

TransCanada Power Market Update

August 2018

Forward Prices Table

	Flat 7x24 (\$/MWh)	AB - 6x16 On Peak (\$/MWh)	AB - Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$77.50	\$91.45	\$60.45	\$1.30	59.6
September	\$65.75	\$76.93	\$51.29	\$1.42	46.3
BOY	\$62.77	\$80.35	\$43.94	\$1.57	40.0
2019	\$55.13	\$71.73	\$38.63	\$1.59	34.7
2020	\$51.25	\$66.63	\$35.88	\$1.55	33.1

All prices are indicative as of indicative of August 1, 2018. For Firm power price quotes please contact TransCanada's Power Marketing team. See contacts on the last page.

Alberta Market Recap – July 2018

July 2018 ended up settling at \$58.45/MWh, just under June 2018's high monthly settle of \$63.44/MWh. July 2018's settle was up just over 100% from July 2017's settle of \$26.96/MWh.

Contributing to July's monthly settle was the 56 hours settling above the \$100.00/MWh mark and the 11 hours settling above the \$500.00/MWh mark. The top 10% of July's hourly settles contributed 46% to the monthly settle, while the bottom 90% contributed 54%. These percentages represent the influence of the top 10% of hourly settles to the monthly settle price of \$58.45/MWh. The highest priced hour for the month occurred on July 17 HE 15:00 MT and settled below the price cap at \$915.28/MWh. For the month, price did not settle under double digits with the low at \$13.08/MWh on July 1st HE 2:00 MT. On the load side, average on-peak load was 10,074 MW while average off peak load was 8,985 MW. On July 17 HE 17:00 MT load hit 11,099 MW which is the highest it's been in July for at least the past 5 years.

The triple digit pricing throughout the month was attributed to periods of high temperatures, mild wind generation, thermal unit outages and de-rates as well as periods of high Mid-C prices constraining economical imports. Temperature across the province for the month varied between cool rainy days with highs in the 10° Celsius – 15° Celsius range and hot dry days ranging between 25° Celsius – 32° Celsius. The highest recorded hour in July occurred in Medicine Hat on July 6th HE 17:00 when it reached 37° Celsius.

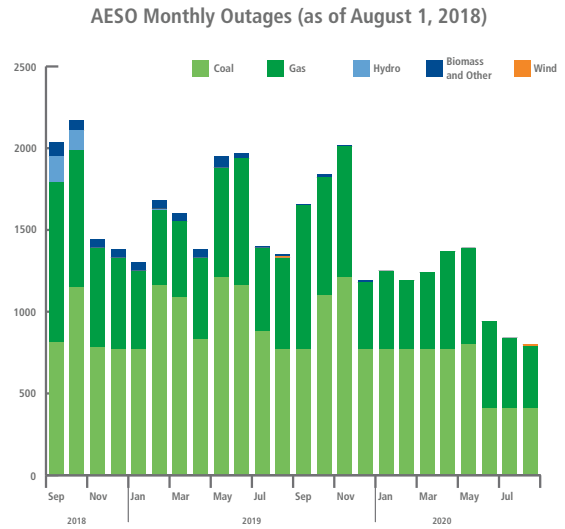
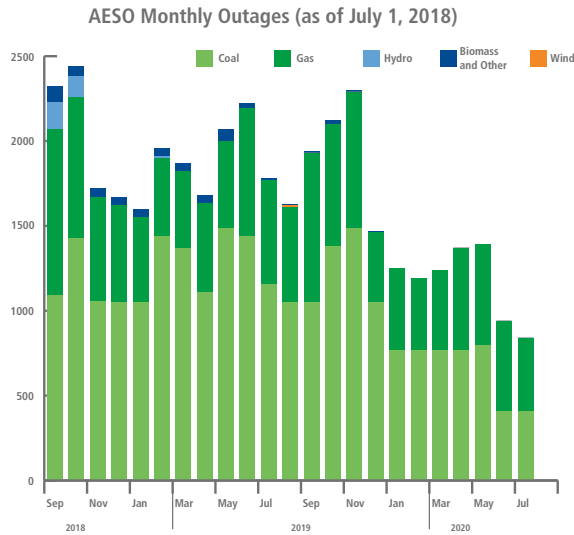
On the tie lines, July saw lower imports and the opportunity for exports South of the border throughout the back end of the month as Mid-C prices stayed consistently high due to extreme temperatures down the Pacific Coast. Despite high prices in the South, counterparties remained cautious about exports out of the province due to price volatility in Alberta's power market.

¹FORWARD-LOOKING INFORMATION This publication contains certain information that is forward looking and is intended to provide useful and timely information to Alberta power market participants. All information is from sources deemed reliable and is subject to errors and omissions which we believe to be correct, however, assume no responsibility for. The words "anticipate", "forecast", "expect", "believe", "may", "should", "estimate", "plan" or other similar words are used to identify such forward-looking information. All forward-looking statements reflect TransCanada's beliefs and assumptions based on information available at the time of this publication and are not guarantees of future performance. By their nature, forward-looking statements are subject to various assumptions, risks and uncertainties which could cause actual outcomes to differ materially from the anticipated results or expectations expressed or implied in such statements. Readers are cautioned against placing undue reliance on forward-looking information and not to use future-oriented information or financial outlooks for anything other than their intended purpose. TransCanada undertakes no obligation to update or revise any forward-looking information except as required by law.

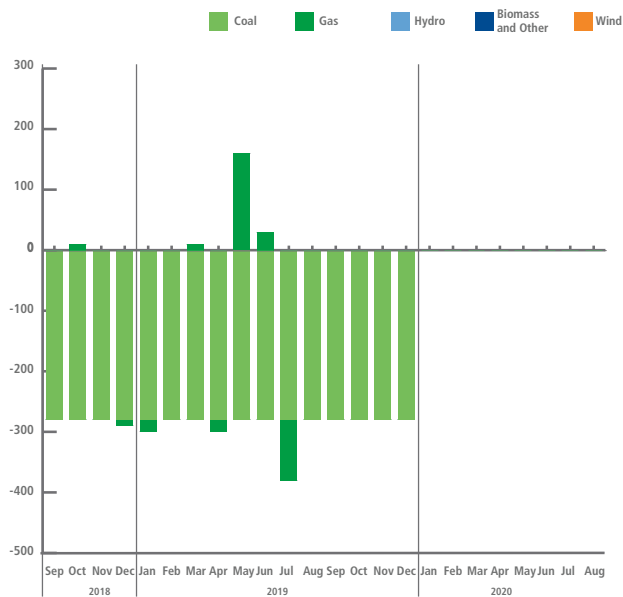
TransCanada Power Market Update

August 2018

Monthly Outages



**Month-over-Month Change in Outages
(July 2018 over August 2018)**



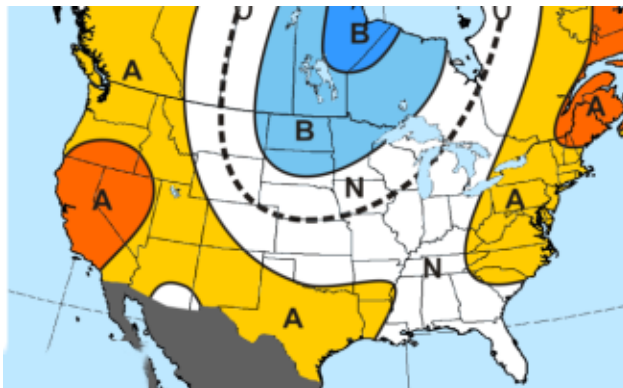
From the Month-over-Month Change in Outages chart above, forecasted outages taken from July 1, 2018 in comparison to August 1, 2018 differed by 280 MW due to TransAlta's decision to retire its 208 MW Coal Unit (Sundance #2) effective July 31, 2018.

TransCanada Power Market Update

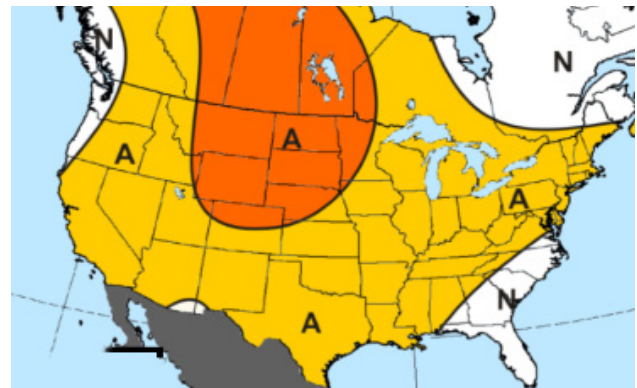
August 2018

Radiant Solutions 30-60 Day Outlook

August 2018



September 2018



According to Radiant Solutions, July 2018 was the sixth hottest on record since 1950, reaching 383.3 PWCCDs (National Population-Weighted Cooling Degree Day's). This places July 2018 ahead of July 2017's 370.1 PWCCD but behind July 2016's 393.4 PWCCD for North America. North of the border, although much "cooler" than the Pacific West Coast, Alberta experienced its own heat wave advisories throughout the province as multiple days had hours in the 30° Celsius range. Despite the heat warning advisories throughout the month with majority being for Southern Alberta, July 2018 only had around half of the above 30° Celsius hours as July 2017.

Radiant Solutions 30-60 Day Outlook for August has been updated to forecast continued high temperatures in the West and the Northeast, with some cooling in the Mid-Centroid and Southern United States. North of the border, BC will continue to see above normal temperatures while the Eastern side of Alberta is projected to cool off during the month of August. PWCCD forecast for August 2018 remains at 337 PWCCD consistent with the 10-year average of 327.4 PWCCDs.

Ryan Laverty
 Manager, Power Marketing
 403.920.5616
ryan_laverty@transcanada.com

Kelsey Johanson
 Power Marketing Representative
 403.920.5956
kelsey_johanson@transcanada.com