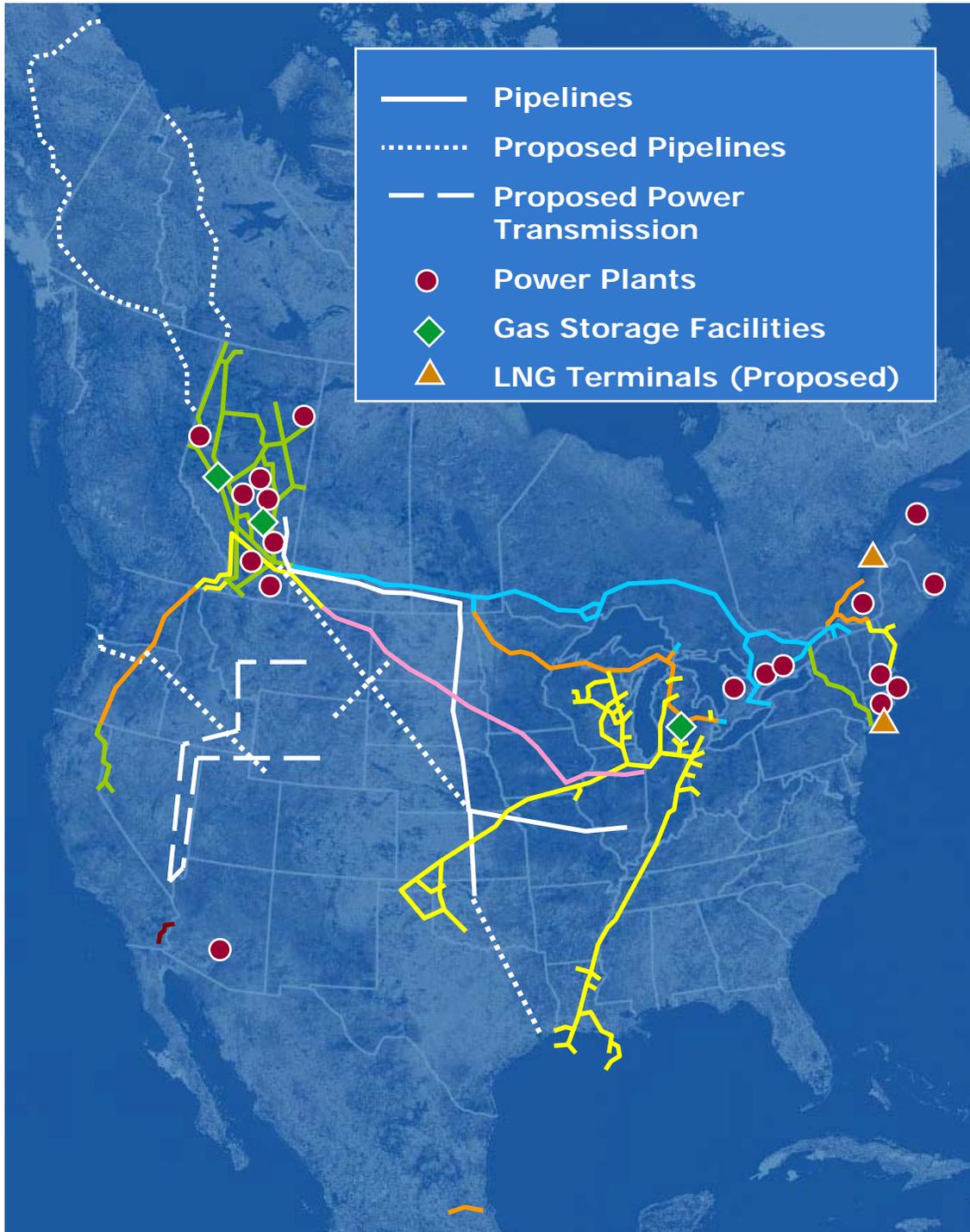


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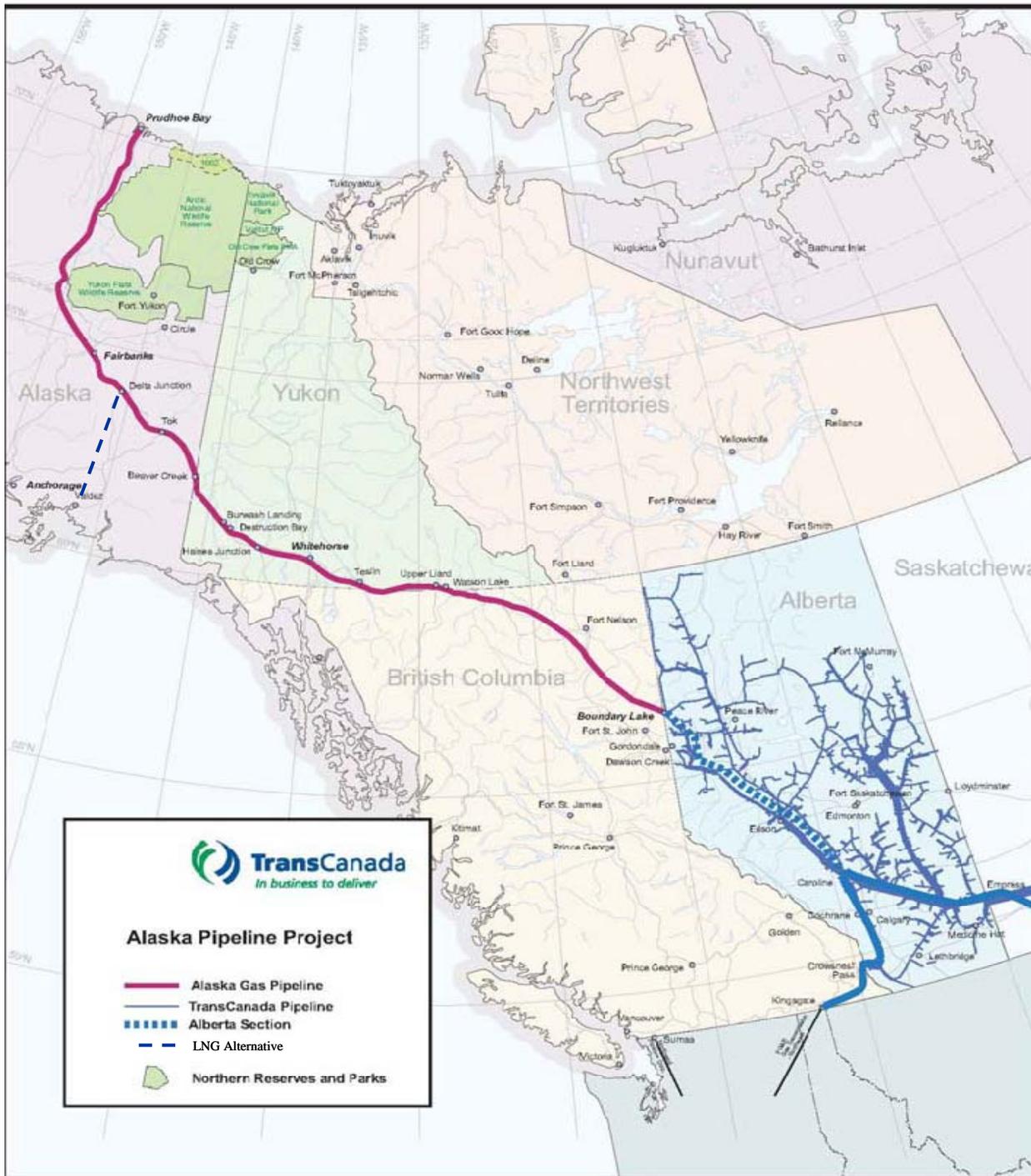
TransCanada Corporation (TSX/NYSE: TRP)



Portfolio of Quality Assets

- 36,500 mi (59,000 km) of wholly owned pipeline
- Interests in an additional 4,800 km (7,800 mi) of pipeline
- 15 Bcf/d
- 370 Bcf of natural gas storage capacity
- 19 power plants
- 10,900 megawatts
- Crude oil pipeline project under construction and two proposed LNG terminals

Alaska Pipeline Project



State's AGIA Process

- Alaska Gasline Inducement Act (AGIA) was passed by the State legislature in mid-May 2007
- State issued a Request for Application in July 2007 inviting interested parties to submit competitive proposal by end of November 2007
- TransCanada and four other parties submitted applications
- In January 2008, the State determined that TransCanada's application was the only conformed and complete bid
- After determining TransCanada's application would maximize benefits to the State in May 2008, the Palin administration recommended to issue TransCanada the AGIA license
- Following a 2-month statewide public hearing, the State Legislature approved the Bill that authorizes the Administration to granting the AGIA License to TransCanada on August 1, 2008
- Governor Palin signed the License Bill on August 27, 2008
- AGIA License granted in December 2008

AGIA Requirements

- Key State's "Must Haves" under AGIA
 - Committed to carry out an open season, apply for FERC pre-filing¹ and apply for FERC certificate by a date certain
 - Committed to rolled-in rates for up to 115% of initial rates on expansions in Alaska
 - Debt capitalization of project cannot be less than 70%
 - Distance sensitive rates for in-state gas deliveries
- Key State's "Offers" under AGIA
 - \$500 million development cost matching fund
 - Expedited state regulatory process
 - Fiscal certainty for 10 years from in-service date of the project for shippers that commit volumes in the initial open season

1) TransCanada pre-filed in April 2009

TransCanada's Competitive Response to AGIA

- Initial system design with inexpensive expandability
 - 4.5 bcf/d to 5.9 bcf/d by compression additions
- Gas treatment plant ownership, if no 3rd party willing to build
- Equity opportunity for shippers committing gas in initial open season
- 75% debt vs. 70% minimum limit in AGIA
 - Toll reduction of \$0.09/mmbtu
- TransCanada's return reduction in event of capital cost overruns
- Fort Nelson Option upside
- LNG alternative

Economic Viability

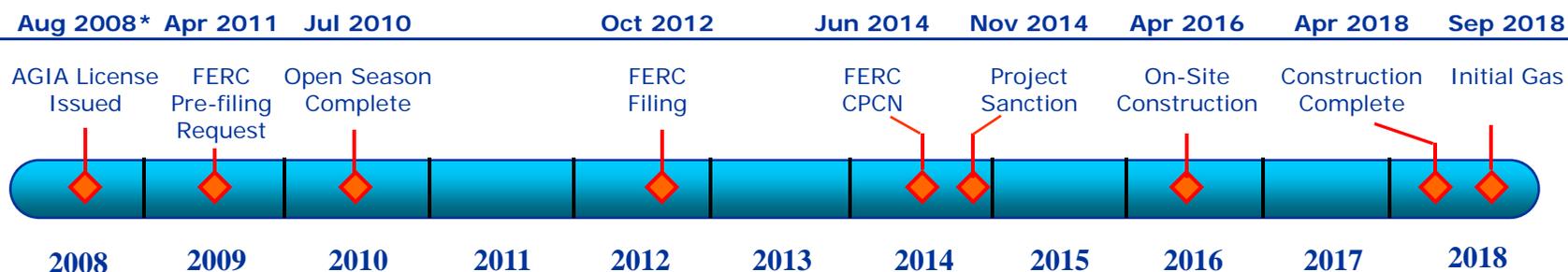
	<u>AGIA Application</u>		<u>March 2009</u>	
	2018 1 st Yr	25-Yr Annual Avg	2018 1 st Yr	25-Yr Annual Avg
U.S. EIA Gas Price Forecast (\$/MMBtu)	\$6.53	\$9.92	\$8.37	\$12.43
Pipeline + GTP Tolls ¹ (\$/MMBtu)	\$2.76	\$3.03	\$2.76	\$3.03
Netback (pre-tax) (\$/MMBtu)	\$3.77	\$6.89	\$5.61	\$9.40
Producer/Govts Total Revenue ² (\$Billions)		\$350		\$475

Current U.S. EIA forecast results in extra \$125 B to producers/governments

¹ Includes fuel

² Direct revenue only – no indirect impacts from additional E&P activity and spin-offs

Project Schedule, Work Plan and Budget



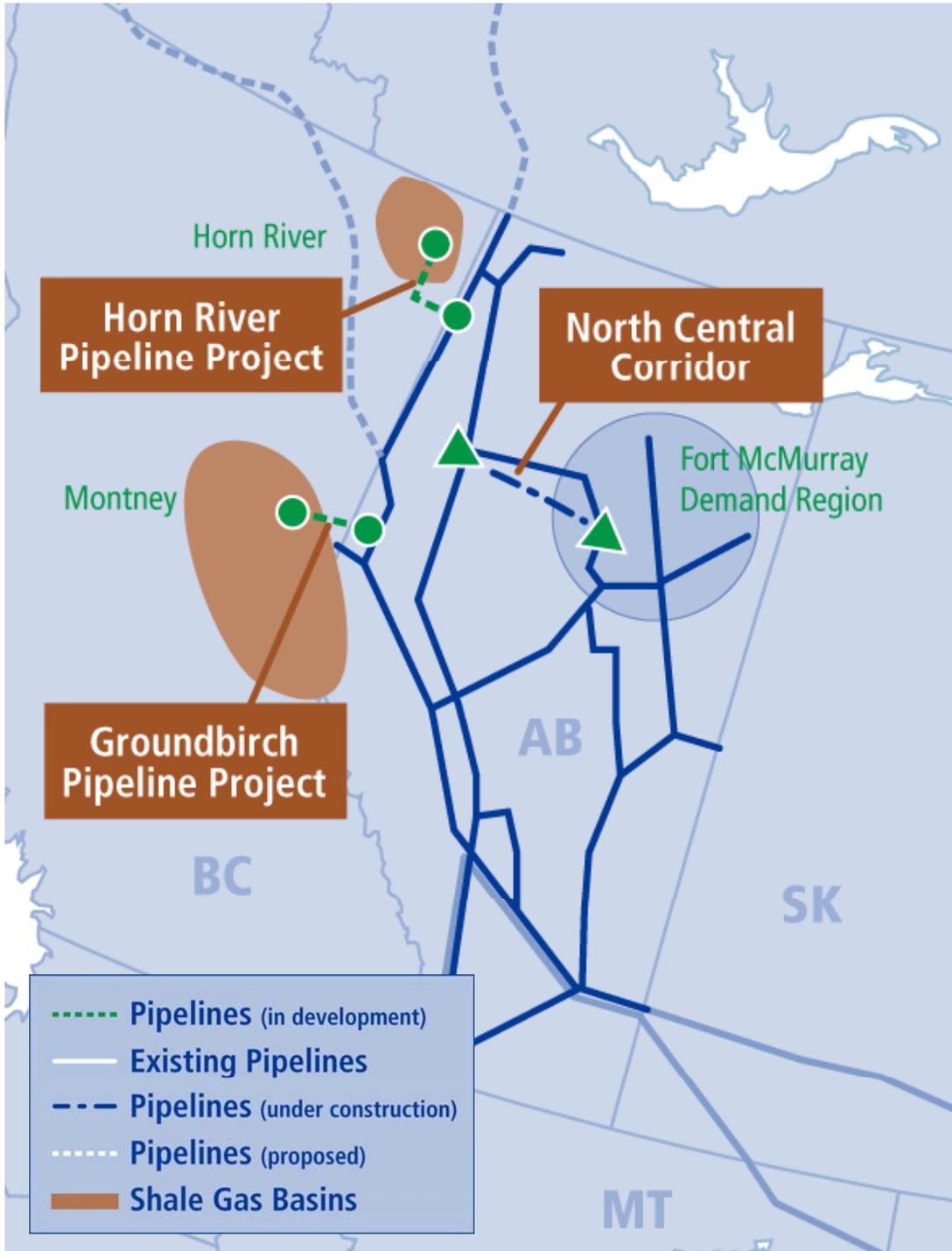
* AGIA license assumed to be issued in August 2008 – actual date December 5, 2008

- TransCanada’s work plan was comprehensively set out in our AGIA Application and responses to data requests
- Capital costs of \$26 Billion (2007 \$ excluding AFUDC)
 - Includes approximately \$0.6 Billion for Open Season and regulatory certification

TransCanada's AGIA Work Plan

- Open Season Period (Now to July 2010)
 - Prepare Class 4 estimate
 - Confirm regulatory requirements and processes
 - Conduct in-state gas consumption study
 - Prepare and submit open season plan to FERC for approval
 - Hold initial open season

Alberta System Pipeline Options



North Central Corridor

- 300 km of 42-inch pipe
- 26 MW of compression
- Approximately \$925 million
- In-service 2009/10

Groundbirch Pipeline Project

- Commitments for 1.1 Bcf/d by 2014
- 77 km 36-inch pipe
- Approximately \$250 million
- Expected in-service Q4 2010

Horn River Pipeline Project

- Commitments for 378 MMcf/d in 2013
- 155 km combination of NPS 30 and existing pipe
- Expected in-service Q2 2011

AB Jurisdiction Application Approved

- Extend Alberta system across provincial borders
- Integrated service to AB and BC customers, and Northern gas producers



Palomar Gas Transmission

May 2009



Palomar Gas Transmission



- A Second Interstate Pipeline in the I-5 Corridor
- 50/50 Partnership with Northwest Natural
- Up to 36-inch diameter pipeline from GTN Mainline to Molalla and beyond
- An East section and a West section
- Competitor to Northwest Pipeline's Blue Bridge project
- 115 miles vs. 157 miles
- Rate stacking issue for I-5 corridor shippers north of Portland



Project Schedule



December 2008	Filed FERC Application
July 2009	FERC Draft Environmental Impact Assessment issued
Summer 2009	Public review and comment period for DEIS, FERC public meetings held
September 2009	Preliminary Determination
February 2010	FERC Final EIS issued
April 2010	FERC Certificate
Summer 2010	Commence Construction
November 2011	In-service

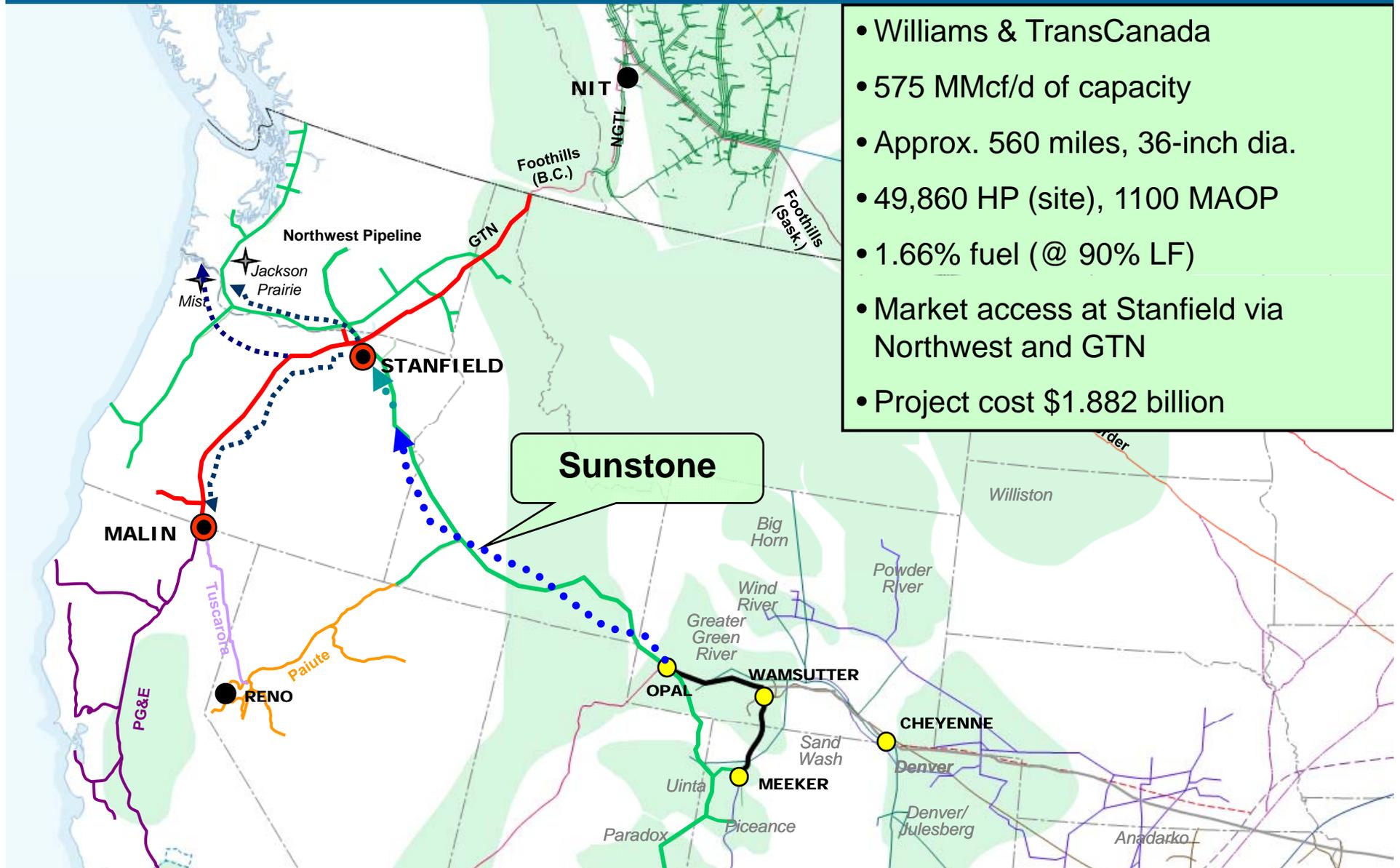
Sunstone Pipeline LLC



May 2009



Sunstone Pipeline

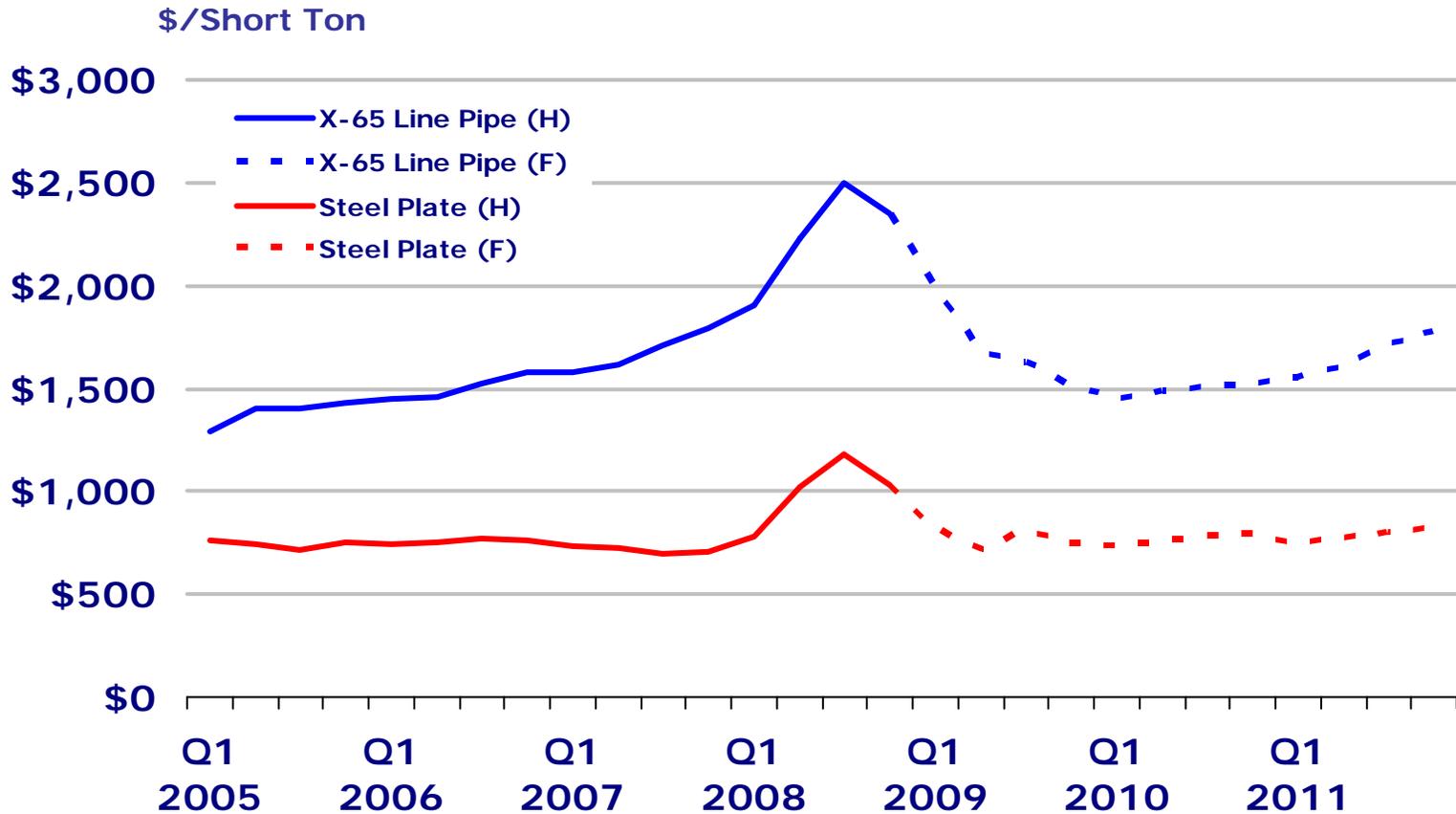


- Williams & TransCanada
- 575 MMcf/d of capacity
- Approx. 560 miles, 36-inch dia.
- 49,860 HP (site), 1100 MAOP
- 1.66% fuel (@ 90% LF)
- Market access at Stanfield via Northwest and GTN
- Project cost \$1.882 billion

Project Benefits

- After careful assessment of recent market developments Sunstone was re-scoped to better align with market needs
 - Reduced capacity to 575 MDth/d expandable to 1,050 MDth/d
 - Later in-service date – November 2012 (relative cost savings compared to 2011 in-service)
- Alternative scope and timing more closely corresponds to customer forecasts of the timing of load growth and anticipated delivery needs
- Strength of project sponsors and quality of customer contracts enhance financing
- NWP is fully subscribed from the Rockies
 - PNW customers heavily weighted to Canadian supplies want additional Rockies access
- Lower risk than greenfield construction
 - Existing corridors, existing infrastructure, existing operators
- Significant progress on surveys and environmental review
- Sunstone has been designed so that it may be built whether or not competing projects are built
- Sunstone can expand to serve additional load if competing projects are not built

X-65 Line Pipe and Steel Plate Prices



Schedule

- Shipper commitments needed: Q2 2009 (for 2012 in-service date)
- Place Pipe and Materials Order: No later than May 2010
- FERC filing: Q2 2010
- FERC Certificate: Q2 2011
- Construction Start: Summer 2011
- In-Service Date: November 1, 2012

North Baja Pipeline



NBP Phase I

- 600 MMcf/d (northbound)
- In-service April 2008

NBP Phase II

- Up to 2.7 Bcf/d (northbound)
- FERC certificate was issued in October 2007

Yuma Lateral

- 80 MMcf/d
- In-service summer 2009

Conclusions

- The more things change, the more they stay the same
 - Unpredictable periodic shifts
 - TransCanada is long-term
- Let the market decide

