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Washington, DC 20004-2505
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March 9, 2001

Office of the Secretary
Federal Trade Commission
6th Street and Pennsylvania Avenue, N.W.
Room 172
Washington, D.C. 20580

FRIED
FRANK
HARRIS
SHRIVER
JACOBSO

Re: Request for Approval of Divestiture - El Paso Energy Corporation/ The Coastal Corporation - File No. 001-0086

To: Federal Trade Commission:

Pursuant to § 2.41(f) of the Federal Trade Commission's ("Commission") Rules of Practice, 16 C.F.R. § 2.41(f) (2000) and Paragraph IIIA of the Decision and Order in the above-captioned matter (the "Decision and Order"), El Paso Corporation ("El Paso"), formerly known as El Paso Energy Corporation, hereby requests approval of the sale of a 5.96 percent interest as a general partner in Iroquois Gas Transmission System, L.P. to TCPL Northeast Ltd. ("TCPL"), an indirect subsidiary of TransCanada PipeLines Limited ("TransCanada"), a Canadian Corporation. Capitalized terms not herein defined shall have the same meanings set forth in the Decision and Order. As discussed with Delores Wood, I am enclosing an original and ten (10) copies of this Public version of the divestiture application and attachments.

<u>Attachments to Request for Approval of Divestiture</u>

A. The Partnership Interest Purchase and Sale Agreement (with all exhibits and schedules). This agreement is confidential and is not included in the public submission.

B. A description of the divestiture transaction.

C. A description of the purchaser.

D. A market analysis that describes how the sale of this partnership interest to TCPL will accomplish the Commission's divestiture goals as set forth in the Decision and Order.

E. TransCanada's public documents, including the most recent Annual Report.

A Partnership
Including
Professional
Corporations

New York
Washington
Los Angeles
London
Paris

If you require further information concerning TCPL's plans, please contact Victoria Marselle, Legal Counsel of TCPL. She can be reached at TCPL's offices at P.O. Box 1000, Station M, Calgary, Alberta, Canada, T2P 4K5, or by phone at 403-920-2169 or fax, 403-920-2354.

Pursuant to the Order, El Paso is required to complete the divestiture by April 29, 2001. Accordingly, El Paso respectfully requests that this application receive expedited treatment.

Please call me if you have any questions regarding any of the above or need any additional information or documentation.[1]

Sincerely,

Linda Blumkin by [illegible]

LINDA R. BLUMKIN

cc: Jeffery Dahnke, Esq.

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1 With respect to an accounting of sales and other transactions during the previous year between El Paso and TCPL, other than ordinary course contracts entered into in 2000 between the parties, the parties are not aware of any material sales or other transactions between the parties or their affiliates in 2000.

Attachment A

Partnership Interest Purchase and Sale Agreement

The Partnership Interest Purchase and Sale Agreement is confidential and is not included in the public submission.

Attachment B

Description of the Divestiture Transaction

Transaction Overview

Iroquois Gas Transmission System, L.P. is a Delaware Limited Partnership (the "Partnership") of seven U.S. and Canadian energy entities, and is the owner of a 375-mile interstate natural gas pipeline extending from the U.S.-Canadian border at Waddington, N.Y. through western Connecticut to Long Island, N.Y. Its wholly-owned subsidiary, the Iroquois Pipeline Operating Company, headquartered in Shelton, Connecticut, is the agent for and operator of the pipeline.

Two of the pipeline partners, ANR Iroquois, Inc. ("ANRI") and ANR New England Pipeline Company ("ANRNE"), are subsidiaries of El Paso through ANR Pipeline Company, a Delaware corporation acquired by El Paso as a result of the Acquisition. Collectively, through ANRI and ANRNE, El Paso owns a 16 percent interest in the partnership (9.4 percent held by ANRI and 6.6 percent held by ANRNE). Pursuant to paragraph IIIA of the Decision and Order, El Paso is required to divest its interest in the Partnership not later than 90 days from the date the Commission accepted the Consent Agreement for public comment, which will expire on April 29, 2001.

ANRI and ANRNE have entered into agreements with each of the Partnership interest holders to which ANRI and ANRNE's interests will be divested. ANRI expects to divest its 9.4 percent interest in the Partnership in the following proportions, .84 percent to Iroquois Pipeline Investment, LLC ("Iroquois Investment"), 5.96 percent to TCPL Northeast LTD. ("TCPL"), .48 percent to NJNR Pipeline Company ("NJNR") and 2.12 percent to CNG Iroquois, Inc. ("CNG"). ANRNE expects to divest its entire 6.6 percent interest in the Partnership to CNG. By selling its 16 percent interest in the Partnership, El Paso will have divested all of its interest in the Iroquois Assets, as required by the Decision and Order. To effectuate the divestiture of its interest in the

Partnership, El Paso is making separate Requests for Approval of Divestiture for each of the four transactions that will take place.

Divestiture to TCPL Northeast Ltd.

On February 14, 2001, ANRI and TCPL, an indirect subsidiary of TransCanada, executed a Partnership Interest Purchase and Sale Agreement ("Agreement") pursuant to which ANRI agreed to sell to TCPL that portion of ANRI's interest in the Partnership equal to 5.96 percent of the Partnership.

The Agreement contains the usual and customary conditions to closing, including approval of the Commission and applicable Attorneys General. Commission approval is also required by the Decision and Order. Other conditions include acceptance of the Decision and Order requiring the divestiture of the Iroquois Assets. The parties have requested confidential treatment with respect to the terms and conditions of the Agreement.

Attachment C

Description of the Purchaser -- TCPL Northeast Ltd.

TCPL is an indirect subsidiary of TransCanada, one of the largest energy services companies in North America, and the largest in Canada. TransCanada's main businesses are natural gas transmission, power, and gas marketing and has nearly five decades of experience and strong roots in the Canadian and U.S. pipeline industry. The company has assets of approximately $14 billion and owns and operates over 23,000 miles of pipelines that offer connections between the Western Canada Sedimentary Basin and major Canadian and U.S. markets. TransCanada transports approximately 77 percent of western Canadian natural gas, with 60 percent of TransCanada's total volumes being delivered to the United States.

Through two separate affiliates, TransCanada currently holds a 35 percent interest in the Partnership, which will increase to 40.96 percent as a result of the transaction.

Attachment D

Market Analysis

In its complaint, the Commission alleged that El Paso's acquisition of Coastal might substantially reduce competition in transportation of natural gas to the Buffalo-Niagara Falls, Rochester, Syracuse and Albany-Schenectady-Troy MSAs ("Relevant Area"). In particular, the Commission alleged that El Paso and Coastal own or control a significant share of all natural gas pipeline capacity into the Relevant Area including the Iroquois Assets. The Iroquois Assets include a 375-mile interstate natural gas pipeline extending from the U.S.-Canadian border at Waddington, N.Y. through western Connecticut to Long Island, N.Y., which is a major supplier of natural gas to the Albany-Schenectady-Troy MSA.

The major buyers of natural gas in the Relevant Area include local natural gas distribution companies, electric power generating utilities, and industrial customers. These entities buy large quantities of natural gas to resell, to use as fuel to generate electricity or for industrial processes.

Without agreeing with the Commission that El Paso's acquisition of Coastal's 16 percent interest in the Iroquois Assets would have substantially lessened competition for the transmission of natural gas to the Relevant Area, the sale of the interest to other interest holders, including TransCanada, which currently holds a 35.0 percent interest in the Iroquois Assets, will eliminate any such lessening of competition. As noted above, TransCanada is a large and experienced provider of energy services, including natural gas pipeline management.

TCPL's acquisition of a 5.96 percent interest in the Iroquois Assets does not raise any competitive issues, as the company's total interest in the Partnership as a result of the transaction will increase only moderately, the pipeline will continue to be owned by five other entities and the pipeline will continue to be independently operated. In view of the above, the parties believe that El Paso's sale of its 16 percent interest in the Iroquois Assets to four other interest holders, including the sale of a 5.96 percent interest to TCPL resolves the Commission's concerns as reflected in the Complaint and complies with the Decision and Order.

Attachment E

TransCanada's Public Documents

TransCanada 1999 Annual Report

TransCanada Fourth Quarter 2000 Quarterly Report to Shareholders

January 30, 2001 TransCanada News Release

TransCanada

TransCanada
PipeLines
Limited

1999
Annual
Report

Our [illegible]7,780 kilometres of pipeline link the Western Canada Sedimentary Basin to North America's fastest-growing markets.

We transport 77 per cent of western Canada's natural gas [illegible] 60 per cent of [illegible] volumes [illegible] the future.

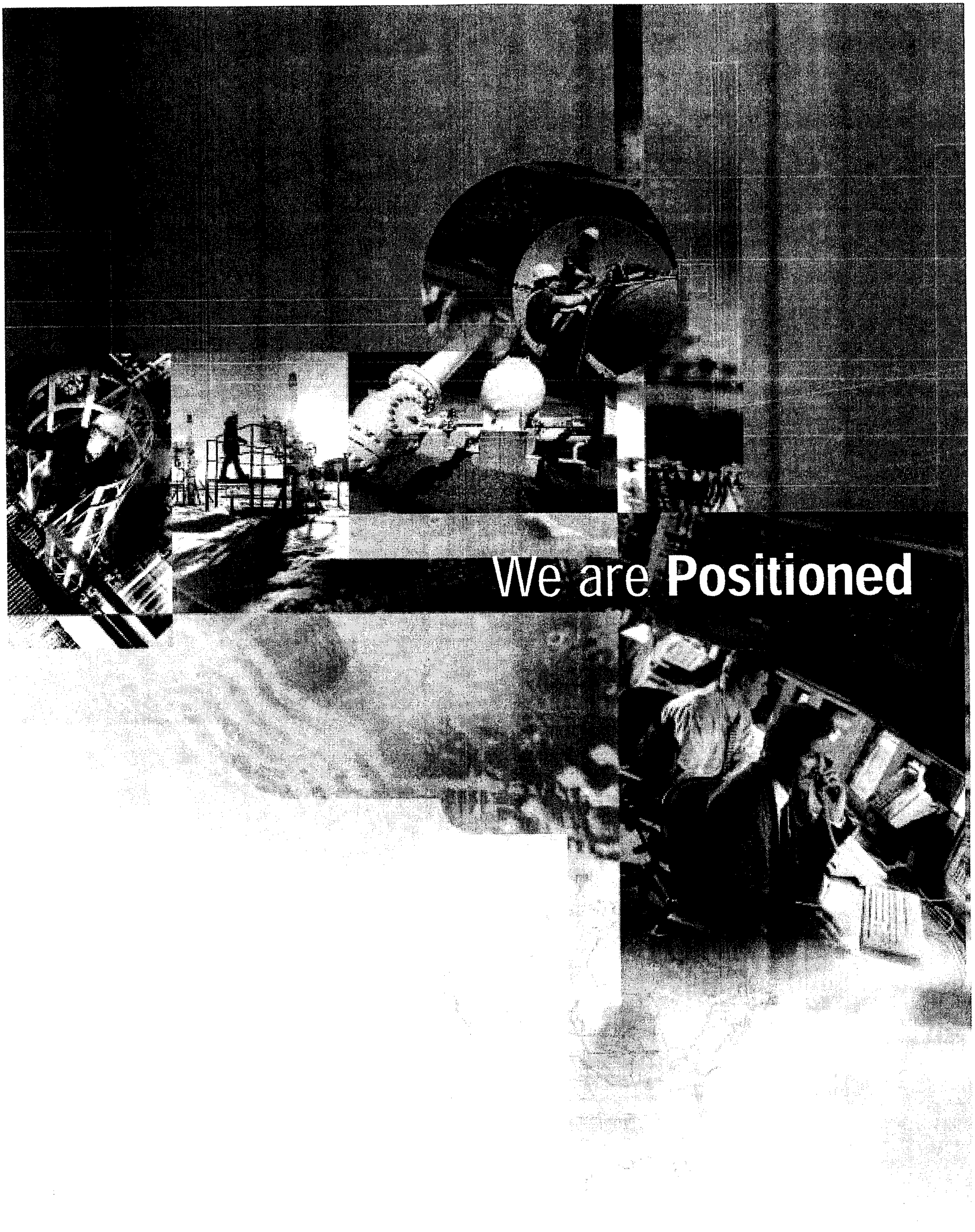
We are strategically positioned with the best pipeline network to capture new supply and growth in demand for natural gas as the fuel of choice.

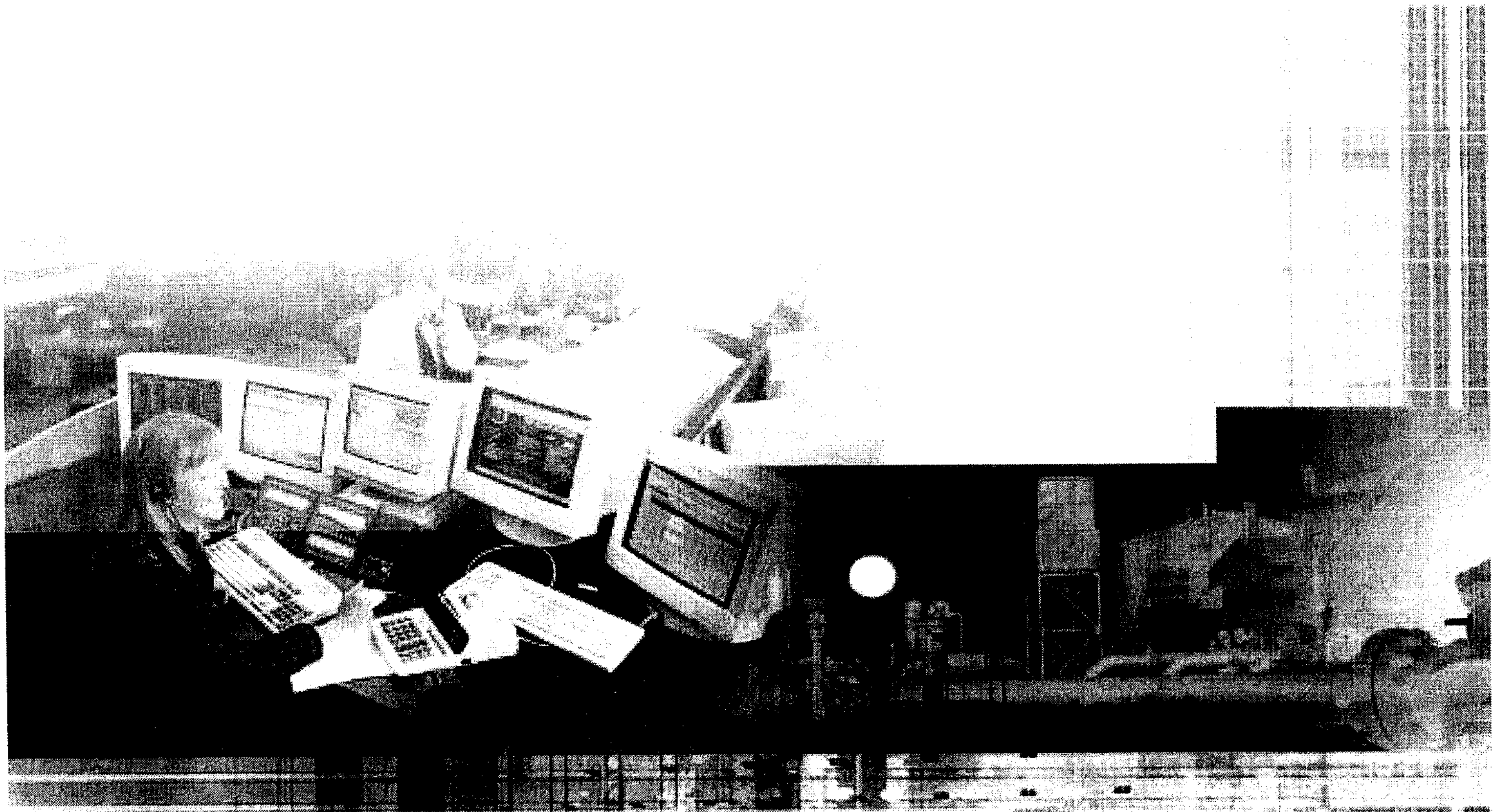
R

M

F

I

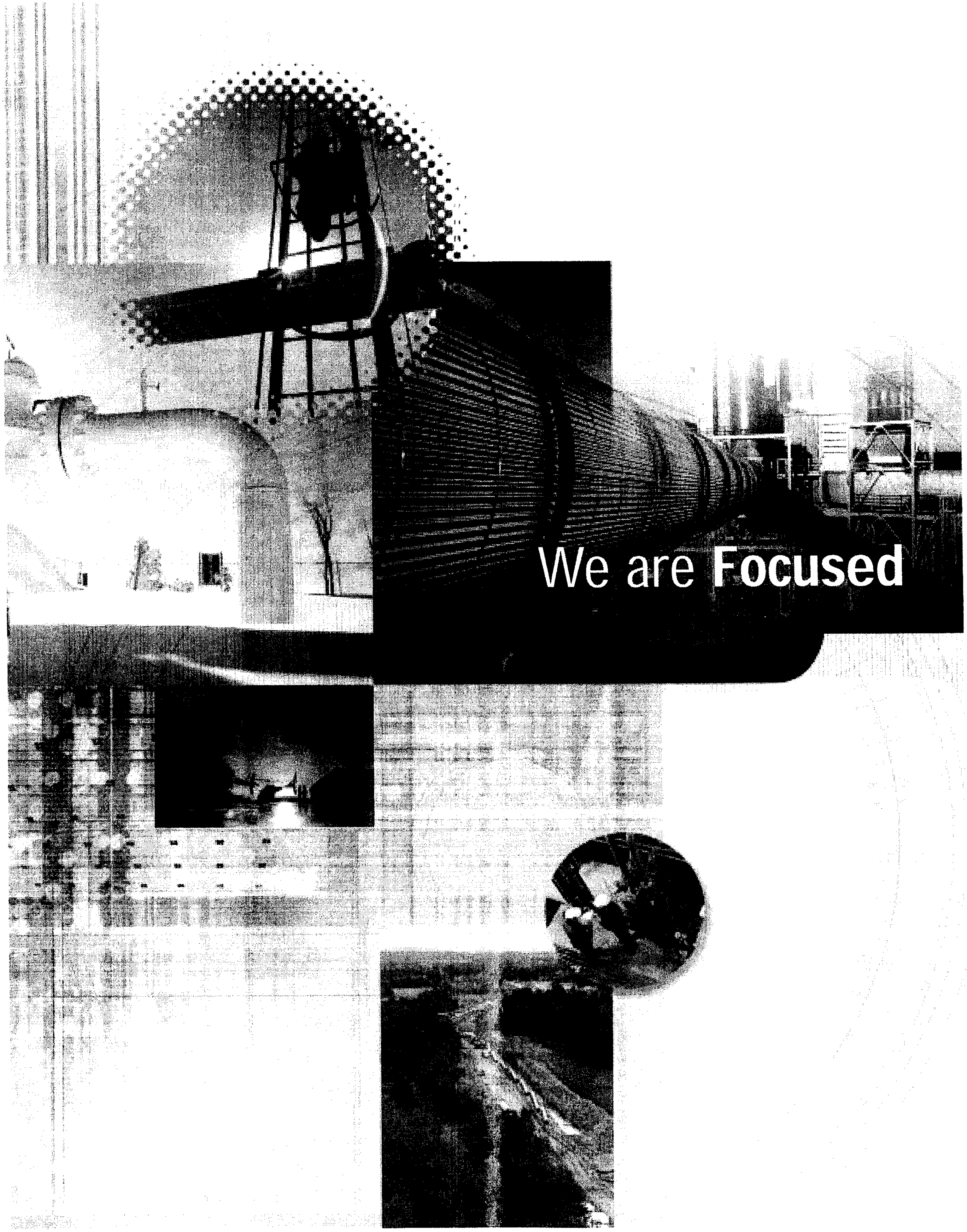

We are Positioned

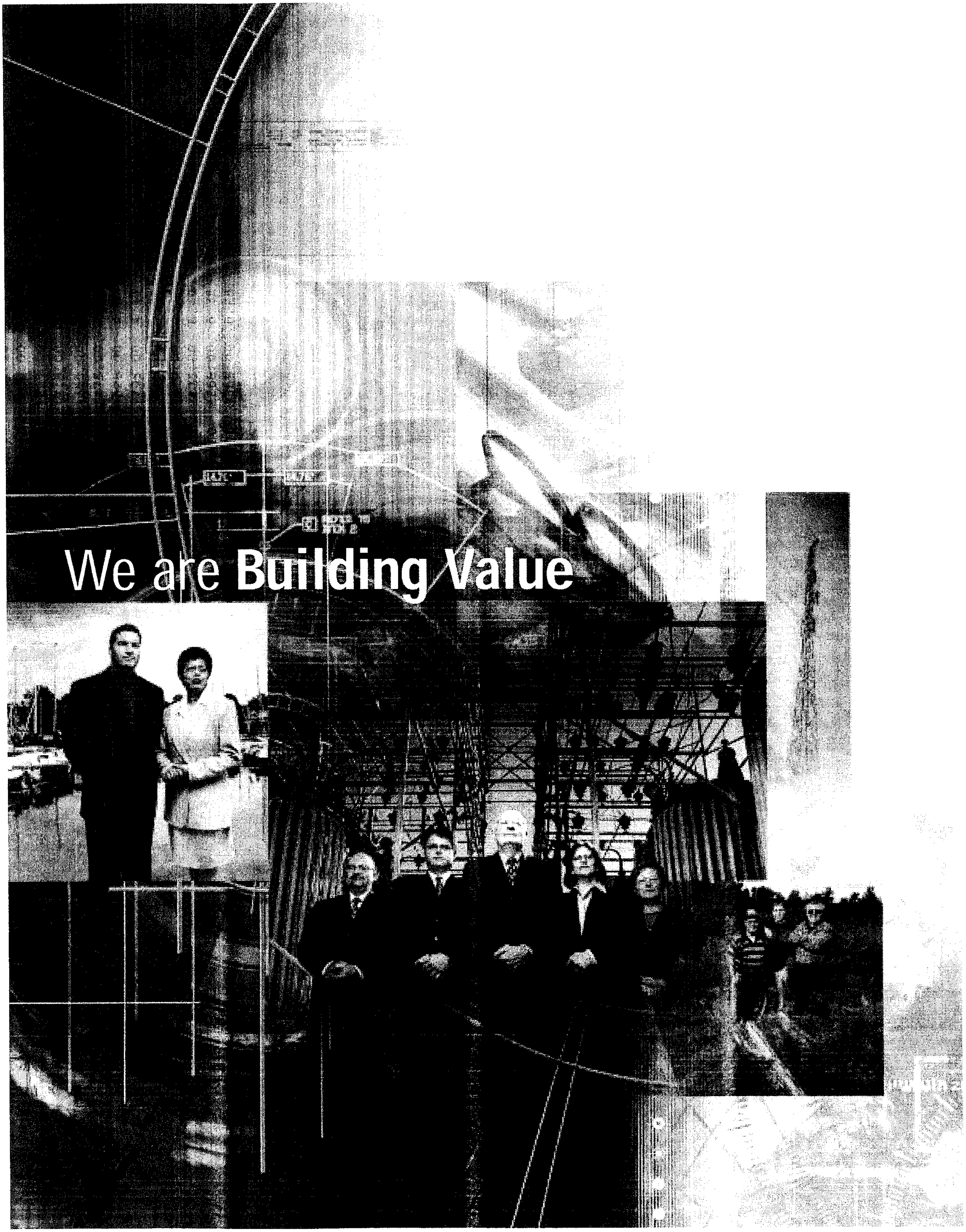


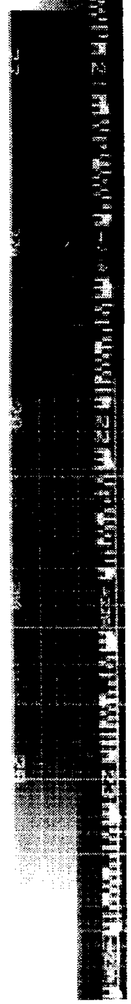
We are focused on
operational excellence in our core businesses.

We have proven expertise in
natural gas transmission and marketing.

We will capture opportunities in
power generation in North America,
leveraging off our existing competitive advantages.


We are Focused

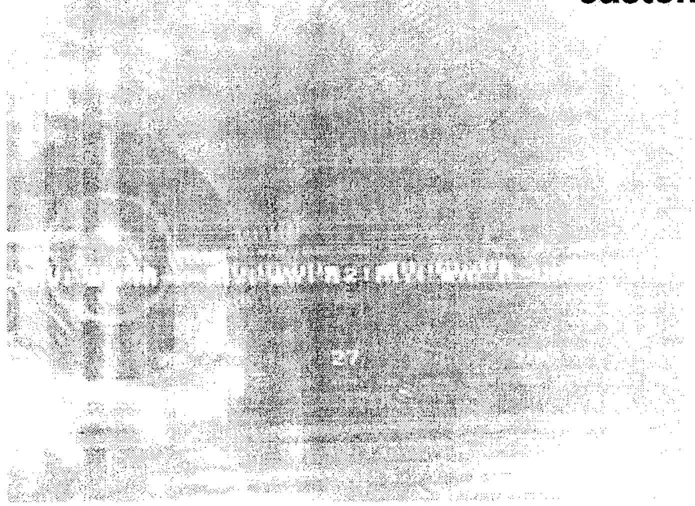

We are Building Value



We are customer-focused and
are developing and delivering
products and services based on their needs.

We can compete and are ready to meet the
challenges of the new marketplace.

We are capitalizing on our assets and building value
through collaboration and co-operation with
customers, communities and governments.



R

On behalf of the Board of Directors, this letter is intended to provide shareholders with the rationale for several critical actions taken by the Board during the year. The tough choices relate to four key areas in which the Board has ultimate responsibility.

Management

Strategy

R

Finances

Dividends

Directors and Employees

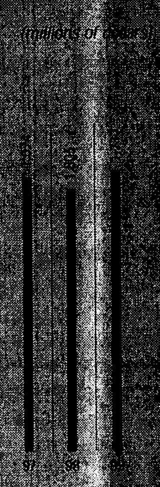
The Path Forward

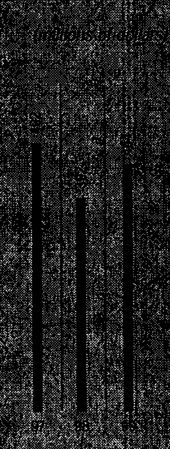
R

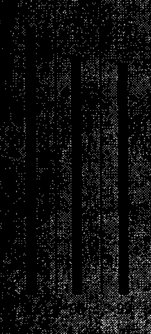
R. F. Haskayne

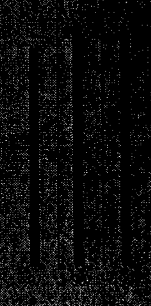
FINANCIAL HIGHLIGHTS

Solid performance from our Transmission and Power businesses was offset by increased financial charges to fund capital expenditures principally in businesses that are to be discontinued. We are on track with our divestiture plan to secure the financial flexibility needed to invest in our core businesses for long-term growth.





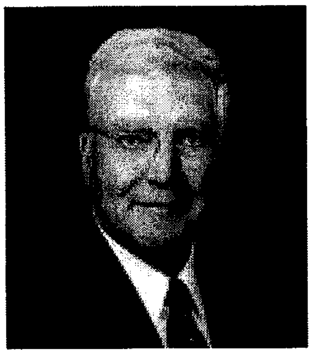




R

PRESIDENT'S MESSAGE TO SHAREHOLDERS

The significant steps we have taken in 1999 and into 2000 put TransCanada into a position of strength for the 21st century. Our vision for the future and focus on core businesses will position TransCanada to grow in the increasingly competitive energy environment.



We Are Positioned

We Are Focused

R

We Are Building Value

R

By applying the sizable proceeds from the sale of assets toward strengthening the company's balance sheet, TransCanada will secure the financial flexibility needed to pursue attractive new projects in our core businesses.

A Year of Consolidation and Progress

R

Growing demand across North America for natural gas, the cleanest-burning fossil fuel, will continue to offer exciting new opportunities for TransCanada.

Extending Our Reach

New Challenges, New Opportunities

R

Looking Ahead

Strong New Leadership

A Word About Employees

R

The Executive Leadership Team, management and employees at TransCanada are committed to being an industry leader in health, safety and environmental practices, to maintaining a safe and healthy workplace and to protecting environmental quality. We believe excellence in Health, Safety and Environment practices is vital to the well being of all people everywhere and essential to all aspects of our business.

In May 1999, TransCanada was honoured with an Environmental Achievement Award from CEPA, the Canadian Energy Pipeline Association, for its work in reducing fugitive emissions of methane gas in Alberta during 1998. Through an intense leak detection program involving 22,000 kilometres of pipeline, 1,200 meter stations, 700 valve sites and 48 compressor stations, the company achieved a 124,000-tonne carbon dioxide equivalent reduction in emissions. The program also earned TransCanada a position as a finalist in the 1999 Alberta Emerald Awards for Environmental Excellence.

Meeting the Challenges of Global Climate Change

R

For the second year in a row, TransCanada's Calgary and area United Way fundraising efforts resulted in the largest campaign in western Canada, totalling $1.25 million. TransCanada also sponsored 11 regional United Way campaigns across Canada, making a difference in many of the communities in which we do business. The generosity of employees and contractors was supported and enhanced with matching company contributions on a dollar-for-dollar basis. TransCanada continues to support United Way as a means to find long-term solutions for community problems. We take pride in being a good corporate citizen and are proud to give back to the community in this way.

Through the Days of Caring program, TransCanada supports employee participation in volunteer activities related to the United Way and its member agencies. In 1999, more than 60 employees participated in four Days of Caring events throughout Calgary.

For more information on TransCanada's commitment to the VCR or to receive a copy of our annual VCR submission, please contact the Communications Department at or visit

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Connecting With Our Communities

CONSOLIDATED FINANCIAL REVIEW > M 2
TRANSMISSION > M 4
POWER > M 11
GAS MARKETING > M 15
CORPORATE > M 17
DISCONTINUED OPERATIONS > M 22

MANAGEMENT'S DISCUSSION AND ANALYSIS

CONSOLIDATED FINANCIAL REVIEW

TransCanada PipeLines Limited (TransCanada or the company) has set a strategic direction to capture North American energy growth opportunities by focusing on its core natural gas transmission, power generation and gas marketing activities in Canada and the northern tier of the United States. TransCanada has plans to sell all assets not associated with its core businesses in order to strengthen its financial flexibility.

Year ended December 31 (millions of dollars except per share amounts)			
(1)			
(1)			

(1)

M

Year ended December 31
(millions of dollars)

M

TRANSMISSION

The Transmission business is a key focus of TransCanada's strategy and is well positioned for growth in North American natural gas markets with its extensive pipeline system. Capital expenditures totalled $1.2 billion in 1999. This solid base of assets provides TransCanada with an excellent opportunity to provide low-cost, customer-focused transportation services.

Year ended December 31
(millions of dollars)

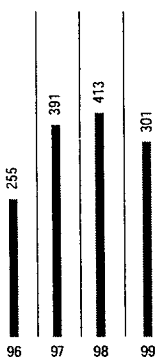
WHOLLY-OWNED PIPELINES FINANCIAL REVIEW

ALBERTA SYSTEM

TransCanada's 100 per cent owned natural gas transmission system in Alberta (Alberta System) gathers natural gas for use within the province and delivers gas to provincial boundary points for connection with the Canadian Mainline, BC System and other pipelines. The 22,700-kilometre system is one of the largest carriesr of natural gas in North America.

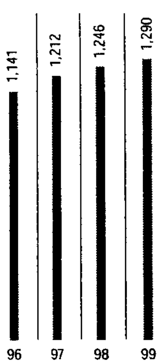
M

(millions of dollars)



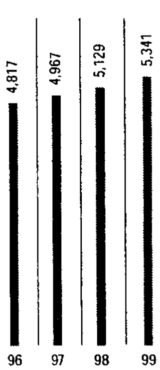
INCENTIVE REGULATION

(millions of dollars)



RATE DESIGN

(millions of dollars)



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TransCanada's 100 per cent owned natural gas transmission system extends 14,900 kilometres from the Alberta/Saskatchewan border east to the Québec/Vermont border (Canadian Mainline), and connects with other natural gas pipelines in Canada and the United States.

TransCanada owns 100 per cent of a 180-kilometre natural gas transmission system extending from Alberta's western border through British Columbia to the U.S. border (BC System), serving markets in the province as well as the Pacific Northwest, California and Nevada.

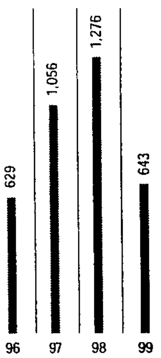
CANADIAN MAINLINE

INCENTIVE REGULATION

BC SYSTEM

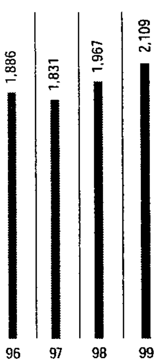
WHOLLY-OWNED PIPELINES OUTLOOK

(millions of dollars)



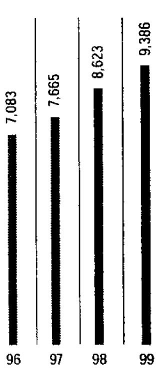
RATE OF RETURN

(millions of dollars)



CAPITAL EXPENDITURES

(millions of dollars)



M

WHOLLY-OWNED PIPELINES BUSINESS RISKS

COMPETITION

Great Lakes connects with the Canadian Mainline at Emerson, Manitoba and serves markets in central Canada and the eastern and midwestern U.S. TransCanada's ownership interest in this 3,387-kilometre pipeline system is 50 per cent.

Northern Border is a 1,956-kilometre natural gas pipeline system which serves the U.S. Midwest with a connection from Foothills.

TransCanada indirectly owns approximately 10 per cent of Northern Border through its interest in TC PipeLines, LP.

The Iroquois Gas Transmission System (Iroquois) connects with the Canadian Mainline and delivers natural gas to customers in the northeastern U.S. TransCanada increased its interest in this 604-kilometre pipeline system to 35 per cent in 1999.

EXPIRY OF INCENTIVE AGREEMENTS

TransCanada owns 50 per cent of the Tuscarora Gas Transmission Company (Tuscarora), which operates a 369-kilometre pipeline system transporting gas from Malin, Oregon to Reno, Nevada with delivery points in northeastern California.

During 1999, construction was completed and the 471-kilometre Portland Natural Gas Transmission System (Portland) was placed in service. TransCanada owns 21.4 per cent of Portland, which connects with TQM near Pittsburg, New Hampshire and has delivery points in Massachusetts.

Foothills Pipe Lines Ltd. (Foothills) carries natural gas for export from central Alberta to the U.S. border to serve markets in the U.S. Midwest, Pacific Northwest and California. TransCanada owns 69.5 per cent of Foothills (Sask.), 74.5 per cent of Foothills (Alta.) and 74.5 per cent of Foothills (South B.C.). Together, these pipeline systems total 1,040 kilometres in length.

TQM is a 572-kilometre natural gas pipeline system which connects with the Canadian Mainline and transports gas from Montréal to Quebec City and to the Portland system. TransCanada holds a 50 per cent interest in TQM.

SAFETY

GAS SUPPLY

NORTH AMERICAN PIPELINE VENTURES FINANCIAL REVIEW

M

This business provides non-traditional energy solutions for its customers in the WCSB.

This business specializes in providing pipeline solutions throughout the energy value chain. This business turns core competencies within TransCanada into new business opportunities such as turbine repair and overhaul, a gas measurement calibration and testing facility, and hot tapping services.

NORTH AMERICAN PIPELINE VENTURES OUTLOOK

NORTHERN BORDER

MILLENNIUM PIPELINE

(Bcf)

POWER

Five years ago, TransCanada owned one power plant and had a minority interest in another. Today, the company operates and manages eight power plants, with an additional two facilities under construction, and markets electricity across most of Canada and the northern tier of the United States. TransCanada is now positioned to capture an increasing share of the growth in demand for power in its target markets.

FINANCIAL REVIEW

(MW)

(1)

(2)

(3)

(2)

(1)
(2)
(3)

M

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■

■

POWER LP

These efficient, enhanced combined-cycle facilities are fuelled by a combination of natural gas and waste heat exhaust from adjacent compressor stations on the Canadian Mainline.

An enhanced wood waste-fired power plant is currently being built at Calstock, Ontario. The plant is expected to be complete in mid-2000.

NORTHEASTERN U.S. OPERATIONS

In July 1999, Power LP acquired a combined-cycle plant located at Castleton-on-Hudson, New York, which also sells steam to an adjacent paper company.

Power LP receives 100 per cent of the cash flows from a wood waste-fired power plant at Williams Lake, B.C.

The 70.1 per cent owned Ocean State power plant in Rhode Island has been in commercial operation for more than nine years. It is a natural gas-fired, combined-cycle facility and, at 560 MW, is the largest power plant in TransCanada's portfolio.

Fuelled by waste heat from TransCanada's adjacent compressor station in Grande Prairie, Alberta, the Gold Creek plant went into commercial operation in 1999.

Currently under construction in Medicine Hat, Alberta, the Cancarb power plant is expected to come on stream at the end of 2000. It will be fuelled by waste heat from the adjacent Cancarb Limited thermal carbon black manufacturing facility.

WESTERN OPERATIONS

OUTLOOK

M

BUSINESS RISKS

PLANT AVAILABILITY

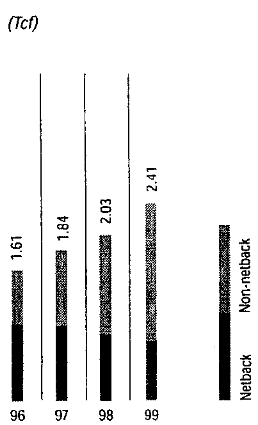
FLUCTUATING MARKET PRICES

DEREGULATION

GAS MARKETING

TransCanada's gas marketing business is focused on natural gas supply, storage and asset management services in its key market areas across North America.

FINANCIAL REVIEW

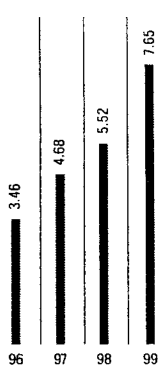


M

OUTLOOK

BUSINESS RISKS

(billions of dollars)



CORPORATE

This will be accomplished through asset sales, reduced capital expenditures, reduced costs and debt repayment. Cash flows from continuing operations are expected to remain strong in 2000.

Year ended December 31
(millions of dollars)

FINANCIAL REVIEW

M

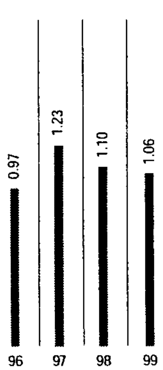
COST REDUCTIONS

LIQUIDITY AND CAPITAL RESOURCES

CASH GENERATED FROM OPERATIONS

INVESTING ACTIVITIES

(billions of dollars)



M

FINANCING ACTIVITIES

CREDIT ACTIVITIES

RISK MANAGEMENT

GAS MARKETING PRICE RISK MANAGEMENT

M

FINANCIAL RISK MANAGEMENT

COUNTERPARTY RISK MANAGEMENT

BUSINESS COMBINATION WITH NOVA

NEW ACCOUNTING STANDARDS

INCOME TAXES

M

EMPLOYEE FUTURE BENEFITS

YEAR 2000[1]

M

DISCONTINUED OPERATIONS[1]

In addition, the company completed approximately $1 billion worth of transactions in 1999 including the sale of ANGUS, the U.S. midstream business and a portion of TransCanada's investment in Northern Border.

Year ended December 31
(millions of dollars)

FINANCIAL REVIEW

M

BUSINESS REVIEW
APRIL PLAN

■

■

■

DECEMBER PLAN

INTERNATIONAL

CANADIAN MIDSTREAM

M

OTHER

DISPOSITION STATUS

REPORT OF MANAGEMENT > F 2
CONSOLIDATED FINANCIAL STATEMENTS > F 3
AUDITORS' REPORT > F 6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS > F 7

1999 Consolidated Financial Statements

F

F

Year ended December 31 (millions of dollars except per share amounts)

(Note 3)

(Note 8)

(Note 9)

(Note 14)

(Note 2)

(Note 10)

(Note 12)

The accompanying notes to the consolidated financial statements are an integral part of these statements.

F

Year ended December 31 (millions of dollars)

(Note 17)

The accompanying notes to the consolidated financial statements are an integral part of these statements.

F

December 31 (millions of dollars)

(Note 2)

(Note 7)

(Notes 5, 8 and 9)

(Note 2)

(Note 15)

(Note 8)

(Note 9)

(Note 2)

(Note 2)

(Note 8)

(Note 9)

(Note 10)

(Note 2)

(Note 10)

(Note 11)

(Note 12)

(Note 13)

(Note 18)

The accompanying notes to the consolidated financial statements are an integral part of these statements.

F

Year ended December 31 (millions of dollars)

(Note 19)
(Note 19)

The accompanying notes to the consolidated financial statements are an integral part of these statements.

KPMG

KPMG LLP

F

Transmission

Power

Gas Marketing

F

Transmission

Other

F

Year ended December 31 (millions of dollars)

(2)

(1)

(3)

(1)

(2)

(3)

F

December 31 (millions of dollars)

Year ended December 31 (millions of dollars)

F

(number of employees)

December 31, 1999 (millions of dollars)

F

(1)

Year ended December 31, 1999 (millions of dollars)

Year ended December 31, 1998 (millions of dollars)

(2)

Year ended December 31, 1997 (millions of dollars)

(2)

(1)

(2)

F

December 31 (millions of dollars)

Year ended December 31 (millions of dollars)

(3)

(3)

December 31 (millions of dollars)

Year ended December 31 (millions of dollars)

F

December 31 (millions of dollars)

(millions of dollars)

(1)

(2)

(3)

(1)

(2)

(3)

F

Year ended December 31 (millions of dollars)

Year ended December 31 (millions of dollars)

December 31 (millions of dollars)

December 31 (millions of dollars)

F

	(1)	(2)	(1)	(2)

(1)

(2)

F

Medium-Term Notes

Long-Term Debt of Subsidiaries

Debentures

Medium-Term Notes

First Mortgage Pipe Line Bonds

Year ended December 31 (millions of dollars)

F

	(1)	(2)	(1)	(2)
(3)				

(1)

(2)

(3)

F

Year ended December 31 (millions of dollars)

December 31 (millions of dollars)

F

December 31

F

(1)

(1)

F

Carrying Values of Derivatives

F

Fair Values of Financial Instruments

Notional Amounts

Credit Risk

Asset/(Liability) December 31 (millions of dollars)			

F

December 31 (millions of dollars)

Asset/(Liability) December 31 (millions of dollars)			

Asset/(Liability) December 31 (millions of dollars)			

F

December 31 (millions of dollars)

Year ended December 31 (millions of dollars)

F

Year ended December 31 (millions of dollars)

Year ended December 31 (millions of dollars)

Year ended December 31 (millions of dollars)

F

December 31 (millions of dollars)

Year ended December 31 (millions of dollars)

F

July 2, 1998 (millions of dollars)

January 1, 1998 to July 2, 1998 (millions of dollars)

F

(millions of dollars)

Year ended December 31 (millions of dollars except per share amounts)

(1)

S(2)

(3)

(4)

(5)

(1)

(2)

(3)

(4)

F

(5)

Year ended December 31 (millions of dollars)			
(a)			
(b)			
(c)			

(a)

(b)

(c)

(6)

Year ended December 31 (millions of dollars)			

F

Year ended December 31 (millions of dollars)

(6)

December 31 (millions of dollars)

(7)

(6)

(7)

(8)

F

December 31 (millions of dollars)

| 2 > SUPPLEMENTARY INFORMATION
| 3 > FOUR-YEAR FINANCIAL HIGHLIGHTS
| 4 > CORPORATE GOVERNANCE
| 5 > INVESTOR INFORMATION
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| 7 > ADDITIONAL INFORMATION
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1999 Corporate Information

Three months ended (unaudited)

Year ended December 31

(1)

(1)

Year ended December 31

(millions of dollars except where indicated)

Toronto Stock Exchange

New York Stock Exchange (US dollars)

Metric	Imperial	Factor

DIRECTORS

ANNUAL MEETING

TransCanada

TransCanada

FOURTH QUARTER 2000

Quarterly Report to Shareholders

Consolidated Results-at-a-Glance

(millions of dollars except per share amounts)	Three months ended December 31 (unaudited) 2000	1999	Year ended December 31 2000	1999
Net Income/(Loss) Applicable to Common Shares				
Continuing operations before the undernoted	**162**	103	**605**	505
Asset sales from continuing operations	**-**	-	**30**	47
Loss on long-term natural gas contracts	**-**	-	**(124)**	-
Restructuring and other costs	**-**	(108)	**-**	(108)
Continuing operations	**162**	(5)	**511**	444
Discontinued operations	**-**	(565)	**200**	(524)
	162	(570)	**711**	(80)
Net Income/(Loss) Per Share				
Continuing operations before the undernoted	**$0.34**	$0.22	**$1.28**	$1.08
Asset sales from continuing operations	**-**	-	**0.06**	0.10
Loss on long-term natural gas contracts	**-**	-	**(0.26)**	-
Restructuring and other costs	**-**	(0.23)	**-**	(0.23)
Continuing operations	**0.34**	(0.01)	**1.08**	0.95
Discontinued operations	**-**	(1.21)	**0.42**	(1.12)
	$0.34	($1.22)	**$1.50**	($0.17)

TransCanada PipeLines Limited's net income applicable to common shares for the year ended December 31, 2000 was $711 million or $1.50 per share compared to a loss of $80 million, or $0.17 per share, in 1999. On January 30, 2001, the Board of Directors declared a quarterly dividend of $0.225 per share on the company's outstanding common shares for the quarter ending March 31, 2001, representing a 12.5 per cent increase over the previous quarter.

Net income applicable to common shares from continuing operations (net earnings) for the year ended December 31, 2000, before the unusual items noted in the table above, was $605 million or $1.28 per share compared to $505 million or $1.08 per share for 1999. Fourth quarter net earnings, before the unusual items, were $162 million and $103 million for 2000 and 1999, respectively. The increases for the year and the fourth quarter over comparable periods in 1999 are primarily due to higher earnings in the Power business as well as reduced financial and preferred equity charges as a result of lower net debt balances and preferred share redemptions.

In addition, tax recoveries of $13 million in the first quarter of 2000 and $15 million in the fourth quarter of 2000 were recorded to reflect the impact of tax law and income tax rate changes in the February 2000 and October 2000 Federal budgets. These positive items were partially offset by increased losses in the Gas Marketing business. Higher revenues and cost of sales in the Gas Marketing segment reflect higher natural gas prices in 2000 when compared to 1999.

Effective December 31, 2000, the company adopted mark-to-market accounting for all of its energy trading contracts. This accounting policy change has been applied on a retroactive basis with restatement of the prior year (see Note 1, Accounting Changes, in the Notes to Summarized Consolidated Financial Statements).

Segment Results-at-a-Glance

	Three months ended December 31 (unaudited)		Year ended December 31	
(millions of dollars)	**2000**	1999	**2000**	1999
Transmission	**151**	154	**612**	671
Power	**39**	10	**105**	40
Gas Marketing	**(27)**	(14)	**(129)**	(5)
Corporate	**(1)**	(155)	**(77)**	(262)
Continuing operations	**162**	(5)	**511**	444
Discontinued operations	**-**	(565)	**200**	(524)
Net Income/(Loss) Applicable to Common Shares	**162**	(570)	**711**	(80)

Transmission

The Transmission business generated net earnings of $151 million and $612 million for the three months and year ended December 31, 2000, respectively.

Transmission Results-at-a-Glance

(millions of dollars)	Three months ended December 31 (unaudited) 2000	1999	Year ended December 31 2000	1999
Wholly-Owned Pipelines				
Alberta System	**57**	58	**219**	219
Canadian Mainline	**70**	71	**281**	285
BC System	**1**	1	**6**	6
	128	130	**506**	510
North American Pipeline Ventures				
Great Lakes	**12**	15	**52**	55
Northern Border				
-earnings	**-**	-	**-**	13
-gain on sale	**-**	-	**-**	47
Iroquois	**3**	3	**13**	12
Tuscarora				
-earnings	**-**	1	**2**	3
-gain on sale	**-**	-	**7**	-
Foothills	**7**	5	**22**	21
Trans Québec & Maritimes	**2**	1	**8**	10
TC PipeLines, LP	**3**	3	**11**	7
Other	**(4)**	(4)	**(9)**	(7)
	23	24	**106**	161
Net earnings	**151**	154	**612**	671

Wholly-Owned Pipelines

Net earnings from the Alberta System were $57 million for the fourth quarter of 2000 compared to $58 million for the same quarter in 1999. The decrease in net earnings was primarily due to the cost of transition support related to the new products and receipt-point pricing structure for the Alberta System, largely offset by higher incentive earnings. Net earnings for the year ended December 31, 2000 were consistent with 1999.

The Canadian Mainline's net earnings in the fourth quarter of 2000 were comparable to the same quarter in 1999. The decrease in annual net earnings of $4 million when compared to the prior year is primarily due to cost recoveries relating to certain capital transactions in 1999, partially offset by the impact of an increase in the allowed rate of return from 9.58 per cent in 1999 to 9.90 per cent in 2000 and a higher average investment base.

Operating Statistics Year ended December 31	Alberta System		Canadian Mainline		BC System	
	2000	1999	**2000**	1999	**2000**	1999
Average investment base ($ millions)	**5,272**	5,341	**9,443**	9,386	**211**	196
Delivery volumes (Bcf)						
Total	**4,490**	4,535	**2,675**	2,685	**408**	398
Average per day	**12.3**	12.4	**7.3**	7.4	**1.1**	1.1

North American Pipeline Ventures

TransCanada's proportionate share of net earnings from its other gas transmission businesses was $23 million in the fourth quarter of 2000 compared to $24 million in the same quarter of 1999. Excluding gains from asset sales in 1999 and 2000, net earnings for the year ended December 31, 2000 decreased $15 million when compared to the same period last year. This decrease is primarily due to TransCanada's reduced ownership interest in Northern Border and project costs related to TransCanada's northern development activities in 2000.

Power

The Power business contributed net earnings of $39 million for the quarter ended December 31, 2000, an increase of $29 million over the fourth quarter of 1999. Net earnings for the year ended December 31, 2000, excluding the $23 million after-tax gain on the sale of TransCanada's interest in the Hermiston Power Partnership in the first quarter of 2000, are $42 million higher when compared to 1999. The results for the year and the fourth quarter of 2000 reflect significantly increased marketing and trading income as well as increased income resulting from a larger ownership interest in TransCanada's two largest power investments – Ocean State Power and TransCanada Power, L.P. (Power LP). The increased marketing and trading results are primarily due to TransCanada capitalizing on opportunities in its eastern and western markets.

Gas Marketing

The net loss for the fourth quarter of 2000 was $27 million compared to a net loss of $14 million in the same quarter of 1999. This change was primarily due to losses related to trading activities in the extremely volatile gas markets in the fourth quarter of 2000 and the bankruptcy of a third party U.S. gas storage operator.

The net loss for the year ended December 31, 2000 of $129 million is primarily due to after-tax net losses of $124 million on certain long-term natural gas contracts. In previous years, TransCanada's Gas Marketing business entered into certain long-term natural gas contracts to support various corporate initiatives, including pipeline investments and downstream pipeline expansions. The profitability of these contracts was predicated on sustained historical price differentials between natural gas supply and market points. Over the past two years, the price differentials have narrowed and the company believes the decline in the value of these contracts is no longer temporary. As a result, TransCanada entered into third party arrangements and recognized net losses of $124 million, after tax, in 2000 related to these long-term natural gas contracts.

Corporate

Net expenses in the Corporate segment were $77 million for the twelve months ended December 31, 2000 compared to $154 million for the same period in 1999, excluding restructuring and other costs of $108 million, after tax. This improvement is primarily due to lower financial and preferred equity charges as a result of lower net debt balances and the redemption of preferred shares. In addition, tax recoveries of $13 million in the first quarter of 2000 and $15 million in the fourth quarter of 2000 were recorded to reflect the impact of tax law and income tax rate changes in the February 2000 and October 2000 Federal budgets.

Discontinued Operations

Each quarter in 2000, TransCanada reviewed the estimates used in calculating the provision for loss on discontinued operations. The provision includes estimated gains and losses from the sale of discontinued operations, as well as estimated earnings from these operations to the anticipated dates of sale. As a result of the review in the third quarter of 2000, a positive $200 million after-tax adjustment was made to the original provision for loss on discontinued operations. This adjustment was primarily due to proceeds in excess of the company's original estimate. In the fourth quarter of 2000, TransCanada reviewed the estimates used in calculating the provision for loss on discontinued operations and concluded that the remaining liability at December 31, 2000 adequately reflects the expected dispositions. As a result, there is no earnings impact related to discontinued operations in the fourth quarter.

Dividends

On January 30, 2001, TransCanada's Board of Directors declared a quarterly dividend of $0.225 per share for the quarter ending March 31, 2001 on the outstanding common shares. This is the 149th consecutive dividend paid by TransCanada on its common shares, and is payable on April 30, 2001 to shareholders of record at the close of business on March 30, 2001. The Board also declared regular dividends on TransCanada's preferred shares.

Recent Developments

Transmission

Canadian Mainline
In December 2000, TransCanada filed an application with the National Energy Board (NEB) for interim tolls on its Canadian Mainline. The NEB approved the interim tolls requested by TransCanada to be effective February 1, 2001. TransCanada is working with stakeholders toward achieving a negotiated services and pricing settlement for 2001.

Alberta System
In January 2001, TransCanada reached a settlement with industry stakeholders for determining 2001-2002 tolls and services on TransCanada's Alberta System. A memorandum of understanding to be developed from the settlement will require acceptance by TransCanada and the stakeholders. Implementation will require approval by the Alberta Energy and Utilities Board. This settlement is a significant step to creating a more competitive natural gas pipeline environment in the Western Canada Sedimentary Basin, and allows for the development and implementation of services that will provide customers operational and contractual flexibility.

Power

In October 2000, in accordance with existing agreements, TransCanada transferred the Calstock power plant to Power LP and increased its participating interest in Power LP from 32.7 per cent to 41.6 per cent. Also in October 2000, TransCanada increased its ownership of Ocean State Power to 100 per cent by acquiring the remaining 29.9 per cent ownership interest for approximately US$53 million, including the assumption of debt. These initiatives are part of TransCanada's strategy of capturing growth opportunities in its core businesses.

Cancarb

TransCanada's sale of Cancarb Limited and the associated power plant did not close as was expected in the fourth quarter of 2000, and discussions continue with the potential purchaser.

Strengthening TransCanada's Balance Sheet

Asset Dispositions

TransCanada has substantially completed its divestiture program and has now sold, or has agreements to sell, approximately $3.4 billion of assets. Proceeds received to date have been used primarily to reduce debt and associated financial charges and this is expected to continue as additional proceeds are received. Businesses remaining to be sold are primarily certain of the company's International investments. In January 2001, TransCanada closed the previously announced sale of its interests in several natural gas transmission assets in Argentina and Chile for proceeds of approximately US$435 million.

Debt Reduction

Asset sale proceeds, combined with the company's strong cash flow, allowed TransCanada to retire or repurchase approximately $2.5 billion of term debt and preferred shares in 2000. This includes approximately $1.3 billion of open market debt repurchases, $0.7 billion of term debt maturities, $0.2 billion of debt related to assets that have been sold, and $0.3 billion of preferred share repurchases.

In the fourth quarter of 2000, TransCanada acquired and cancelled all of the company's outstanding 5.15 per cent Cumulative Redeemable First Preferred Shares Series S at a price of $50 per share. The shares carried approximately $10 million in annualized dividends.

In December 2000, TransCanada redeemed all of the company's outstanding 5.95 per cent Cumulative Redeemable Retractable First Preferred Shares Series R, at a price of $50 per share. The shares carried approximately $6 million in annualized dividends.

With the divestiture program substantially completed and the balance sheet strengthened, TransCanada is focused on its core businesses of natural gas transmission, power and natural gas marketing in Canada and the northern tier of the United States.

Forward-Looking Information

Certain information in this quarterly report is forward-looking information and relates to, among other things, targeted cost savings, anticipated financial performance, business prospects and strategies. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "target" or similar words suggesting future outcomes. By their nature, such statements are subject to various risks and uncertainties, which could cause TransCanada's actual results and experience to differ materially from the anticipated results. Such risks and uncertainties include, but are not limited to: availability and price of energy commodities; regulatory decisions; the ability of TransCanada to successfully implement the initiatives referred to in this quarterly report; management's ability to execute the disposition of its remaining discontinued operations; competitive factors and pricing pressures; and overcapacity in the pipeline industry. For further information on additional risks and uncertainties, you are advised to consult TransCanada's Annual Information Form under the heading "Forward-Looking Information".

Consolidated Income

(millions of dollars except per share amounts)	Three months ended December 31 (unaudited) 2000	1999	Year ended December 31 2000	1999
Revenues	**8,193**	3,499	**21,156**	11,856
Operating Expenses				
Cost of sales	**7,198**	2,491	**17,240**	7,809
Other costs and expenses	**332**	357	**1,415**	1,509
Depreciation	**186**	185	**740**	692
Restructuring and other costs	**-**	170	**-**	170
	7,716	3,203	**19,395**	10,180
Operating Income	**477**	296	**1,761**	1,676
Other Expenses/(Income)				
Financial charges	**240**	256	**959**	1,018
Financial charges of joint ventures	**27**	41	**113**	120
Allowance for funds used during construction	**(2)**	(5)	**(8)**	(46)
Interest and other income	**(47)**	(20)	**(114)**	(40)
Gain on sale of assets	**-**	-	**(37)**	(91)
	218	272	**913**	961
Income from Continuing Operations before Income Taxes	**259**	24	**848**	715
Income Taxes - Current and Future	**80**	6	**258**	173
Net Income from Continuing Operations	**179**	18	**590**	542
Net (Loss)/Income from Discontinued Operations	**-**	(565)	**200**	(524)
Net Income/(Loss)	**179**	(547)	**790**	18
Preferred Securities Charges	**11**	12	**44**	46
Preferred Share Dividends	**6**	11	**35**	52
Net Income/(Loss) Applicable to Common Shares	**162**	(570)	**711**	(80)
Net Income/(Loss) Applicable to Common Shares				
Continuing operations	**162**	(5)	**511**	444
Discontinued operations	**-**	(565)	**200**	(524)
	162	(570)	**711**	(80)
Net Income/(Loss) Per Share				
Continuing operations	**$0.34**	($0.01)	**$1.08**	$0.95
Discontinued operations	**-**	(1.21)	**0.42**	(1.12)
	$0.34	($1.22)	**$1.50**	($0.17)
Average Shares Outstanding (millions)			**474.6**	469.5

See accompanying Notes to Summarized Consolidated Financial Statements.

Consolidated Cash Flows

Year ended December 31 (millions of dollars)	2000	1999
Cash Generated From Operations		
Net income from continuing operations	590	542
Depreciation	740	692
Net unrealized loss on energy trading contracts	87	11
Restructuring and other costs	-	38
Gain on sale of assets	(37)	(91)
Future income taxes	49	(113)
Power purchase agreement payment	(212)	-
Other	9	(46)
Funds generated from continuing operations	1,226	1,033
Decrease in operating working capital	206	133
Net cash provided by continuing operating activities	1,432	1,166
Net cash provided by discontinued operating activities	288	130
	1,720	1,296
Investing Activities		
Capital expenditures - continuing operations	(518)	(1,323)
Capital expenditures - discontinued operations	(294)	(501)
Acquisitions, net of cash acquired	(111)	(56)
Disposition of assets	2,233	658
Deferred amounts and other	(31)	42
Net cash provided by/(used in) investing activities	1,279	(1,180)
Financing Activities		
Dividends and preferred securities charges	(536)	(664)
Notes payable repaid, net	(25)	(228)
Long-term debt issued	-	1,204
Reduction of long-term debt	(2,139)	(699)
Non-recourse debt of joint ventures issued	404	161
Reduction of non-recourse debt of joint ventures	(282)	(148)
Partnership units issued	-	312
Preferred shares issued	-	194
Preferred shares redeemed	(328)	(396)
Common shares issued	5	204
Net cash used in financing activities	(2,901)	(60)
Increase in Cash and Short-Term Investments	98	56
Cash and Short-Term Investments		
Beginning of year	411	355
Cash and Short-Term Investments		
End of year	509	411

See accompanying Notes to Summarized Consolidated Financial Statements.

Consolidated Balance Sheet

December 31 (millions of dollars)	2000	1999
Current Assets		
Cash and short-term investments	509	411
Accounts receivable	2,043	1,059
Inventories	311	351
Other	32	26
Unrealized gains on energy trading contracts	2,334	153
Current assets of discontinued operations	154	873
	5,383	2,873
Unrealized Gains on Energy Trading Contracts	521	63
Long-Term Investments	174	417
Plant, Property and Equipment	17,673	17,738
Other Assets	422	204
Future Income Taxes	192	143
Long-Term Assets of Discontinued Operations	1,183	3,531
	25,548	24,969

Current Liabilities		
Notes payable	200	214
Accounts payable and accrued interest	2,843	1,694
Long-term debt due within one year	612	603
Non-recourse debt of joint ventures due within one year	29	64
Provision for loss on discontinued operations	128	464
Unrealized losses on energy trading contracts	2,341	157
Current liabilities of discontinued operations	98	579
	6,251	3,775
Unrealized Losses on Energy Trading Contracts	608	66
Deferred Amounts	344	381
Long-Term Debt	9,928	11,591
Non-Recourse Debt of Joint Ventures	1,296	1,272
Junior Subordinated Debentures	243	241
Long-Term Liabilities of Discontinued Operations	288	788
Non-Controlling Interests	2	243
	18,960	18,357
Shareholders' Equity		
Preferred securities	969	960
Preferred shares	389	717
Common	5,230	4,935
	6,588	6,612
	25,548	24,969

See accompanying Notes to Summarized Consolidated Financial Statements.

Notes to Summarized Consolidated Financial Statements

1. Accounting Changes

Effective January 1, 2000, TransCanada adopted the new standards of the Canadian Institute of Chartered Accountants with respect to accounting for income taxes and employee future benefits. Effective December 31, 2000, the company adopted mark-to-market accounting for all of its energy trading contracts.

Future Income Taxes

Under the new standard for future income taxes, the liability method of tax allocation is used, which is based on differences between financial reporting and tax bases of assets and liabilities. Previously, TransCanada used the deferral method for its non-regulated businesses. The new standard does not impact the accounting for income taxes in the company's regulated gas transmission businesses.

This accounting change was applied retroactively, without restatement of prior periods. This resulted in a decrease in each of retained earnings and future income tax assets of $65 million. The impact of this accounting change on earnings for the year ended December 31, 2000 was primarily a tax recovery of $13 million recorded in the first quarter of 2000 and $15 million recorded in the fourth quarter of 2000 to reflect substantively enacted tax law and income tax rate changes.

Employee Future Benefits

The new standard for employee future benefits results in a new basis of calculating funding surpluses or deficiencies for pension benefits and the recognition of other post-employment benefits in the financial statements. Previously, TransCanada recognized other post-employment benefits as paid. This accounting change was applied retroactively, without restatement of prior periods. This resulted in an increase in retained earnings and a decrease in deferred amounts of $28 million. The effect of this accounting change on earnings for the year ended December 31, 2000 was not significant.

Price Risk Managemenl

The mark-to-market accounting policy change has been applied retroactively with restatement of the prior year. The cumulative effect of this change on retained earnings as at January 1, 1999 was a decrease of $3 million. The net unrealized loss on energy trading contracts in the year ended December 31, 2000 was $87 million, before tax, comprised of a net unrealized gain of $37 million, before tax, in the Power business and a net unrealized loss of $124 million, before tax, in the Gas Marketing business.

Price Risk Management (continued)

The significant impacts of the accounting change on the Consolidated Balance Sheet and Consolidated Statement of Income as at and for the year ended December 31,1999 are as follows.

(millions of dollars)	Increase/(Decrease)
Consolidated Balance Sheet	
Unrealized gains on energy trading contracts	
Current asset	153
Long-term asset	63
Unrealized losses on energy trading contracts	
Current liability	157
Long-term liability	66
Retained earnings	(13)
Consolidated Income	
Revenues	(17)
Income taxes - current and future	(7)

Net earnings and earnings per share for 1999 and 2000 were restated as follows.

	Three months ended									
(millions of dollars except per share amounts)	March 31 (unaudited) 2000	1999	June 30 (unaudited) 2000	1999	September 30 (unaudited) 2000	1999	December 31 (unaudited) 2000	1999	Year ended December 31 2000	1999
Transmission	**156**	153	**149**	208	**156**	156	**151**	154	**612**	671
Power	**32**	12	**13**	9	**21**	9	**39**	10	**105**	40
Gas Marketing	**10**	17	**4**	(3)	**(116)**	(5)	**(27)**	(14)	**(129)**	(5)
Corporate	**(20)**	(43)	**(34)**	(37)	**(22)**	(27)	**(1)**	(155)	**(77)**	(262)
Continuing operations	**178**	139	**132**	177	**39**	133	**162**	(5)	**511**	444
Discontinued operations	**-**	7	**-**	34	**200**	-	**-**	(565)	**200**	(524)
Net Income/(Loss) Applicable to Common Shares	**178**	146	**132**	211	**239**	133	**162**	(570)	**711**	(80)
Net Income/(Loss) Per Share										
Continuing operations	**$0.38**	$0.30	**$0.28**	$0.38	**$0.08**	$0.28	**$0.34**	($0.01)	**$1.08**	$0.95
Discontinued operations	**-**	0.02	**-**	0.07	**0.42**	-	**-**	(1.21)	**0.42**	(1.12)
	$0.38	$0.32	**$0.28**	$0.45	**$0.50**	$0.28	**$0.34**	($1.22)	**$1.50**	($0.17)

2. Segmented Information

Three months ended December 31 (unaudited - millions of dollars)	Transmission 2000	Transmission 1999	Power 2000	Power 1999	Gas Marketing 2000	Gas Marketing 1999	Corporate 2000	Corporate 1999	Total 2000	Total 1999
Revenues	**923**	949	**164**	94	**7,106**	2,456	**-**	-	**8,193**	3,499
Cost of sales	**-**	-	**(52)**	(34)	**(7,146)**	(2,457)	**-**	-	**(7,198)**	(2,491)
Other costs and expenses	**(284)**	(295)	**(30)**	(35)	**(13)**	(18)	**(5)**	(9)	**(332)**	(357)
Depreciation	**(172)**	(174)	**(12)**	(8)	**(2)**	(1)	**-**	(2)	**(186)**	(185)
Restructuring and other costs	**-**	-	**-**	-	**-**	-	**-**	(170)	**-**	(170)
Operating income/(loss)	**467**	480	**70**	17	**(55)**	(20)	**(5)**	(181)	**477**	296
Financial and preferred equity charges	**(221)**	(214)	**(3)**	-	**-**	(2)	**(33)**	(63)	**(257)**	(279)
Financial charges of joint ventures	**(26)**	(37)	**(1)**	(4)	**-**	-	**-**	-	**(27)**	(41)
Other income	**16**	4	**(1)**	3	**3**	-	**31**	18	**49**	25
Income taxes	**(85)**	(79)	**(26)**	(6)	**25**	8	**6**	71	**(80)**	(6)
Continuing operations	**151**	154	**39**	10	**(27)**	(14)	**(1)**	(155)	**162**	(5)
Discontinued operations									**-**	(565)
Net Income/(Loss) Applicable to Common Shares									**162**	(570)

Year ended December 31 (millions of dollars)	Transmission 2000	Transmission 1999	Power 2000	Power 1999	Gas Marketing 2000	Gas Marketing 1999	Corporate 2000	Corporate 1999	Total 2000	Total 1999
Revenues	**3,830**	3,774	**565**	450	**16,761**	7,632	**-**	-	**21,156**	11,856
Cost of sales	**-**	-	**(288)**	(234)	**(16,952)**	(7,575)	**-**	-	**(17,240)**	(7,809)
Other costs and expenses	**(1,246)**	(1,299)	**(101)**	(119)	**(43)**	(61)	**(25)**	(30)	**(1,415)**	(1,509)
Depreciation	**(697)**	(657)	**(35)**	(30)	**(7)**	(2)	**(1)**	(3)	**(740)**	(692)
Restructuring and other costs	**-**	-	**-**	-	**-**	-	**-**	(170)	**-**	(170)
Operating income/(loss)	**1,887**	1,818	**141**	67	**(241)**	(6)	**(26)**	(203)	**1,761**	1,676
Financial and preferred equity charges	**(877)**	(876)	**(3)**	-	**-**	(2)	**(158)**	(238)	**(1,038)**	(1,116)
Financial charges of joint ventures	**(101)**	(107)	**(12)**	(13)	**-**	-	**-**	-	**(113)**	(120)
Other income	**52**	46	**9**	9	**7**	2	**54**	29	**122**	86
Gain on sale of assets	**11**	91	**26**	-	**-**	-	**-**	-	**37**	91
Income taxes	**(360)**	(301)	**(56)**	(23)	**105**	1	**53**	150	**(258)**	(173)
Continuing operations	**612**	671	**105**	40	**(129)**	(5)	**(77)**	(262)	**511**	444
Discontinued operations									**200**	(524)
Net Income/(Loss) Applicable to Common Shares									**711**	(80)
Capital expenditures										
Continuing Operations	**354**	1,186	**104**	117	**-**	-	**60**	20	**518**	1,323

Total Assets

December 31 (millions of dollars)	2000	1999
Transmission	**17,347**	18,269
Power	**1,889**	517
Gas Marketing	**3,892**	993
Corporate	**1,083**	786
Continuing Operations	**24,211**	20,565
Discontinued Operations	**1,337**	4,404
	25,548	24,969

3. Discontinued Operations

Each quarter in 2000, TransCanada reviewed the estimates used in calculating the provision for loss on discontinued operations. The provision includes estimated gains and losses from the sale of discontinued operations, as well as estimated earnings from these operations to the anticipated dates of sale. As a result of the review in the third quarter of 2000, a positive $200 million after-tax adjustment was made to the original provision for loss on discontinued operations. This adjustment was primarily due to proceeds in excess of the company's original estimate. In the fourth quarter of 2000, TransCanada reviewed the estimates used in calculating the provision for loss on discontinued operations and concluded that the remaining liability at December 31, 2000 adequately reflects the expected dispositions. As a result, there is no earnings impact related to discontinued operations in the fourth quarter.

Supplementary Information

As at December 31, 2000, TransCanada had 474,912,877 issued and outstanding common shares. In addition, there were 15,391,307 outstanding options to purchase common shares, of which 12,102,408 were exercisable as at December 31, 2000.

TransCanada welcomes questions from shareholders and potential investors. Please telephone:

Investor Relations, at 1-800-361-6522 (Canada and U.S. Mainland) or direct dial David Moneta at (403) 267-8521. The investor fax line is (403) 267-8538.

Media Contact: Glenn Herchak at (403) 267-3309.

Visit TransCanada's Internet site at: http://www.transcanada.com

TransCanada

Media Inquiries:	Glenn Herchak/Kurt Kadatz	(403) 267-3309
Analyst Inquiries:	David Moneta	(403) 267-8521

NewsRelease

TransCanada Reports Increased Earnings and Raises Dividend

CALGARY, Alberta – January 30, 2001 – (TSE: TRP) (NYSE: TRP) – The Board of Directors of TransCanada PipeLines Limited today announced net income applicable to common shares for 2000 was $711 million, or $1.50 per common share, compared to a loss of $80 million, or ($0.17) per common share, in 1999. Net income applicable to common shares from continuing operations before unusual items for 2000 was $605 million compared to $505 million in 1999. Earnings per share, from continuing operations before unusual items, for 2000 was $1.28 compared to $1.08, a 19 per cent increase over 1999. The Board today also raised the quarterly dividend for the company's outstanding common shares 12.5 per cent from $0.20 per share to $0.225 per share for the quarter ending March 31, 2001.

"In 2000, we committed to restoring and strengthening TransCanada's financial position. Our performance has shown we've delivered. Here's our report card for 2000 and our plan for improved results and performance in 2001 and beyond," said Doug Baldwin, TransCanada's President and Chief Executive Officer.

In addition to consolidating and integrating our operations over the last year, we continue to address industry changes, a new competitive environment and shifting market demands and conditions. We have positioned ourselves well for the challenging times ahead in order for TransCanada to be the most profitable, competitive and reliable provider of natural gas transportation, power generation, and power and natural gas marketing and trading across the northern tier of North America. That is our mission. We will accomplish it by preserving our strong roots in the Western Canada Sedimentary Basin and enhancing our key customer relationships. And we will accomplish it by being better, faster, cheaper.

Our efforts in 2000 of restoring and strengthening our financial position were directed at three objectives:

- Strengthening the balance sheet
- Restoring earnings and establishing a growth platform for future earnings
- Positioning the company with discretionary cash flow and financial capacity post 2000 to achieve our business objectives going forward.

Our year-end 2000 financial results, as highlighted in the accompanying information, illustrate the achievement of these objectives. At the end of 1999, we projected proceeds of $3 billion on the sale of non-core assets. As announced in October, 2000, we raised our estimate of anticipated proceeds to $3.45 billion. At December 31, 2000, approximately $2.3 billion of sale proceeds had been realized, and an additional $0.7 billion was received in January, 2001, from the sale of our interests in several natural gas transmission assets in Argentina and Chile to TOTALFINAELF. An additional $0.4 billion of divestitures has been signed and announced. Taken together, this has resulted in a $200 million positive after-tax adjustment to the provision for discontinued operations initially recorded in 1999 and an after-tax gain of $30 million from assets sold out of continuing operations.

As promised, proceeds from divestitures have been applied primarily to retiring long-term debt and repurchasing preferred shares. We repaid or retired approximately $2.5 billion of term debt and preferred share obligations during 2000.

The impact on earnings has been considerable as the repayment of debt has contributed significantly to reducing corporate financing costs. As reported above, the company recorded strong operating results.

For 2001, TransCanada anticipates discretionary cash flow of approximately $350 million, after accounting for dividends and an anticipated capital expenditure program of $500 million. This, along with enhanced balance sheet strength, provides the company with significant financial capacity. As important as achieving renewed financial strength and stability, we have improved our credibility and reputation as a leading player in the North American energy community. In the future, one measure of our success will be how we effectively utilize our cash to maximize shareholder value. We have a number of options available to us, which involve any or all of the following combinations:

- Growth through strategic and disciplined investments,
- Increased, sustainable dividend payments,
- Further debt retirement, or
- Initiation of a share repurchase program.

Ultimately, the decisions that are made will consider the full extent of potential outcomes and impacts. Our bottom line is that any path we take will have to meet the ultimate test of maximizing shareholder value.

"When I accepted the position as Chief Executive Officer of TransCanada, it was with the mandate to restore the company financially and position it for growth in a competitive environment," said Mr. Baldwin. "These objectives are well on their way to being achieved. The talented and dedicated people at TransCanada have made that happen. The legacy of these past couple of years will have been the re-emergence of TransCanada as a major participant in the Canadian energy industry. The new Chief Executive Officer will inherit a company poised and ready to master the next challenges in TransCanada's growth and evolution, supported by well-defined strategies and the financial resources to implement them. The search for a new Chief Executive Officer is well under way and, I anticipate, a decision will be made in the near future."

In addition to restoring TransCanada's financial position, our attention has also been directed to our future business, principally pipelines and power generation.

Pipelines: Considerable work has been done to optimize the return from our pipeline network by developing new products, better access to markets, and competitive and innovative approaches to meeting customers' needs. We have a focused effort on moving toward a regulatory environment with the flexibility to meet changing market and customer needs and to enable TransCanada to better compete in the North American market. On January 23, 2001, we announced an agreement in principle with our shippers with respect to tolls on our Alberta System. We continue to negotiate an agreement respecting our Canadian Mainline operation.

Our decision to divest our non-core assets has seen TransCanada change from being a small player on six continents to sharpening our focus as the major player in the northern tier of North America. We have a strong position in one of the most prolific gas basins in North America and we are poised and positioned to be a participant in the future development of gas reserves in the far north. The decision for northern development rests with the producers, government, aboriginal and local communities. We are pursuing a collaborative approach by working with all participants in order that the best go-forward development plan is implemented. As well, we are examining opportunities to grow TC PipeLines, LP, which remains an important investment vehicle for TransCanada.

Power: The synergy between our proven businesses of pipelines and power, and the dynamic growth in gas-fired power generation, makes our strategy to build the power side of TransCanada's business both a logical and a win-win proposition. TransCanada has invested $465 million in power operations in the last year and these investments are focused where the company has an existing pipeline and marketing presence. We control or manage 1,600 megawatts of power, up from 932 megawatts last year. Consider that more than 96 per cent of new power plants in the U.S. are natural gas-fired, compared with just 15 per cent of existing facilities. Gas-fired power is growing faster than other forms of generation, such as coal, hydro and nuclear. More than 49,000 megawatts of gas-fired capacity was under construction or approved by the end of 2000 and much of this will be peaking capacity, which has different requirements for financing, risk management, gas supply, related transportation and marketing services.

All these requirements naturally fit with TransCanada's existing skill set and operating infrastructure, not to mention the strategic advantage we have through our ability to locate gas-fired power facilities along our gas pipeline routes. Our power group continues to identify and assess potentially attractive markets in the northern tier of North America to take advantage of the tremendous opportunities provided by the current wave of construction of new power generation facilities. As well, TransCanada holds a 41.6 per cent ownership position in, and manages, Canada's largest power L.P. (limited partnership), which has been an excellent growth and power-development vehicle.

We're making all this happen through the implementation of an operationally excellent business model -- better, faster, cheaper.

We know and understand our skill set and talents, and we've identified those we need to continue to succeed. Our expertise is in pipeline and power operations, financial management, natural gas and power marketing and trading, deal structuring and constructing large capital pipeline and power projects. We're improving our abilities and strengths in managing organizational processes to be more effective and efficient in everything we do and to be customer and market focused in identifying what it is we need to do – we're getting better.

We enjoy an enviable talent pool of expertise and experience within TransCanada and while we've implemented measures in the last year to reduce the numbers and layers of management that previously existed – starting with our executive team – we're mindful that we need to attract and retain the right mix of talents to deliver on TransCanada's plans. We will continue to develop the leadership abilities of our management teams to operate strategically, proactively and responsively in an increasingly competitive environment – we're getting faster.

We need to improve our ability to provide best value for best price. Cost of service is critical to our customers. We understand that. We're identifying areas where we can become more cost efficient – cheaper – but cheaper where it makes sense in order for us to provide customers with best total cost for the best products and solutions they expect to meet their needs. It's being effective and efficient. Effective – doing the right things. Efficient – doing things right.

With operational excellence as our guide, our focus in 2001 is toward:

Growth – with restored financial strength, we will focus on profitable growth opportunities in pipelines, power generation, and power and gas marketing and trading. We will make investments in 2001 in defined geographies and business lines that allow us to continue growing earnings in a manner that demonstrates our understanding of risk management and the risk:reward equation. We will continue working to position TransCanada to be a significant player in the development of the Alaska northern slope and Mackenzie Delta gas reserves in order to ensure that northern gas utilizes our existing pipeline system to the markets we serve.

Regulatory reform – we expect to achieve solid short-term and long-term results. In the short-term, we are working hard to obtain customer support for the regulatory approval of tolls on our Canadian wholly-owned pipelines. In the long-term, we will work with our customers to develop an integrated regulatory model which will deliver acceptable returns for our shareholders and our industry and reflect the changing environment in which we operate.

Operational Excellence – we will continue to improve organizational and operational efficiencies. We have achieved over-all cost savings of $60 million and $95 million respectively over the past two years by eliminating costs associated with our existing and divested businesses, optimizing our assets, improving our key processes and simplifying our organization. Further cost efficiencies are being identified for 2001. We will redouble our efforts to get better, faster, cheaper.

At TransCanada, we have accomplished much in the past year. We will accomplish more in the year ahead.

TransCanada is holding a teleconference today at 1:00 p.m. (Mountain)/3:00 p.m. (Eastern) to discuss the fourth quarter 2000 financial results and general issues concerning TransCanada. Analysts, members of the media and other interested parties wanting to participate in the call should dial 1-800-273-9672 or 416-695-5806 (Toronto area) at least 10 minutes prior to the start of the call. No pass code is required. A replay of the teleconference will be available two hours after the conclusion of the call until midnight, February 6, 2001, by dialing 1-800-408-3053 or 416-695-5800 (Toronto area) and entering the pass code 665627. The teleconference will also be Webcast live on the internet at www.transcanada.com. The internet broadcast will be archived and available for replay.

TransCanada is a leading North American energy company. It is focused on natural gas transmission, power, and gas marketing services, complemented by employees who are expert in these businesses. The company's network of approximately 38,000 kilometres of pipeline transports the majority of western Canada's natural gas production to the fastest growing markets in Canada and the United States. TransCanada's common shares trade under the symbol TRP on the Toronto and New York stock exchanges. Visit us on the internet at www.transcanada.com for more information.

Note: All dollar amounts are expressed in Canadian funds, unless otherwise indicated.

Fourth Quarter 2000 Financial Highlights

Operating Results (millions of dollars)	Three months ended December 31 (unaudited) 2000	1999	Year ended December 31 2000	1999
Revenues	**8,193**	3,499	**21,156**	11,856
Net Income/(Loss) Applicable to Common Shares				
Continuing operations before asset sales, loss on long-term natural gas contracts and restructuring and other costs	**162**	103	**605**	505
Net income/(loss) applicable to common shares	**162**	(570)	**711**	(80)
Cash Flow				
Funds generated from continuing operations			**1,226**	1,033
Capital expenditures from continuing operations			**518**	1,323

Common Share Statistics	Three months ended December 31 (unaudited) 2000	1999	Year ended December 31 2000	1999
Net Income/(Loss) Per Share				
Continuing operations before asset sales, loss on long-term natural gas contracts and restructuring and other costs	**$0.34**	$0.22	**$1.28**	$1.08
Net income/(loss) applicable to common shares	**$0.34**	($1.22)	**$1.50**	($0.17)
Dividend Per Share	**$0.20**	$0.28	**$0.80**	$1.12
Funds Generated Per Share from Continuing Operations			**$2.58**	$2.20
Common Shares Outstanding (millions)				
Average for the period	**474.6**	469.5	**474.6**	469.5
End of period	**474.9**	474.5	**474.9**	474.5