In addition to refining the proposed route in the U.S., we continue to do survey work in the Canadian study area as outlined in the map. We anticipate that we’ll be able to make a decision on our preferred route in Canada within the next short while.

The project would include approximately 240 miles of 20-inch pipeline and related facilities, including valve sites, tanks and new pump stations along the proposed route. The proposed pipeline would begin southwest of Williston, North Dakota, cross the Canada-U.S. border near Flaxton, North Dakota, and end near the Manitoba-Saskatchewan border in Canada.

The Project would transport up to 300,000 barrels of crude oil per day and is scheduled to be in-service in 2020.

We recently submitted an application for a Presidential Permit to the Department of State to cross the international border. We anticipate following that up with applications to the North Dakota Public Service Commission and the National Energy Board of Canada, later this year.

TransCanada is uniquely positioned to provide shippers with the opportunity to move Williston Basin crude oil to oil transportation connection points and refining facilities in Montreal, Quebec City and the eastern seaboard to meet energy demand. The Upland Pipeline Project is expected to help relieve pipeline capacity constraints and support expected growth from this key oil producing region.

TransCanada is proposing to construct, own, and operate the Upland Pipeline Project to connect Williston Basin crude oil from various production areas in North Dakota, Saskatchewan, and Manitoba to oil transportation connection points near the Manitoba-Saskatchewan border in Canada.

Significant increases in Williston Basin crude oil production in recent years have resulted in production exceeding pipeline take away capacity. Positive results from an open season (a request to shippers to determine interest) helped TransCanada determine the feasibility and scope of the Upland project.

In 2014, we asked landowners along or near the proposed route for permission to access their lands for the purpose of conducting initial environmental assessments. The results of these assessments and discussions with government representatives and regulatory agencies helped us to understand important routing considerations for the pipeline.
Proposed Project: **Upland Pipeline Project**

**Proposed Project Details**
The following highlights the details of the proposed Upland Pipeline Project:
- Pipeline Length: approximately 240 miles (400 kilometers)
- Pipeline Diameter: 20 inches
- Pipeline Capacity: up to 300,000 barrels per day
- Pipeline Starting Point: 15 miles southwest of Williston, North Dakota in Williams County
- Pipeline End Point: To be determined

TransCanada plans to install up to five pump stations on this project.

**Associated Pipeline Installations**
Temporary infrastructure, such as access roads, construction camps, construction and contractor yards, and stockpile sites will be required during construction. Some new access roads may also be needed for pipeline operations. New electrical power lines and facilities may be required to operate the new pump units and cathodic protection sites. These power lines and facilities would be constructed, owned and operated by third party power providers.

**Pipeline Route and Facility Location Selection**
In determining a potential corridor for this project in the U.S., we considered a number of factors including but not limited to: safety, constructability, environmental sensitivities, land use compatibility, economics, vegetation, archaeological and historical sites, as well as stakeholder and Tribal community input.

To minimize the project footprint and environmental impacts, we intend to parallel or utilize existing linear facilities, where possible.

Our preferred route in Canada will also be selected on the basis of comprehensive engineering and environmental assessments that have already been conducted and through the review of alternate routes. We have also consulted with government bodies and landowners on several alternatives.

**Crossings**
We will employ proven construction techniques for each of the planned crossings such as water courses, railways, roads and other pipelines. Crossing techniques will be designed to suit each crossing situation. Through engagement activities and careful design planning, disturbances will be minimized. Regulatory requirements as well as environmental best management practices will be met for each crossing.

**What to Expect During Construction and Beyond**
During construction, there will be an increase in traffic flow in and around the project area. TransCanada will make efforts to minimize traffic by selecting construction yards and camp site locations in proximity to the project to the extent practicable. There will be heavy equipment on-site for earth moving, excavation material handling/hauling, welding and testing. After the facilities are built, there will be minimal traffic associated with ongoing operations and maintenance. Strict adherence to construction plans and commitments in the Construction Mitigation and Reclamation Plan (CMRP) will ensure that the effects of construction activities on the local community are minimized.

Construction activities typically generate a certain amount of noise. TransCanada will meet applicable limits on noise throughout construction and the ongoing operations of the project. Measures will be taken in accordance with the CMRP to prevent topsoil/surface material loss from wind and water erosion, topsoil mixing, and to establish a vegetative cover that is compatible with surrounding vegetation and land use.

**Proposed Project Timelines**
Projected major milestones for the Upland Pipeline Project include:

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Conducted initial environmental and feasibility studies, which are now complete</td>
</tr>
<tr>
<td>2014</td>
<td>Engagement with stakeholders and Tribal communities initiated</td>
</tr>
</tbody>
</table>
| 2015 – 2018 | – Submit application to U.S. Department of State  
– Submit an application to the National Energy Board (NEB)  
– Submit an application to the North Dakota Public Service Commission |
| 2019 | Begin construction |
| 2020 | Expected in-service date |
TransCanada will reclaim land in areas where we work along the pipeline route and return it to its level of productivity prior to the project. For road crossings and other unique construction features, additional temporary workspace will be needed.

TransCanada is responsible for construction impacts. We will minimize road impact during construction and normal farming equipment may cross the right-of-way without restriction.

Environmental Protection

As part of the regulatory application process, TransCanada collects and analyzes site-specific environmental information to help understand the potential effects of the project. Specifically, we will consider impacts to soil, vegetation, wildlife, aquatic resources, current land use, traditional land use and historical resources. The CMRP will be developed to identify specific measures to mitigate effects of the project during and following construction.

Stakeholder and Tribal Engagement

TransCanada has a long tradition of building and maintaining relationships with communities near our facilities and pipelines. We are proud of the relationships we have built with our neighbors for the last 60 years. Our four core values of integrity, collaboration, responsibility and innovation are at the heart of our commitment to stakeholder engagement. These values guide us in our interactions with stakeholders. Engaging with stakeholders means listening, providing accurate information, and responding to stakeholder interests in a prompt and consistent manner.

Building and maintaining relationships with Tribal communities near our proposed projects has long been an integral part of TransCanada’s business. TransCanada works with communities to identify potential effects of company activities on each community to find mutually satisfactory solutions and benefits.

TransCanada works closely with landowners to identify land restrictions, access routes and other construction requirements. We treat all landowners honestly, fairly and respectfully, and our objective is to cause as little disturbance as possible to the land, landowners and the environment.

We value your input. We will continue to engage stakeholders and Tribal communities throughout the life cycle of this project. We invite input on this proposed project and encourage interested parties to contact us (See contact information listed on the back).

Pipeline Safety

For more than 60 years, TransCanada has been a leader in the safe and reliable operation of North American energy infrastructure. From design to construction, to operations and maintenance, safety is integral to everything we do. We use high strength steel and industry-leading welding techniques throughout our pipeline system to ensure we meet or exceed industry standards. We take additional safety precautions when the pipeline crosses roads, railways, waterways and communities.

During construction, welds are checked by x-ray and/or ultrasonic inspection methods and then we pressure-test the pipe, which is coated to protect against corrosion. We also use “smart pigs” — sophisticated inspection devices — to record information about the internal conditions of the pipeline.

Emergency Preparedness and Response

The proposed pipeline will be designed, built and operated in a safe and environmentally responsible manner. In the unlikely event of an emergency, our comprehensive Emergency Response Program would be activated. We train our staff to know exactly what to do in the event of an emergency - both during construction and ongoing operations - and work with area emergency responders to ensure a coordinated response in the event of an incident.

TransCanada monitors its pipeline 24 hours a day, 365 days a year. Satellite technology sends data to our monitoring center every five seconds. If a drop in pressure is detected, we quickly identify the problem area and isolate that section of the pipe remotely, closing the valves that control the flow of oil. Trained crews are dispatched by land or helicopter, depending on the location of the leak. If there is an incident, we work closely with authorities, emergency responders and the media to ensure residents in the area are aware of the situation and are safe.

In case of emergency, please call TransCanada’s 24 hour toll free emergency line at 1.800.447.8066.
About TransCanada

TransCanada has over 60 years of experience building and operating pipelines throughout North America. We are an industry leader in safety and reliability. We believe in making a positive difference in the lives of others by investing in our communities. TransCanada demonstrates our commitment to being a good neighbor, a strategic community partner and an employer of choice.

TransCanada plays a vital role in connecting energy supplies to key North American markets with $54 billion in assets in our natural gas pipelines, energy, and oil pipelines portfolios. We operate one of the largest natural gas transmission networks in North America – 42,500 miles (68,500 km) – tapping into virtually every major gas supply basin and transporting approximately 20 per cent of the continent’s daily natural gas supply. We are North America’s third largest provider of natural gas storage and related services with more than 400 billion cubic feet of storage capacity.

The 2,639-mile (4,247-km) Keystone Pipeline System transports almost one-quarter of Canada’s crude oil exports to the United States. It has safely delivered more than 700 million barrels of Canadian crude oil to markets in the U.S. since it began commercial operation in June 2010. The Keystone system now includes the Gulf Coast extension, which began transporting crude oil through Cushing, Oklahoma to refineries on the Gulf Coast of Texas in January 2014, providing these refineries with a more stable and less expensive source of oil from U.S. and Canadian producers.

We own or have interests in 21 power facilities with the capacity to generate 11,900 megawatts (MW) of electricity, enough to power more than 12 million homes.

One-third of the power we produce comes from emissionless sources including nuclear, hydro, wind and solar.

Our success is a reflection of our exceptional team of almost 5,500 employees who bring skill, experience, energy and dedication to the work they do every day. Our employees are an important part of the communities where we operate in seven Canadian provinces, 31 U.S. states and six states in Mexico.

You can find out more about TransCanada by visiting www.transcanada.com

Contact Us

We invite you to contact us with any questions or comments you have with respect to this proposed project:

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Email: upland@transcanada.com
Website:
www.transcanada.com/upland-pipeline.html

Project Contact

If you would like further information regarding the regulatory approval process, we would be pleased to provide you with information or you can contact the regulator directly:

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Online Contact Form:
http://www.state.gov/contact/

Proposed Project: Upland Pipeline Project – December 2015, US