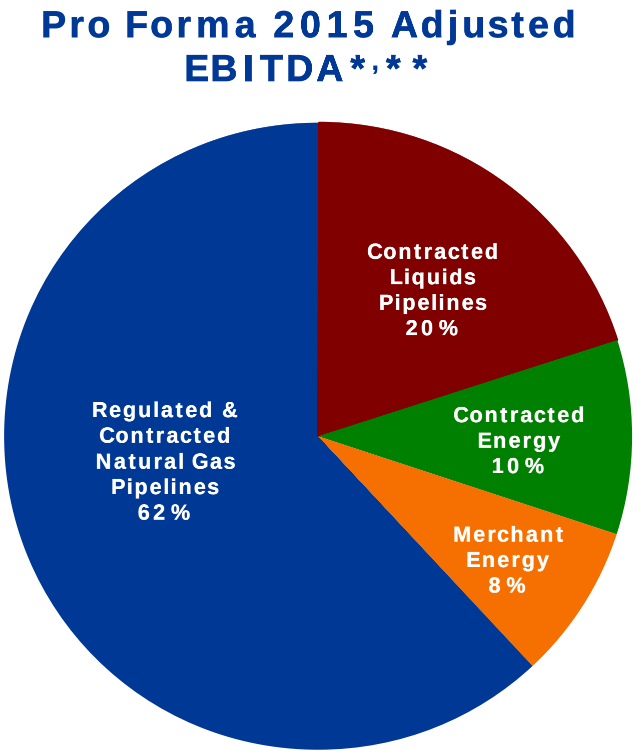


Illustrates the configuration of material systems within Columbia's natural gas pipeline network

- **Significant growth in production expected**
- **Asset footprint favourably situated relative to production**

Predictability and Stability of EBITDA





Planned Monetization of U.S. Northeast Power Will Further Reduce Merchant Exposure

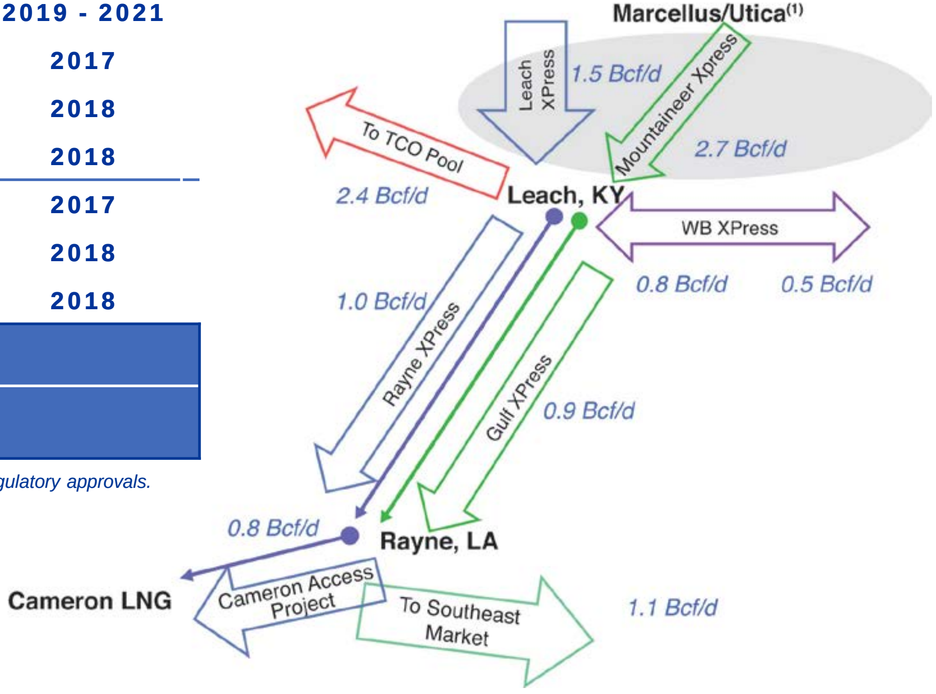
*Adjusted EBITDA is a non-GAAP measure. See the non-GAAP measures slide at the front of this presentation for more information.
**Includes Columbia; does not reflect portfolio management changes, acquisition benefits and costs.

Columbia Pipeline Group Capital Program

Asset	Project	Estimated Capital Cost (US$) *	FERC Status	Expected In-Service
	Modernization I	0.6	Approved	2017 – 2018
	Modernization II	1.1	Approved	2019 - 2021
Gas	Leach XPress	1.4	Filed	2017
	WB XPress	0.8	Filed	2018
	Mountaineer XPress	2.0	Filed	2018
	Rayne XPress	0.4	Filed	2017
Gulf	Cameron Access	0.3	Approved	2018
	Gulf XPress	0.7	Filed	2018
Total		US7.3		
Total Canadian Equivalent (1.32 exchange rate)		CAD9.6		

* *Columbia share in billions of U.S. dollars. Certain projects are subject to various conditions including regulatory approvals.*

Project Gas Flow Direction and Capacity from the Marcellus / Utica



(1) Shaded area represents the Marcellus and Utica shale gas production areas

Industry Leading Pro Forma Near-Term Capital Program

Project	Estimated Capital Cost*	Expected In-Service Date*
Columbia Pipeline Group	US7.3	2016-2021
Topolobampo	US1.0	2016
Mazatlan	US0.4	2016
Tuxpan-Tula	US0.5	2017
Tula-Villa de Reyes	US0.6	2018
Canadian Mainline	0.7	2016-2017
NGTL System	5.4	2016-2018
Houston Lateral & Terminal	US0.6	2016
Grand Rapids	0.9	2017
Northern Courier	1.0	2017
Napanee	1.0	2017 or 2018
Bruce Power Life Extension	1.2	2016-2020
Total Canadian Equivalent (1.32 exchange rate)	**CAD23.9**	

* *TransCanada pro forma share in billions of dollars. Certain projects are subject to various conditions including corporate and regulatory approvals.*

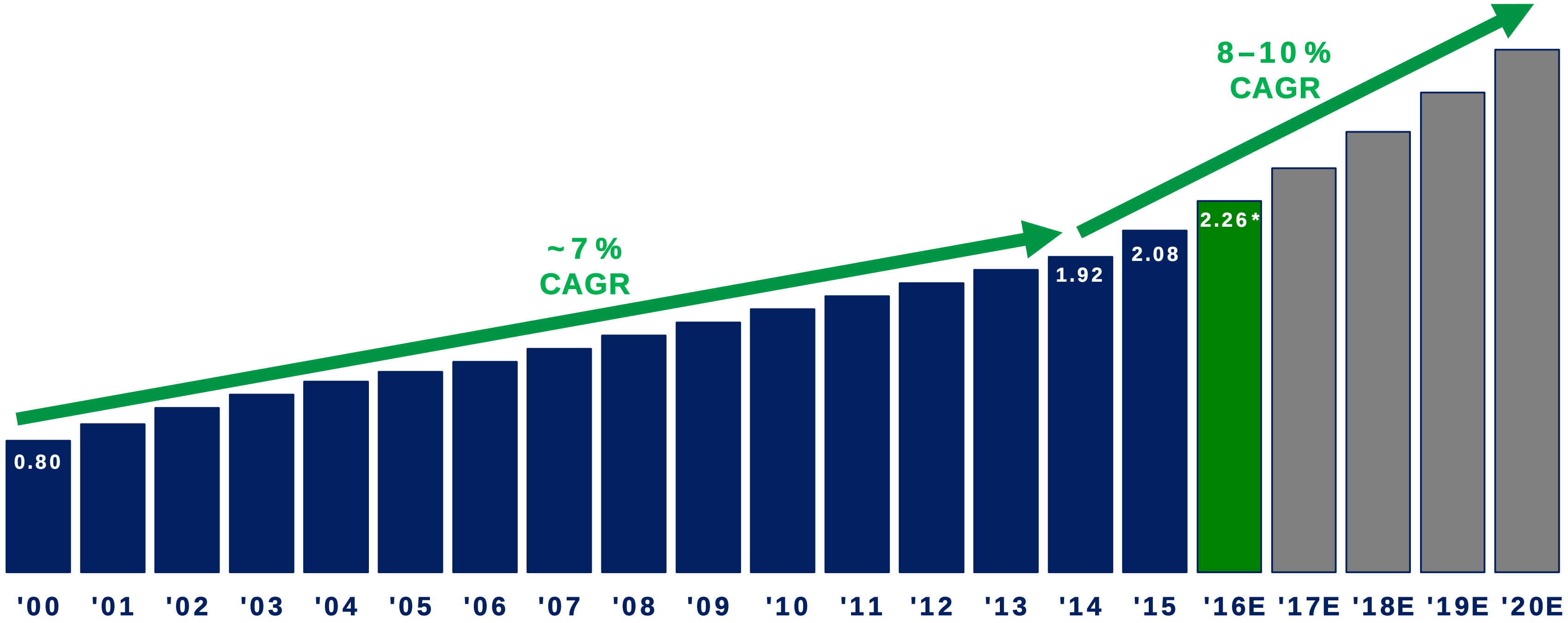
Illustrates the configuration of TransCanada's pro forma near-term projects following the completion of the Acquisition

$45 Billion+ of Commercially Secured Long-Term Projects*

- **Bruce Power Life Extension Agreement**
  - Asset Management and Major Component Replacement post-2020 ($5.3 billion)
  - Extends operating life of facility to 2064
- **Four transformational projects**
  - Energy East ($15.7 billion) and related Eastern Mainline Expansion ($2.0 billion)
  - Keystone XL (US$8 billion)
  - Prince Rupert Gas Transmission ($5 billion)
  - Coastal GasLink ($4.8 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. Certain projects are subject to various conditions including corporate and regulatory approvals.*

Dividend History and Growth Outlook Through 2020



Columbia Acquisition Supports and May Augment Dividend Growth Through 2020

** Annualized based on second quarter dividend of $0.565 per share*

Track Record of Delivering Long-Term Shareholder Value

14% average annual return since 2000

Visible Growth Portfolio

$24 billion pro forma to 2020
Additional opportunity set includes over $45 billion of long-term projects

Attractive, Growing Dividend

4.4% yield at current price
8-10% CAGR through 2020

Strong Financial Position

'A' grade credit rating
Numerous levers available to fund growth

Attractive Valuation Relative to North American Peers

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