TSO 2007

June 7, 2007 TTF meeting

TransCanada
In business to deliver

TSO 2007 Forecast Cases – Key Messages

North America:

- Higher oil and gas prices will continue over near term
- No growth in L48 supply despite higher prices
- New sources of supply needed to meet growing N.A. demand

Western Canada:

- WCSB supply is relatively flat, includes significant unconventional supply (includes Coal Bed Methane)
- Mackenzie gas expected in late 2014
- WC demand growth for Oil Sands

Eastern Canada:

- Demand growth driven by Ontario "Off-coal" program
- New LNG facilities expected in the St. Lawrence Seaway and Maritimes

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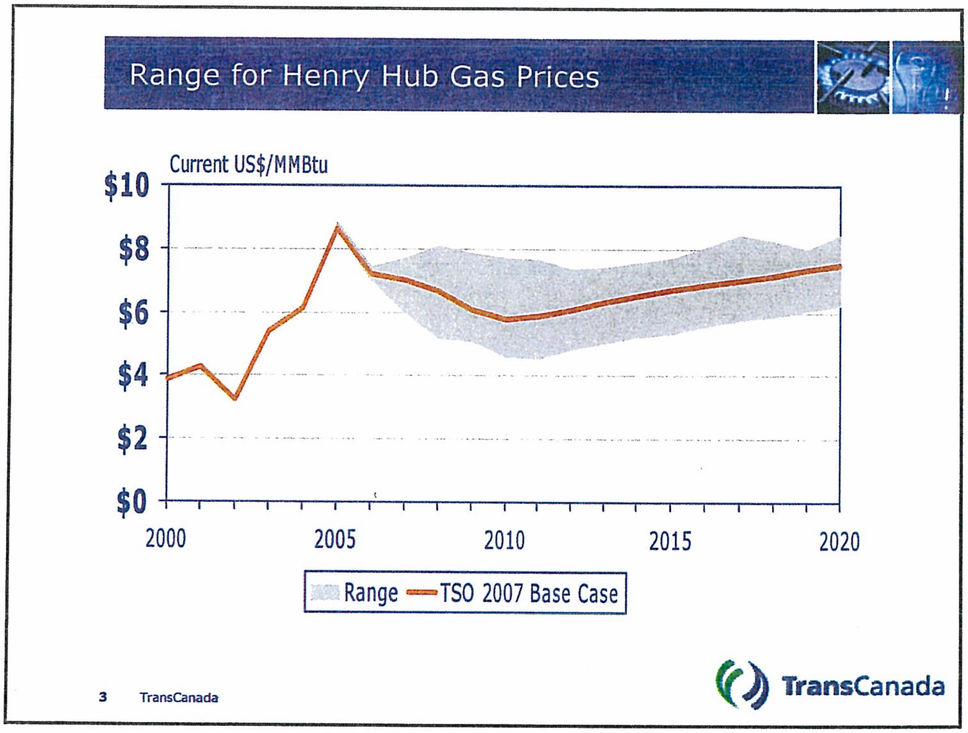
Range for Henry Hub Gas Prices
Current US$/MMBtu
$10
$8
$6
$4
$2
$0
2000
2005
2010
2015
2020
Range
TSO 2007 Base Case
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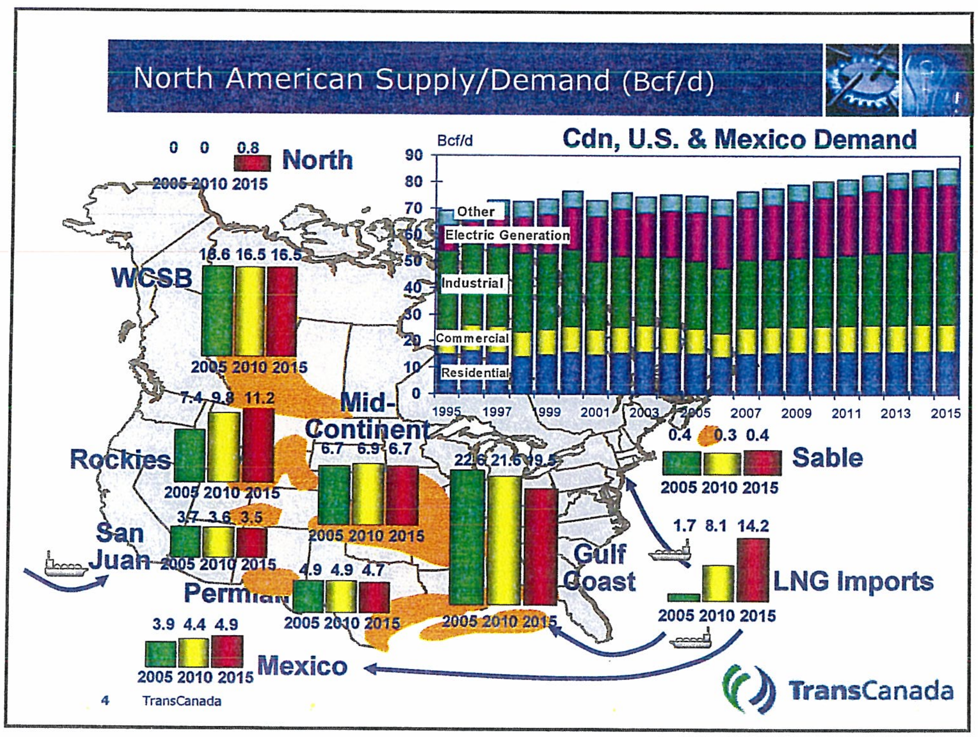
North American Supply/Demand (Bcf/d)
Cdn, U.S. & Mexico Demand
Bcf/d
Other
Electric Generation
Industrial
Commercial
Residential
1995 1997 1999 2001 2003 2005 2007 2009 2011 2013 2015
0 0 0.8 North
2005 2010 2015
16.6 16.5 16.5
WCSB
7.4 9.8 11.2
Rockies
Mid-Continent
6.7 6.9 6.7
3.7 3.6 3.5
San Juan
Permian
4.9 4.9 4.7
22.6 21.6 19.5
Gulf Coast
0.4 0.3 0.4
Sable
1.7 8.1 14.2
LNG Imports
3.9 4.4 4.9
Mexico
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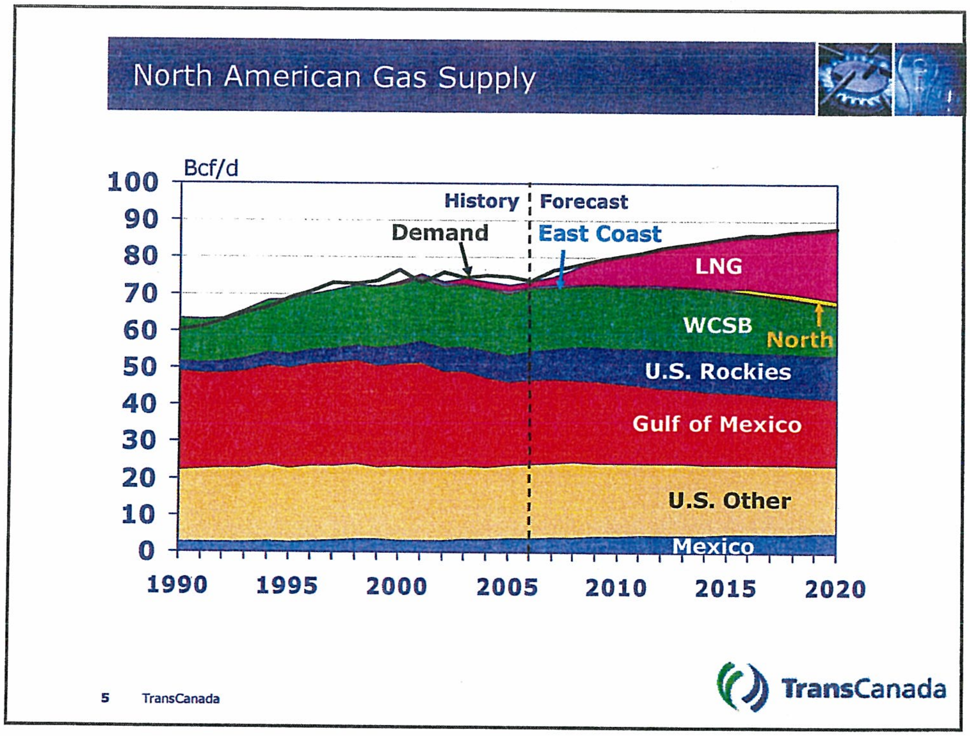
North American Gas Supply
Bcf/d
100
90
80
70
60
50
40
30
20
10
0
History
Forecast
Demand
East Coast
LNG
WCSB
North
U.S. Rockies
Gulf of Mexico
U.S. Other
Mexico
1990
1995
2000
2005
2010
2015
2020
5
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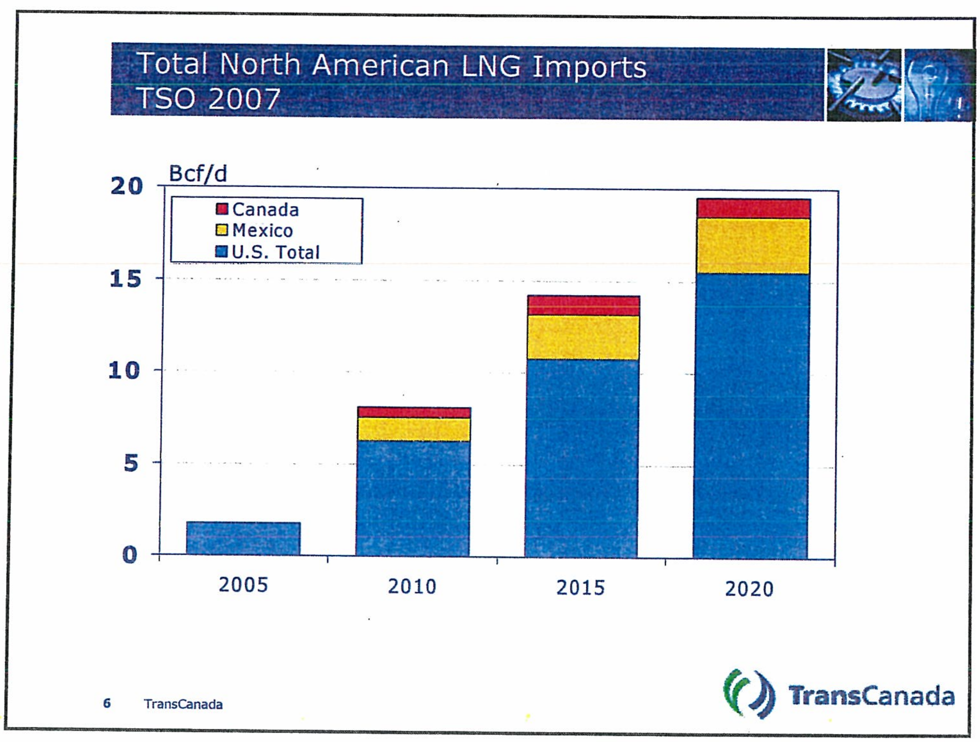
Total North American LNG Imports
TSO 2007
Bcf/d
20
15
10
5
0
Canada
Mexico
U.S. Total
2005
2010
2015
2020
6
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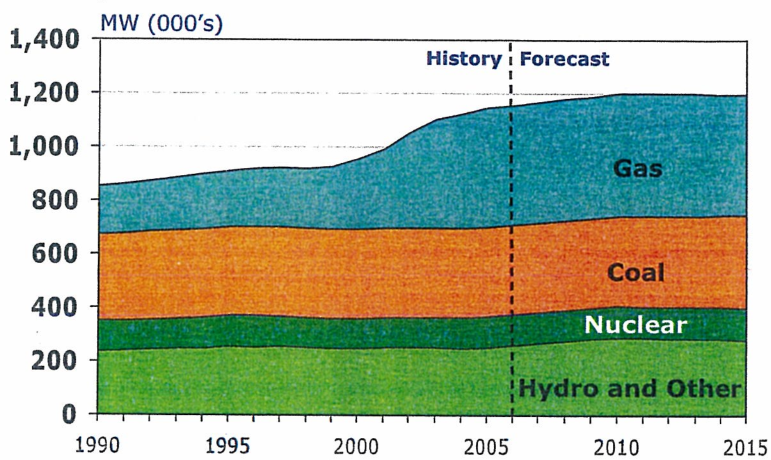
North American Power Capacity by Fuel Type



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Gas Demand for Power

- Ongoing peak and average power demand growth
- Gas-fired generation capacity is expected to meet most of the increased demand
- Gas-fired capacity in North America is about 445 GW (37% of the total market capacity) with roughly a 20% utilization rate accounting for about 18 Bcf/d
- 28 GW of new gas fired capacity was added in last 2 years, 14 GW is currently under construction
- Baseload fleet performance, weather events, fuel switching, swing gas consumption in the power sector.

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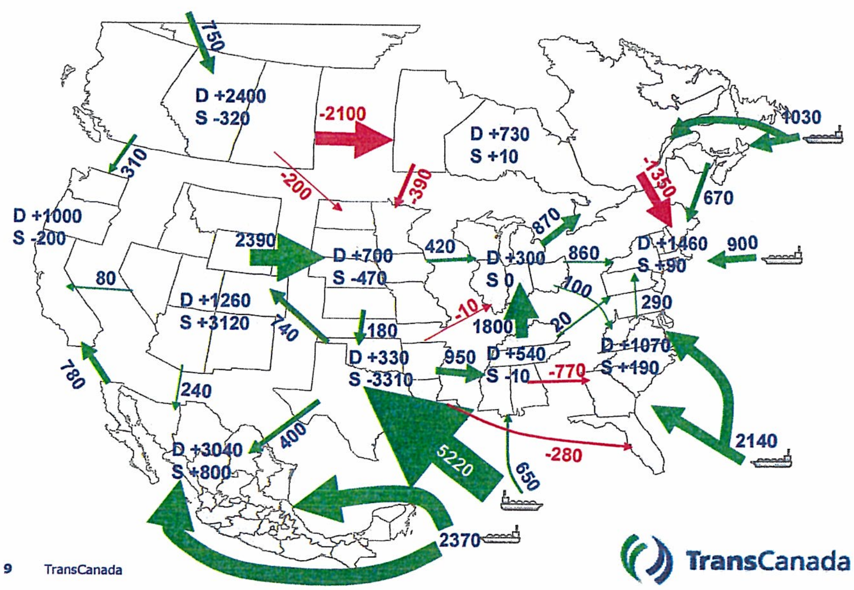
2005 – 2015 Regional Flow Changes (MMcf/d)



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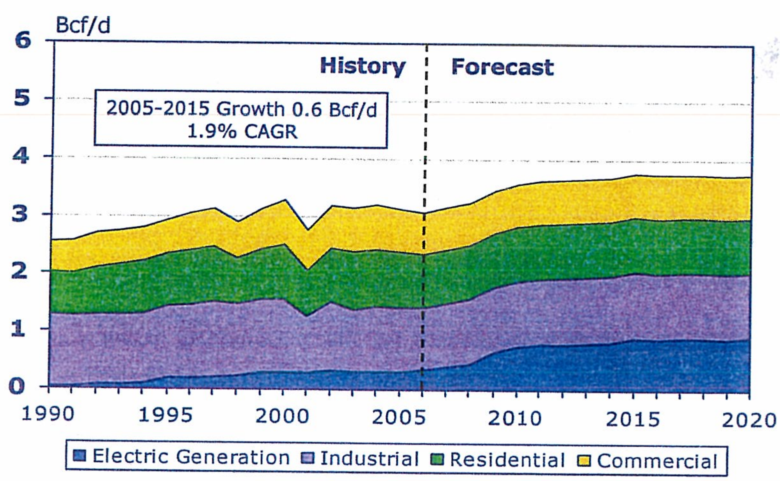
Ontario & Quebec Demand (1990-2020)



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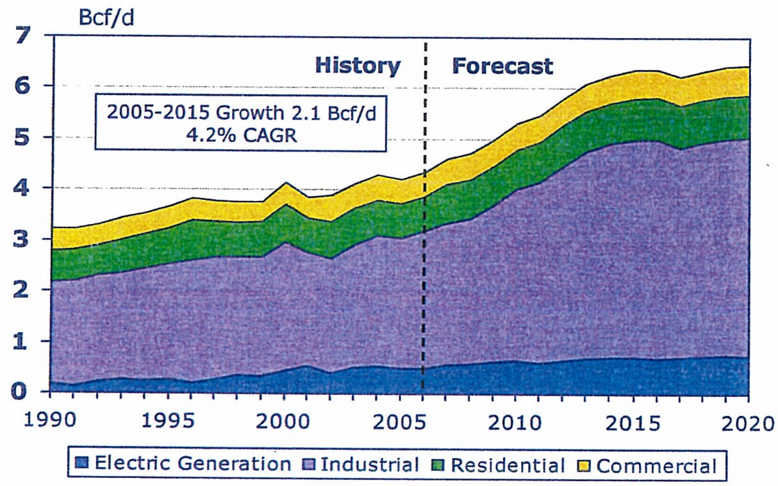
Western Canadian Demand



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Western Canada Demand Summary

- Western Canada demand growth is driven primarily by Alberta industrial demand
- Total WC forecast growth is 2.1 Bcf/d from 2005 to 2015
- Core demand is growing slowly at 1% pa
- Alberta Oil Sands and upgrading demand is growing rapidly, even with current high gas prices
- Bitumen market development and new export capacity is critical to Oil Sands growth
- Oil Sands plus upgrading demand is forecast to grow by 1.9 Bcf/d from 2005 to 2015, then slow
- This includes assumption that technology improvements in Oil Sands will reduce growth in demand by 1 Bcf/d
- Remaining methanol production has been permanently lost due to high prices; fertilizer demand will decline

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WCSB Supply

Short-term

- Supply down 200-300 MMcf/d (1-2%) in 2007 from 2006 actual
- 2008 supply will also be lower (1%)
- Supply down about 600 MMcf/d in the next 2-3 years compared to 2006 TSO

Long-term

- Incorporated the new Canadian Gas Potential Resource Study
- Higher supply costs mitigated by higher price
- Long-term supply forecast relatively unchanged
- However, regional differences

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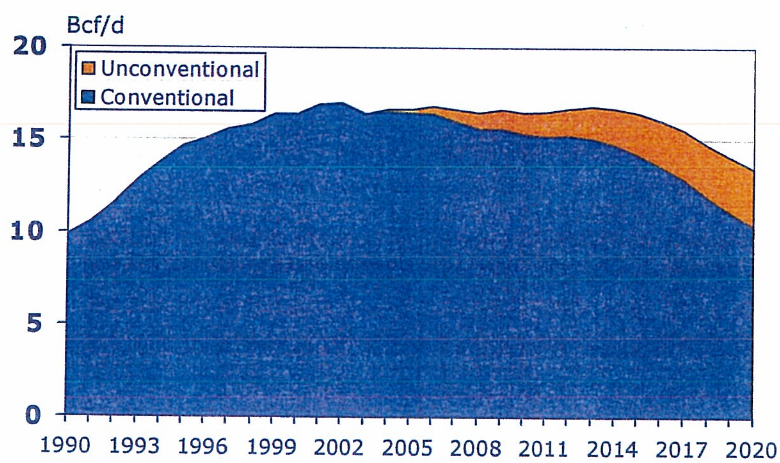
Total WCSB Forecast



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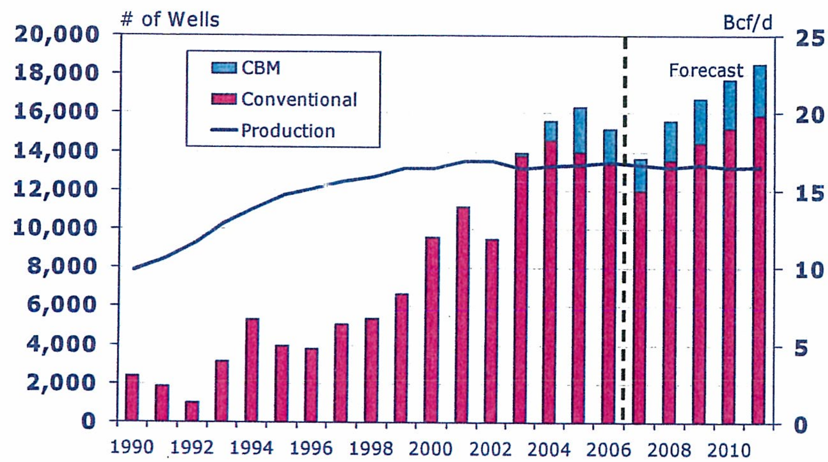
WCSB Gas Wells Drilled / Production Forecast



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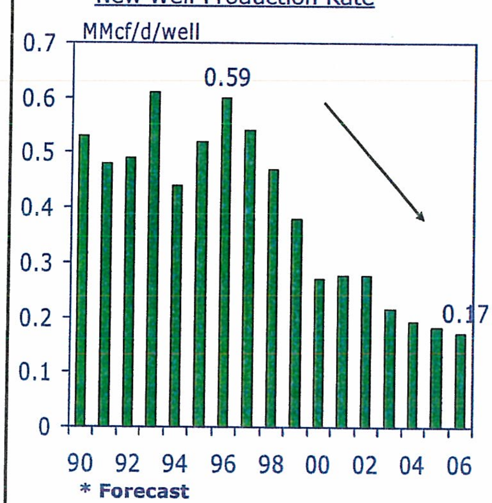
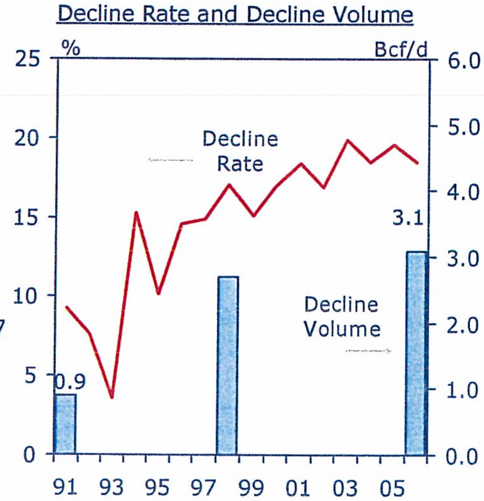
WCSB - A Maturing Basin
High Decline Rates – Low Well Rates

New Well Production Rate



Decline Rate and Decline Volume



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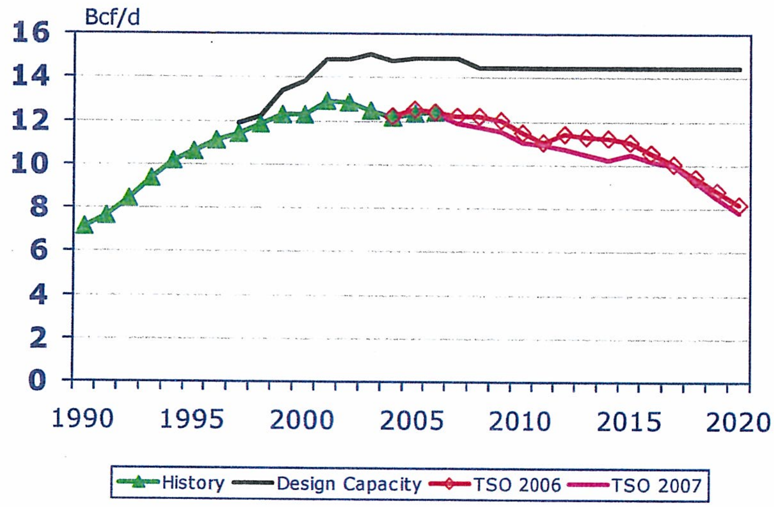
Western Canadian Exports



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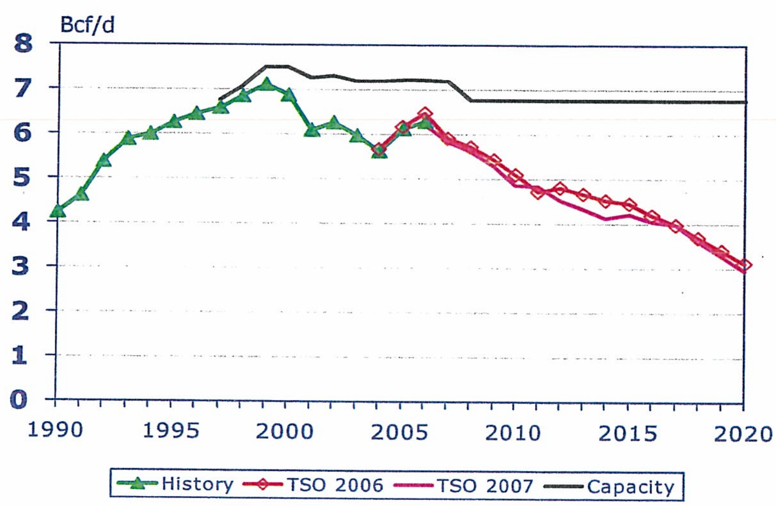
Mainline Total Western Receipt Flows



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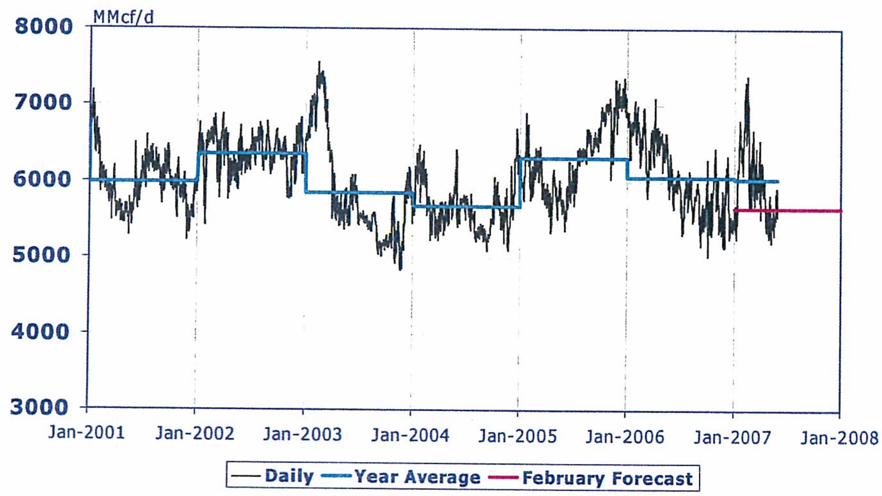
Mainline Western Receipts



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Additional Slide

As requested during presentation the following slide illustrates total Western Canada exports broken out by pipeline from the region.

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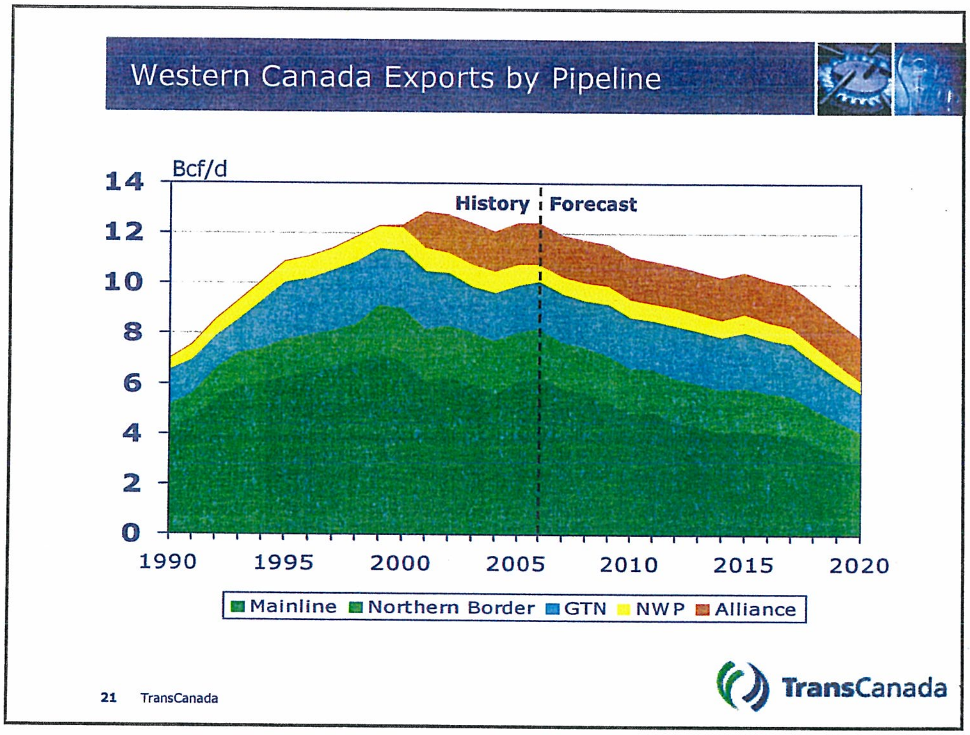
Western Canada Exports by Pipeline
Bcf/d
14
12
10
8
6
4
2
0
History
Forecast
1990
1995
2000
2005
2010
2015
2020
Mainline
Northern Border
GTN
NWP
Alliance
21 TransCanada
TransCanada