SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

For the month of April 2004
COMMISSION FILE No. 1-31690

TRANSCANADA CORPORATION
(TRANSLATION OF REGISTRANT'S NAME INTO ENGLISH)

450 - 1 STREET S.W., CALGARY, ALBERTA, T2P 5H1, CANADA
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F

Form 20-F ________ Form 40-F X

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ________ No X

I

The documents listed below in this Section and filed as Exhibits 1 to 3 to this Form 6-K are hereby filed with the Securities and Exchange Commission for the purpose of being and hereby are incorporated by reference into the following registration statements filed by TransCanada Corporation under the Securities Act of 1933, as amended.

FORM	REGISTRATION NO.
S-8	33-00958
S-8	333-5916
S-8	333-8470
S-8	333-9130
F-3	33-13564
F-3	333-6132

1 Management's Discussion and Analysis of Financial Condition and Results of Operations of the registrant as at and for the period ended March 31, 2004.

2 Consolidated comparative interim unaudited financial statements of the registrant for the three month period ended March 31, 2004 (included in the registrant's First Quarter 2004 Quarterly Report to Shareholders).

3 U.S. GAAP reconciliation of the consolidated comparative interim unaudited financial statements of the registrant contained in the registrant's First Quarter 2004 Quarterly Report to Shareholders.

II

A copy of the Registrant's news release of April 23, 2004 and listed in the Exhibit Index to this Form 6-K is furnished herewith. This news release is being furnished, not filed, and will not be incorporated by reference into any registration statement filed by TransCanada Corporation under the Securities Act of 1933, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRANSCANADA CORPORATION

By: /s/ Russell K. Girling

Russell K. Girling
Executive Vice-President, Corporate
Development and Chief Financial Officer

By: /s/ Lee G. Hobbs

Lee G. Hobbs
Vice-President and Controller

April 26, 2004

EXHIBIT INDEX

1 Management's Discussion and Analysis of Financial Condition and Results of Operations of the registrant as at and for the period ended March 31, 2004.

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3 U.S. GAAP reconciliation of the consolidated comparative interim unaudited financial statements of the registrant contained in the registrant's First Quarter 2004 Quarterly Report to Shareholders.

4 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

5 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

6 Certification of Chief Executive Officer regarding Periodic Report containing Financial Statements.

7 Certification of Chief Financial Officer regarding Periodic Report containing Financial Statements.

8 A copy of the Registrant's news release of April 23, 2004.

EXHIBIT 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis dated April 23, 2004 should be read in conjunction with the accompanying unaudited consolidated financial statements of TransCanada Corporation (TransCanada or the company) for the three months ended March 31, 2004 and the notes thereto.

CONSOLIDATED RESULTS-AT-A-GLANCE
Three months ended March 31 (unaudited)

(millions of dollars except per share amounts)	2004	2003
NET INCOME	214	208
NET INCOME PER SHARE - BASIC AND DILUTED	$0.44	$0.43

RESULTS OF OPERATIONS

CONSOLIDATED

TransCanada's net income for first quarter 2004 was $214 million or $0.44 per share compared to $208 million or $0.43 per share for first quarter 2003. The increase of $6 million or $0.01 per share was primarily due to lower net expenses in the Corporate segment, partially offset by lower net earnings from the Gas Transmission business. The decrease in net expenses of $13 million in the Corporate segment relates primarily to income tax refunds received in first quarter 2004. The lower net earnings of $9 million in the Gas Transmission business for first quarter 2004 compared to the same period in the prior year were primarily due to lower earnings from the Canadian Mainline and Alberta System. Net earnings from the Power business for first quarter 2004 were $2 million higher than in the same quarter of 2003.

SEGMENT RESULTS-AT-A-GLANCE
Three months ended March 31 (unaudited)

(millions of dollars)	2004	2003
Gas Transmission		

	149	158
Power	65	63
Corporate	-	(13)
NET INCOME	214	208

Funds generated from operations of $423 million for first quarter 2004 decreased $34 million compared to first quarter 2003.

GAS TRANSMISSION

The Gas Transmission business generated net earnings of $149 million for the quarter ended March 31, 2004, compared to $158 million for the same period in 2003.

GAS TRANSMISSION RESULTS-AT-A-GLANCE
Three months ended March 31 (unaudited)

(millions of dollars)	2004	2003
WHOLLY-OWNED PIPELINES		
Alberta System	40	42
Canadian Mainline	64	71
Foothills*	6	4
BC System	2	2
	112	119
OTHER GAS TRANSMISSION		
Great Lakes	17	17
Iroquois	8	7
TC PipeLines, LP	4	3
Portland**	6	7
Ventures LP	3	2
Trans Quebec & Maritimes	2	2
CrossAlta	1	3
TransGas de Occidente	3	4
Northern Development	(1)	(1)
General, administrative, support and other	(6)	(5)
	37	39
Net earnings	149	158

* The remaining ownership interests in Foothills, previously not held by TransCanada, were acquired on August 15, 2003.

** TransCanada increased its ownership interest in Portland to 43.4 per cent from 33.3 per cent on September 29, 2003 and to 61.7 per cent from 43.4 per cent on December 3, 2003.

WHOLLY-OWNED PIPELINES

Alberta System's net earnings of $40 million in first quarter 2004 decreased $2 million compared to $42 million in the same quarter of 2003, primarily due to a lower average investment base. Earnings in first quarter 2004 reflect the implicit return in the 2004 interim tolls approved by the Alberta Energy and Utilities Board (EUB). The 2004 interim tolls were based on the 2003 negotiated fixed revenue requirement of $1.277 billion plus certain adjustments. The 2003 negotiated settlement did not include an explicit rate of return on equity or capital structure; as such, the first quarter 2004 earnings approximate a return equivalent to a 10.9 per cent rate of return on 32 per cent deemed common equity or alternatively an 8.7 per cent rate of return on 40 per cent deemed common equity. The 32 per cent deemed common equity is the last approved by the EUB in the 1995 General Rate

Application (GRA) and the 40 per cent deemed common equity is the requested amount in the current Generic Cost of Capital (GCOC) Proceeding.

Canadian Mainline's first quarter 2004 net earnings of $64 million are $7 million lower than net earnings for the same quarter in 2003. This decrease is primarily due to a lower rate of return on common equity of 9.56 per cent in 2004 compared to 9.79 per cent in 2003, as well as a lower average investment base. The common equity return of 9.56 per cent is implicit in the interim tolls for 2004 which were approved by the National Energy Board (NEB) in December 2003. Also included in first quarter 2004 are negative earnings adjustments of $2 million after tax related to the estimate of incentive program earnings in 2003.

Foothills' net earnings of $6 million in first quarter 2004 are $2 million higher than the same quarter in 2003. The remaining ownership interests in Foothills, previously not held by TransCanada, were acquired in August 2003, and resulted in higher net earnings in first quarter 2004.

OPERATING STATISTICS

Three months ended March 31 (unaudited)	Alberta System*		Canadian Mainline**		Foothills***		BC System	
	2004	2003	2004	2003	2004	2003	2004	2003
Average investment base ($ millions)	4,762	4,966	8,314	8,692	722	748	231	238
Delivery volumes (Bcf) Total	1,013	1,062	723	805	281	259	87	61
Average per day	11.1	11.8	7.9	8.9	3.1	2.9	1.0	0.7

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* Field receipt volumes for the Alberta System for the three months ended March 31, 2004 were 950 Bcf (2003 - 956 Bcf); average per day was 10.4 Bcf (2003 - 10.6 Bcf).

** Canadian Mainline deliveries originating at the Alberta border and in Saskatchewan for the three months ended March 31, 2004 were 510 Bcf (2003 - 592 Bcf); average per day was 5.6 Bcf (2003 - 6.6 Bcf).

*** The remaining interests in Foothills were acquired in August 2003. The delivery volumes in the table represent 100 per cent of Foothills.

OTHER GAS TRANSMISSION

TransCanada's proportionate share of net earnings from Other Gas Transmission was $37 million for the three months ended March 31, 2004 compared to $39 million for the same period in 2003. The $2 million decrease was primarily due to lower earnings from CrossAlta as a result of lower storage margins from unfavourable market conditions. Higher U.S. dollar net earnings of U.S. pipelines in first quarter 2004 compared to first quarter 2003 were offset by the unfavourable impact of a weaker U.S. dollar.

POWER

POWER RESULTS-AT-A-GLANCE
Three months ended March 31 (unaudited)

(millions of dollars)	2004	2003
Western operations	35	43
Eastern operations	34	25
Bruce Power investment	48	38
Power LP investment	10	11
General, administrative and support costs	(25)	(21)
Operating and other income	102	96
Financial charges	(2)	(2)
Income taxes	(35)	(31)
Net earnings	65	63

Power's net earnings in first quarter 2004 of $65 million increased $2 million compared to $63 million in first quarter 2003. Higher earnings from Bruce Power L.P. (Bruce Power) and Eastern Operations were the primary reason for the increase. Partially offsetting the increase were lower earnings from Western

Operations and higher general, administrative and support costs.

WESTERN OPERATIONS

Operating and other income for first quarter 2004 in Western Operations of $35 million was $8 million lower than first quarter 2003, mainly due to lower prices achieved on the overall sale of power in first quarter 2004, lower ManChief income in first quarter 2004 as a result of reduced dispatch levels and higher depreciation expense and lower electricity transmission tariffs in first quarter 2003.

EASTERN OPERATIONS

Operating and other income for first quarter 2004 in Eastern Operations of $34 million was $9 million higher compared to first quarter 2003. The increase was mainly due to increased water flows through the Curtis Palmer hydroelectric facilities, higher net margins on power sales reflecting the growth in the northeastern U.S. retail business with large commercial and industrial customers, and fees earned on the demobilization of the Cobourg temporary generation facility in Ontario. Partially offsetting these increases was the unfavourable impact of a weaker U.S. dollar in first quarter 2004.

BRUCE POWER INVESTMENT

BRUCE POWER RESULTS-AT-A-GLANCE
Three months ended March 31 (unaudited)

(millions of dollars)	2004	2003
BRUCE POWER (100 per cent basis)		
Revenues	399	398
Operating expenses	(250)	(194)
Operating income	149	204
Financial charges	(18)	(16)
Income before income taxes	131	188
TransCanada's interest in Bruce Power income before income taxes*	41	34
Adjustments	7	4
TransCanada's income from Bruce Power before income taxes	48	38

* TransCanada acquired its interest in Bruce Power on February 14, 2003. Bruce Power's 100 per cent income before income taxes from February 14, 2003 to March 31, 2003 was $107 million.

Bruce Power contributed $48 million of pre-tax equity income in first quarter 2004 compared to $38 million in first quarter 2003. The increase primarily reflects TransCanada's ownership for the entire first quarter 2004 compared to approximately six weeks of ownership in first quarter 2003. In addition, output was higher in first quarter 2004 as a result of the return to service of Units 3 and 4 which have increased Bruce Power's operating expenses and expanded capacity by approximately 1,500 megawatts (MW) from first quarter 2003. TransCanada's share of power output for first quarter 2004 was approximately 2,530 gigawatt hours (GWh) compared to 1,087 GWh in first quarter 2003. Overall prices achieved during first quarter 2004 were approximately $49 per megawatt hour (MWh) compared to an average realized price of $57 per MWh in first quarter 2003. Approximately 50 per cent of the output was sold into Ontario's wholesale spot market in first quarter 2004 with the remainder being sold under longer term contracts. This represents an increase from 45 per cent sold into the spot market in first quarter 2003. On a per unit basis, the Bruce operating cost increased to $31 per MWh in first quarter 2004 from $28 per MWh in first quarter 2003.

Unit 3 began producing electricity to the Ontario electricity grid on January 8, 2004 and was considered commercially in-service March 1, 2004. The return to service of Unit 3 brings Bruce Power's capacity to 4,660 MW. The Bruce units ran at an average availability of 80 per cent in first quarter 2004, whereas average availability during TransCanada's period of ownership ending March 31, 2003 was 100 per cent. A series of unplanned maintenance outages limited overall output in first quarter 2004. Unit 3 was offline for more than 50 per cent of the first two months of 2004 to perform maintenance on its heat transport system and repair a turbine bearing. While Unit 3 was down, Bruce Power completed additional work that had been planned for an outage later in the year. As a result, the planned outage for Unit 3 in second quarter 2004 has been cancelled. The maintenance outage on Unit 8, which began in third quarter 2003, was extended until January 28, 2004 to repair support plates in three of the unit's eight steam generators.

Equity income from Bruce Power is directly impacted by fluctuations in wholesale spot market prices for electricity as well as overall plant availability, which in turn, is impacted by scheduled and unscheduled maintenance. To reduce its exposure to spot market prices, Bruce Power has entered into fixed price sales contracts for approximately 45 per cent of planned output for the remainder of 2004. There is a planned maintenance outage at one of the Bruce A units for approximately five weeks of second quarter 2004.

On March 12, 2004, Bruce Power was granted a five year operational license from the Canadian Nuclear Safety Commission for its Bruce A and B generating stations.

POWER LP INVESTMENT

Operating and other income of $10 million in first quarter 2004 from Power's 35.6 per cent investment in TransCanada Power, L.P. (Power LP) was consistent with first quarter 2003.

GENERAL, ADMINISTRATIVE AND SUPPORT COSTS

General, administrative and support costs increased $4 million compared to first quarter 2003, mainly reflecting higher support costs as part of the company's increased investment in Power.

POWER SALES VOLUMES

Three months ended March 31 (unaudited)

(GWh) 2004
2003 - ----

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Western operations*	2,876	3,091
Eastern operations	1,611	1,685
Bruce Power investment**	2,530	1,087
Power LP investment	572	563
Total	7,589	6,426

* Sales volumes include TransCanada's share of the Sundance B power purchase arrangement (50 per cent).

** Acquired on February 14, 2003. Sales volumes reflect TransCanada's 31.6 per cent share of Bruce Power output.

WEIGHTED AVERAGE PLANT AVAILABILITY*

Three months ended March 31 (unaudited)	2004	2003
Western operations	99%	98%
Eastern operations	98%	84%
Bruce Power investment**	80%	100%
Power LP investment	99%	98%
All plants	90%	96%

* Plant availability represents the percentage of time in the year that the plant is available to generate power, whether actually running or not and is reduced by planned and unplanned outages.

** Acquired February 14, 2003. Bruce A Unit 3 is included effective March 1, 2004.

CORPORATE

Net expenses were nil and $13 million for the three months ended March 31, 2004 and 2003, respectively. The $13 million decrease in net expenses is almost entirely due to income tax refunds and refund interest received in first quarter 2004 relating to prior years.

LIQUIDITY AND CAPITAL RESOURCES

FUNDS GENERATED FROM OPERATIONS

Funds generated from continuing operations were $423 million for the three months ended March 31, 2004 compared with $457 million for the same period in 2003.

TransCanada expects that its ability to generate sufficient amounts of cash in the short term and the long term, when needed, and to maintain financial capacity and flexibility to provide for planned growth is adequate and remains substantially unchanged since December 31, 2003.

INVESTING ACTIVITIES

In the three months ended March 31, 2004, capital expenditures, excluding acquisitions, totalled $101 million (2003 - $76 million) and related primarily to construction of new power plants and maintenance and capacity capital in the Gas Transmission business. Acquisitions for the three months ended March 31, 2004 were nil (2003 - $409 million).

FINANCING ACTIVITIES

TransCanada retired long-term debt of $476 million in the quarter ended March 31, 2004. In February 2004, the company issued $200 million of five year notes bearing interest at 4.1 per cent. In March 2004, the company issued US$350 million of 30 year senior unsecured notes bearing interest at 5.6 per cent. For the quarter ended March 31, 2004, outstanding notes payable decreased by $229 million, while cash and short-term investments increased by $57 million.

DIVIDENDS

On April 23, 2004, TransCanada's Board of Directors declared a quarterly dividend of $0.29 per share for the quarter ending June 30, 2004 on the outstanding common shares. This is the 162nd consecutive quarterly dividend paid by TransCanada and its subsidiary on the common shares. It is payable on July 30, 2004 to shareholders of record at the close of business on June 30, 2004.

CONTRACTUAL OBLIGATIONS

There have been no material changes to TransCanada's contractual obligations, including payments due for each of the next five years and thereafter, since December 31, 2003. For further information on these contractual obligations, refer to Management's Discussion and Analysis in TransCanada's 2003 Annual Report.

FINANCIAL AND OTHER INSTRUMENTS

The following represents the material changes to the company's risk management and financial instruments since December 31, 2003. The tables reflect the impact of hedge accounting changes adopted prospectively, effective January 1, 2004, as further discussed under Accounting Changes - Hedging Relationships.

FOREIGN EXCHANGE AND INTEREST RATE MANAGEMENT ACTIVITY

The company manages the foreign exchange risk of U.S. dollar debt, U.S. dollar expenses and the interest rate exposures of the Alberta System, the Canadian Mainline and the Foothills System through the use of foreign currency and interest rate derivatives. These derivatives are comprised of contracts for periods up to eight years. Certain of the realized gains and losses on interest rate derivatives are shared with shippers on predetermined terms.

Asset/(Liability) (millions of dollars) (unaudited)	March 31, 2004		December 31, 2003	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
FOREIGN EXCHANGE				
Cross-currency swaps	(21)	(21)	(26)	(26)
INTEREST RATE				

Interest rate
swaps Canadian
dollars 23 23 2
15 U.S. dollars
9 9 - 8 - ------

At March 31, 2004, the principal amount of cross-currency swaps was US$282 million (December 31, 2003 - US$282 million). Notional principal amounts for interest rate swaps were $769 million (December 31, 2003 - $964 million) and US$100 million (December 31, 2003 - US$100 million).

The company manages the foreign exchange risk and interest rate exposures of its other U.S. dollar debt through the use of foreign currency and interest rate derivatives. These derivatives are comprised of contracts for periods up to nine years. The fair values of the interest rate derivatives are shown in the table below.

Asset/(Liability)
March 31, 2004
(millions of
dollars)
(unaudited)
December 31,
2003 - ---------

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Carrying Fair
Carrying Fair
Amount Value
Amount Value ---
----- ----- ----
---- -----
INTEREST RATE
Interest rate
swaps U.S.
dollars 44 44 2
37 FORWARD
FOREIGN EXCHANGE
CONTRACTS U.S.
dollars (4) (4)
- - - ----------

At March 31, 2004, the notional principal amount for interest rate swaps was US$550 million (December 31, 2003 - US$500 million) and the principal amount of forward foreign exchange contracts was US$200 million (December 31, 2003 - nil).

RISK MANAGEMENT

With respect to continuing operations, TransCanada's market, financial and counterparty risks remain substantially unchanged since December 31, 2003. For further information on risks, refer to Management's Discussion and Analysis in TransCanada's 2003 Annual Report.

CONTROLS AND PROCEDURES

As of the end of the period covered by this quarterly report, TransCanada's management, together with TransCanada's President and Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the company's disclosure controls and procedures. Based on this evaluation, the President and Chief Executive Officer and the Chief Financial

Officer of TransCanada have concluded that the disclosure controls and procedures are effective.

There were no changes in TransCanada's internal control over financial reporting during the most recent fiscal quarter that have materially affected or are reasonably likely to materially affect TransCanada's internal control over financial reporting.

CRITICAL ACCOUNTING POLICY

TransCanada's critical accounting policy, which remains unchanged since December 31, 2003, is the use of regulatory accounting for its regulated operations. For further information on this critical accounting policy, refer to Management's Discussion and Analysis in TransCanada's 2003 Annual Report.

CRITICAL ACCOUNTING ESTIMATES

Since a determination of many assets, liabilities, revenues and expenses is dependent upon future events, the preparation of the company's consolidated financial statements requires the use of estimates and assumptions which have been made using careful judgment. TransCanada's critical accounting estimates from December 31, 2003 continue to be depreciation expense and certain deferred after-tax gains and remaining obligations related to the Gas Marketing business. For further information on these critical accounting estimates, refer to Management's Discussion and Analysis in TransCanada's 2003 Annual Report.

ACCOUNTING CHANGES

ASSET RETIREMENT OBLIGATIONS

Effective January 1, 2004, the company adopted the new standard of the Canadian Institute of Chartered Accountants (CICA) Handbook Section "Asset Retirement Obligations", which addresses financial accounting and reporting for obligations associated with asset retirement costs. This section requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The fair value is added to the carrying amount of the associated asset. The liability is accreted at the end of each period through charges to operating expenses. This accounting change was applied retroactively with restatement of prior periods.

The plant, property and equipment of the regulated natural gas transmission operations consist primarily of underground pipelines and above ground compression equipment and other facilities. No amount has been recorded for asset retirement obligations relating to these assets as it is not possible to make a reasonable estimate of the fair value of the liability due to the indeterminate timing and scope of the asset retirements. Management believes it is reasonable to assume that all retirement costs associated with the regulated pipelines will be recovered through tolls in future periods.

The plant, property and equipment in the power business consists primarily of power plants in Canada and the United States. The impact of this accounting change resulted in an increase of $6 million and $7 million in the estimated fair value of the liability for the power plants and associated assets as at January 1, 2003 and December 31, 2003, respectively. The asset retirement cost, net of accumulated depreciation that would have been recorded if the cost had been recorded in the period in which it arose, is recorded as an additional cost of the assets as at January 1, 2003. The estimated fair value of the liability as at March 31, 2004 was $9 million. The company has no legal liability for asset retirement obligations with respect to its investment in Bruce Power and the Sundance A and B power purchase arrangements.

The impact of this accounting change resulted in an increase of $2 million in the estimated fair value of the liability for TransCanada's Other Gas Transmission assets as at January 1, 2003 and December 31, 2003. The estimated fair value of this liability as at March 31, 2004 was $2 million.

The impact of this change on TransCanada's net income in first quarter 2004 and prior periods was nil.

HEDGING RELATIONSHIPS

Effective January 1, 2004, the company adopted the provisions of the CICA's new Accounting Guideline "Hedging Relationships" that specifies the circumstances in which hedge accounting is appropriate, including the identification, documentation, designation and effectiveness of hedges, and the discontinuance of hedge accounting. In accordance with the provisions of this new guideline, TransCanada has recorded all derivatives on the Consolidated Balance Sheet at fair value.

This new guideline was applied prospectively and resulted in a decrease to first quarter 2004 net income of $2 million. The significant impact of the accounting change on the Consolidated Balance Sheet as at January 1, 2004 is as follows.

(unaudited - millions of dollars)	Increase/(Decrease)
Current Assets	
Other	8
Other Assets	123
Total Assets	131
Current Liabilities	
Accounts Payable	8
Deferred Amounts	132
Long-Term Debt	(7)
Future Income Taxes	(1)
Total Liabilities	132

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Effective January 1, 2004, the company adopted the new standard of the CICA Handbook Section "Generally Accepted Accounting Principles" that defines primary sources of generally accepted accounting principles (GAAP) and the other sources that need to be considered in the application of GAAP. The new standard eliminates the ability to rely on industry practice to support a particular accounting policy.

This accounting change was applied prospectively and there was no impact on net income in first quarter 2004. In prior periods, in accordance with industry practice, certain assets and liabilities related to the company's regulated activities, and offsetting deferral accounts, were not recorded on the balance sheet. The impact of the change on the consolidated balance sheet as at January 1, 2004 is as follows.

(unaudited - millions of dollars)	Increase/(Decrease)
Other Assets	153
Deferred Amounts	80
Long-Term Debt	76
Preferred Securities	(3)
Total Liabilities	153

OUTLOOK

In 2004, the outcome of the proposed acquisition of Gas Transmission Northwest

Corporation (GTN) could have a positive impact on the expected results of the Gas Transmission segment. In addition, the sale of the ManChief and Curtis Palmer power facilities to Power LP could have a significant positive impact on Power's 2004 expected results. For further information on the acquisition and sale, please refer to Other Recent Developments. Excluding these impacts and the receipts of income tax refunds and refund interest in first quarter 2004, the company's outlook is relatively unchanged since December 31, 2003. For further information on outlook, refer to Management's Discussion and Analysis in TransCanada's 2003 Annual Report.

The company's net earnings and cash flow combined with a strong balance sheet continue to provide the financial flexibility for TransCanada to make disciplined investments in its core businesses of Gas Transmission and Power. Credit ratings on TransCanada PipeLines Limited's senior unsecured debt assigned by Dominion Bond Rating Service Limited (DBRS), Moody's Investors Service (Moody's) and Standard & Poor's are currently A, A2 and A-, respectively. DBRS and Moody's both maintain a `stable' outlook on their ratings and Standard & Poor's maintains a 'negative' outlook on its rating.

OTHER RECENT DEVELOPMENTS

GAS TRANSMISSION

WHOLLY-OWNED PIPELINES

ALBERTA SYSTEM

In July 2003, TransCanada, along with other utilities, filed evidence in the GCOC Proceeding with the EUB. TransCanada has requested a return on equity of 11 per cent based on a deemed common equity of 40 per cent in its GCOC application. The EUB expects to adopt a standardized approach to determining the rate of return and capital structure for all utilities under its jurisdiction at the conclusion of this proceeding. The oral portion of the hearing was completed on January 16, 2004 with written argument and reply argument filed on February 23, 2004 and April 5, 2004, respectively. An EUB decision is expected in third quarter 2004.

In September 2003, TransCanada filed Phase I of the 2004 GRA with the EUB, consisting of evidence in support of the applied for rate base and revenue requirement. The company applied for a composite depreciation rate of 4.13 per cent compared to the current depreciation rate of 4.00 per cent. Phase II of the application, dealing primarily with rate design and services, was filed in December 2003. The EUB hearing to consider the GRA Phase I

application began, in Calgary, on April 5, 2004, with the evidentiary portion concluding on April 14, 2004. Final argument and reply are due May 5, 2004 and May 26, 2004 respectively. A decision is expected in third quarter 2004. The Phase II hearing is scheduled to commence on June 8, 2004.

In December 2003, the EUB approved TransCanada's application to charge interim tolls for transportation service, effective January 1, 2004. Final tolls for 2004 will be determined based on the EUB decisions in the GCOC proceeding and in both phases of the proceeding regarding the GRA.

CANADIAN MAINLINE

In April 2004, the Federal Court of Appeal dismissed TransCanada's appeal of the NEB's decision to deny TransCanada's Fair Return Review and Variance Application, while endorsing TransCanada's view of the law relating to the determination of a fair return by the NEB. The judgment has no impact on reported earnings for 2001, 2002 and 2003.

In December 2003, the NEB approved interim tolls effective January 1, 2004 for the Canadian Mainline. The 2004 Tolls and Tariff Application for the Canadian Mainline was filed on January 26, 2004 and includes a request for an 11 per cent return on a 40 per cent deemed common equity component. Phase I of the hearing will consider all issues raised by the application, with the exception of cost of capital, and is expected to commence June 14, 2004 in Ottawa. The procedures for Phase II of the hearing, which will address cost of capital, have not yet been announced.

OTHER GAS TRANSMISSION

IROQUOIS

In February 2004, the Iroquois pipeline began commercial operation of its Eastchester expansion. Iroquois' Eastchester expansion is the first major natural gas transmission pipeline to be built into New York City in approximately 40 years.

NORTHERN DEVELOPMENT

TransCanada has been engaged in renewed discussions with the State of Alaska (the State) relating to the Alaskan portion of the Alaska Highway Pipeline Project. Further to these discussions, TransCanada is prepared to assume a leadership position with respect to the development of an independently-owned pipeline project in Alaska, in addition to the company's long-standing leadership of the Canadian portion of the project. TransCanada is open to the potential participation of Alaska Native corporations and other Alaskan entities.

In April 2004, TransCanada announced that it had signed a memorandum of understanding (MOU) with the State. In the MOU, TransCanada has committed to file an application under the State's Stranded Gas Development Act, and the State will resume processing of TransCanada's long-pending application for a right-of-way lease on State lands. TransCanada holds the complementary rights-of-way on federal lands in the State. In the MOU, the State and TransCanada recognize the critical importance of upstream fiscal negotiations between the State and the North Slope producers.

Once a right-of-way lease has been issued by the State and commercial arrangements adequate to support financing are in place, TransCanada would be prepared to convey the Alaska right-of-way lease to the corporation or partnership that would undertake construction of the project within Alaska. Such corporation or partnership could be owned in part by TransCanada. A conveyance would be subject to an exclusive interconnection agreement with TransCanada at the Alaska/Yukon border.

LIQUEFIED NATURAL GAS

In a referendum held on March 9, 2004, the residents of Harpswell, Maine voted against leasing a town-owned site to build the Fairwinds liquefied natural gas (LNG) regasification facility. As a result, TransCanada and its partner ConocoPhillips Company suspended further work on this LNG project.

GAS TRANSMISSION NORTHWEST CORPORATION

As described in Management's Discussion and Analysis in TransCanada's 2003 Annual Report, TransCanada executed a Stock Purchase Agreement with National Energy & Gas Transmission, Inc., and certain of its subsidiaries (collectively, NEGT) to acquire GTN for US$1.7 billion, including US$0.5 billion of assumed debt, subject to closing adjustments. GTN owns and operates two pipeline systems - the Gas Transmission Northwest Pipeline System and the North Baja Pipeline System.

On March 25, 2004, the bankruptcy court issued an order approving certain bidding procedures in connection with this sale. If, after the auction process contemplated by the Stock Purchase Agreement and the bidding procedures order, it is determined that TransCanada's bid for GTN is the highest and otherwise best bid, the bankruptcy court shall hold a hearing, currently scheduled for May 12, 2004, to consider approval of the Stock Purchase Agreement.

POWER

SALE OF POWER FACILITIES TO TRANSCANADA POWER, L.P.

On March 29, 2004, TransCanada entered into an agreement to sell the ManChief and Curtis Palmer power facilities for US$402.6 million to Power LP. TransCanada expects to recognize a gain of approximately $10 million after tax on the sale of these assets. The sale is subject to certain post closing adjustments, approval by Power LP's unitholders on April 29, 2004 and applicable regulatory approvals. TransCanada expects to complete the sale of these assets on or about May 5, 2004. A wholly owned subsidiary of TransCanada manages Power LP and the operation of the assets owned by Power LP, and currently owns 35.6 per cent of Power LP.

Power LP expects to fund the transaction through an offering of 8.11 million subscription receipts which closed April 15, 2004 and a bridge loan facility from a Canadian chartered bank. As part of the subscription receipts offering, TransCanada purchased 540,000 subscription receipts for an aggregate purchase price of approximately $20 million. Subsequent to the transaction being completed, TransCanada's ownership interest in Power LP will be reduced to approximately 30.6 per cent.

Power LP's unitholders will be asked at a special meeting to be held on April 29, 2004 to approve the acquisition and remove Power LP's obligation to redeem all units not owned by TransCanada in 2017. As a result of the removal of the redemption obligation and the reduction in ownership interest, upon closing, TransCanada expects to recognize a gain of approximately $165 million after tax. This amount primarily reflects the recognition of unamortized gains on previous Power LP transactions.

MACKAY RIVER

The MacKay River cogeneration plant, situated at Petro-Canada's MacKay River oilsands development, was declared contractually commercially in-service on February 1, 2004. However, normal commercial operations have not occurred on a sustained basis due to unresolved integration issues with the host site. The issues preventing normal commercial operations are expected to be resolved in second quarter 2004.

SHARE INFORMATION

As at March 31, 2004, TransCanada had 483,923,583 issued and outstanding common shares. In addition, there were 10,962,623 outstanding options to purchase common shares, of which 8,204,452 were exercisable as at March 31, 2004.

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FORWARD-LOOKING INFORMATION

Certain information in this quarterly report is forward-looking and is subject to important risks and uncertainties. The results or events predicted in this information may differ from actual results or events. Factors which could cause actual results or events to differ materially from current expectations include, among other things, the ability of TransCanada to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the availability and price of energy commodities, regulatory decisions, competitive factors in the pipeline and power industry sectors, and the prevailing economic conditions in North America. For additional information on these and other factors, see the reports filed by TransCanada with Canadian securities regulators and with the United States Securities and Exchange Commission. TransCanada disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

EXHIBIT 2

CONSOLIDATED INCOME

Three months ended March 31 (unaudited)

(millions of dollars except per share amounts)	2004	2003
REVENUES	1,233	1,336
OPERATING EXPENSES		
Cost of sales	127	180
Other costs and expenses	374	427
Depreciation	232	215
	733	822
OPERATING INCOME	500	514
OTHER EXPENSES/(INCOME)		
Financial charges	195	204
Financial charges of joint ventures	14	22
Equity income	(58)	(58)
Interest and other income	(15)	(13)
	136	155
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND NON-CONTROLLING INTERESTS	364	359
INCOME TAXES		
Current	107	62
Future	23	74
NON-CONTROLLING INTERESTS		
Preferred securities charges	8	9
Preferred share dividends	6	6
Other	6	-
NET INCOME	214	208
NET INCOME PER SHARE - BASIC AND DILUTED	$0.44	$0.43
AVERAGE SHARES OUTSTANDING - BASIC (millions)	483.4	480.1
AVERAGE SHARES OUTSTANDING - DILUTED (millions)	486.1	

481.9 ----- ----
- ----- -----

See accompanying Notes to the Consolidated Financial Statements.

CONSOLIDATED CASH FLOWS

Three months ended March 31 (unaudited)

(millions of
dollars) 2004
2003 - --------

-- ----- -----
CASH GENERATED
FROM OPERATIONS
Net income 214
208
Depreciation
232 215 Future
income taxes 23
74 Equity
income in
excess of
distributions
received (51)
(51) Non-
controlling
interests 20 15
Other (15) (4)
----- -----
Funds generated
from operations
423 457
Increase in
operating
working capital
(42) (8) -----
----- Net cash
provided by
continuing
operations 381
449 Net cash
(used
in)/provided by
discontinued
operations (2)
4 ----- -----
379 453 ----- -
---- INVESTING
ACTIVITIES
Capital
expenditures
(101) (76)
Acquisitions,
net of cash
acquired -
(409) Deferred
amounts and
other (43) (18)
----- ----- Net
cash used in
investing
activities
(144) (503) ---
-- -----
FINANCING
ACTIVITIES
Dividends and
preferred
securities
charges (148)
(139) Notes
payable

(repaid)/issued, net (229) 209 Long-term debt issued 665 - Reduction of long-term debt (476) (9) Non-recourse debt of joint ventures issued 6 17 Reduction of non-recourse debt of joint ventures (9) (16) Common shares issued 13 16 ----- ----- Net cash (used in)/provided by financing activities (178) 78 ----- ----- INCREASE IN CASH AND SHORT-TERM INVESTMENTS 57 28 CASH AND SHORT-TERM INVESTMENTS Beginning of period 338 212 ----- ----- CASH AND SHORT-TERM INVESTMENTS End of period 395 240 ----- ----- ----- ----- SUPPLEMENTARY CASH FLOW INFORMATION Income taxes paid 161 55 Interest paid 172 190 ----- ----- ----- -----

See accompanying Notes to the Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET

March 31, 2004 December 31, (millions of dollars) (unaudited) 2003 - ----- ------------ ------------ ------------ ------------ ------- ---- ---------- - ----------- ASSETS CURRENT ASSETS Cash and short-term investments 395 338 Accounts receivable

555 605
Inventories
161 165
Other 110 88

-- ---------
--- 1,221
1,196 LONG-
TERM
INVESTMENTS
782 733
PLANT,
PROPERTY AND
EQUIPMENT
17,336
17,460 OTHER
ASSETS 1,483
1,164 ------
-------- ---

20,822
20,553 -----
--------- --
---------- -

- ----------
--
LIABILITIES
AND
SHAREHOLDERS'
EQUITY
CURRENT
LIABILITIES
Notes
payable 138
367 Accounts
payable 911
1,025
Accrued
interest 241
208 Current
portion of
long-term
debt 489 550
Current
portion of
non-recourse
debt of
joint
ventures 25
19 ---------
----- ------
------ 1,804
2,169
DEFERRED
AMOUNTS 642
475 LONG-
TERM DEBT
9,835 9,465
FUTURE
INCOME TAXES
434 427 NON-
RECOURSE
DEBT OF
JOINT
VENTURES 760
761
PREFERRED
SECURITIES
19 22 ------
-------- ---

13,494
13,319 -----
--------- --

NON-
CONTROLLING
INTERESTS
Preferred
securities

of
subsidiary
672 672
Preferred
shares of
subsidiary
389 389
Other 85 82

-- ---------
--- 1,146
1,143 ------
-------- ---

SHAREHOLDERS'
EQUITY
Common
shares 4,692
4,679
Contributed
surplus 268
267 Retained
earnings
1,259 1,185
Foreign
exchange
adjustment
(37) (40) --

6,182 6,091

-- ---------
--- 20,822
20,553 -----
--------- --
---------- -

- ----------
--

See accompanying Notes to the Consolidated Financial Statements.

CONSOLIDATED RETAINED EARNINGS

Three months ended March 31 (unaudited)

(millions
of
dollars)
2004
2003 - -

--- ----
- ----
Balance
at
beginning
of
period
1,185
854 Net
income
214 208
Common
share
dividends
(140)
(129) --
--- ----

1,259
933 ----
- ---- -
---- ---
-

See accompanying Notes to the Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of TransCanada Corporation (TransCanada or the company) have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The accounting policies applied are consistent with those outlined in TransCanada's annual financial statements for the year ended December 31, 2003 except as stated below. These consolidated financial statements reflect all normal recurring adjustments that are, in the opinion of management, necessary to present fairly the financial position and results of operations for the respective periods. These consolidated financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements included in TransCanada's 2003 Annual Report. Amounts are stated in Canadian dollars unless otherwise indicated. Certain comparative figures have been reclassified to conform with the current period's presentation.

Since a determination of many assets, liabilities, revenues and expenses is dependent upon future events, the preparation of these consolidated financial statements requires the use of estimates and assumptions. In the opinion of Management, these consolidated financial statements have been properly prepared within reasonable limits of materiality and within the framework of the company's significant accounting policies.

2. ACCOUNTING CHANGES

ASSET RETIREMENT OBLIGATIONS

Effective January 1, 2004, the company adopted the new standard of the Canadian Institute of Chartered Accountants (CICA) Handbook Section "Asset Retirement Obligations", which addresses financial accounting and reporting for obligations associated with asset retirement costs. This section requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The fair value is added to the carrying amount of the associated asset. The liability is accreted at the end of each period through charges to operating expenses. This accounting change was applied retroactively with restatement of prior periods.

The plant, property and equipment of the regulated natural gas transmission operations consist primarily of underground pipelines and above ground compression equipment and other facilities. No amount has been recorded for asset retirement obligations relating to these assets as it is not possible to make a reasonable estimate of the fair value of the liability due to the indeterminate timing and scope of the asset retirements. Management believes it is reasonable to assume that all retirement costs associated with the regulated pipelines will be recovered through tolls in future periods.

The plant, property and equipment in the power business consists primarily of power plants in Canada and the United States. The impact of this accounting change resulted in an increase of $6 million and $7 million in the estimated fair value of the liability for the power plants and associated assets as at January 1, 2003 and December 31, 2003, respectively. The asset retirement cost, net of accumulated depreciation that would have been recorded if the cost had been recorded in the period in which it arose, is recorded as an additional cost of the assets as at January 1, 2003. The estimated fair value of the liability as at March 31, 2004 was $9 million. The company has no legal liability for asset retirement obligations with respect to its investment in Bruce Power and the Sundance A and B power purchase arrangements.

The impact of this accounting change resulted in an increase of $2 million in the estimated fair value of the liability for TransCanada's Other Gas

Transmission assets as at January 1, 2003 and December 31, 2003. The estimated fair value of this liability as at March 31, 2004 was $2 million.

The impact of this change on TransCanada's net income in first quarter 2004 and prior periods was nil.

HEDGING RELATIONSHIPS

Effective January 1, 2004, the company adopted the provisions of the CICA's new Accounting Guideline "Hedging Relationships" that specifies the circumstances in which hedge accounting is appropriate, including the identification, documentation, designation and effectiveness of hedges, and the discontinuance of hedge accounting. In accordance with the provisions of this new guideline, TransCanada has recorded all derivatives on the Consolidated Balance Sheet at fair value.

This new guideline was applied prospectively and resulted in a decrease to first quarter 2004 net income of $2 million. The significant impact of the accounting change on the Consolidated Balance Sheet as at January 1, 2004 is as follows.

(unaudited - millions of dollars)	Increase/(Decrease)
Current Assets	
Other	8
Other Assets	123
Total Assets	131
Current Liabilities	
Accounts Payable	8
Deferred Amounts	132
Long-Term Debt	(7)
Future Income Taxes	(1)
Total Liabilities	132

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Effective January 1, 2004, the company adopted the new standard of the CICA Handbook Section "Generally Accepted Accounting Principles" that defines primary sources of generally accepted accounting principles (GAAP) and the other sources that need to be considered in the application of GAAP. The new standard eliminates the ability to rely on industry practice to support a particular accounting policy.

This accounting change was applied prospectively and there was no impact on net income in first quarter 2004. In prior periods, in accordance with industry practice, certain assets and liabilities related to the company's regulated activities, and offsetting deferral accounts, were not recorded on the balance sheet. The impact of the change on the consolidated balance sheet as at January 1, 2004 is as follows.

(unaudited - millions of dollars)	Increase/(Decrease)
Other Assets	153
Deferred Amounts	80
Long-Term Debt	76
Preferred Securities	(3)

Total Liabilities
153 --------------
-----

3. SEGMENTED INFORMATION

GAS
TRANSMISSION
POWER
CORPORATE
TOTAL Three
months ended
March 31 ---

- ----------
-- ---------
--- --------

(unaudited -
millions of
dollars)
2004 2003
2004 2003
2004 2003
2004 2003 -

--- ----- --
-- ---- ----
---- ---- --
--- -----
Revenues 949
960 284 376
- - 1,233
1,336 Cost
of sales - -
(127) (180)
- - (127)
(180) Other
costs and
expenses
(285) (304)
(87) (121)
(2) (2)
(374) (427)
Depreciation
(212) (194)
(20) (21) -
- (232)
(215) -----
---- ---- --
-- ---- ----
----- -----
Operating
income/(loss)
452 462 50
54 (2) (2)
500 514
Financial
charges and
non-
controlling
interests
(192) (196)
(2) (2) (21)
(21) (215)
(219)
Financial
charges of
joint
ventures
(14) (22) -
- - - (14)
(22) Equity

income 10 20 48 38 - - 58 58 Interest and other income 3 5 4 4 8 4 15 13 Income taxes (110) (111) (35) (31) 15 6 (130) (136) ----- ---- ---- -- -- ---- ---- ----- ----- NET INCOME 149 158 65 63 - (13) 214 208 ---- - ---- ---- ---- ---- -- -- ----- --- -- ----- --- - ---- ---- ---- ---- -- --- -----

TOTAL ASSETS

March 31, 2004 December 31, (millions of dollars) (unaudited) 2003 - ---- ----------- ----------- ----------- ------- --- ----------- ----------- - Gas Transmission 16,908 16,974 Power 2,830 2,753 Corporate 1,074 815 - ----------- -- -------- ---- Continuing Operations 20,812 20,542 Discontinued Operations 10 11 ----- --------- - ----------- 20,822 20,553 ---- ---------- ----------- - --------- ----- ----- -------

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The following represents the material changes to the company's risk management and financial instruments since December 31, 2003. The tables reflect the impact of hedge accounting changes adopted prospectively, effective January 1, 2004, as further discussed under Note 2, Accounting Changes - Hedging Relationships.

FOREIGN EXCHANGE AND INTEREST RATE MANAGEMENT ACTIVITY

The company manages the foreign exchange risk of U.S. dollar debt, U.S. dollar expenses and the interest rate exposures of the Alberta System, the Canadian Mainline and the Foothills System through the use of foreign currency and interest rate derivatives. These derivatives are comprised of contracts for periods up to eight years. Certain of the realized gains and losses on interest rate derivatives are shared with shippers on predetermined terms.

Asset/(Liability) (millions of dollars)	March 31, 2004 (unaudited)		December 31, 2003	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
FOREIGN EXCHANGE				
Cross-currency swaps	(21)	(21)	(26)	(26)
INTEREST RATE				
Interest rate swaps				
Canadian dollars	23	23	2	15
U.S. dollars	9	9	-	8

At March 31, 2004, the principal amounts of cross-currency swaps was US$282 million (December 31, 2003 - US$282 million). Notional principal amounts for interest rate swaps were $769 million (December 31, 2003 - $964 million) and US$100 million (December 31, 2003 - US$100 million).

The company manages the foreign exchange risk and interest rate exposures of its other U.S. dollar debt through the use of foreign currency and interest rate derivatives. These derivatives are comprised of contracts for periods up to nine years. The fair values of the interest rate derivatives are shown in the table below.

Asset/(Liability) (millions of dollars)	March 31, 2004 (unaudited)		December 31, 2003	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
INTEREST RATE				
Interest rate swaps				
U.S. dollars	44	44	2	37
FORWARD FOREIGN EXCHANGE CONTRACTS				
U.S.				

dollars (4) (4)
- - - ----------

At March 31, 2004, the notional principal amount for interest rate swaps was US$550 million (December 31, 2003 - US$500 million) and the principal amount of forward foreign exchange contracts was US$200 million (December 31, 2003 - nil).

5. ACQUISITION

On February 24, 2004, TransCanada announced an agreement to acquire Gas Transmission Northwest Corporation (GTN) from National Energy & Gas Transmission Inc. for approximately US$1.7 billion, including US$0.5 billion of assumed debt and subject to closing adjustments. GTN is a natural gas pipeline company that owns and operates two pipeline systems. The acquisition is subject to bankruptcy court approval, including completion of a court-sanctioned auction process, regulatory approval and an anti-trust review.

6. SALE OF ASSETS

On March 29, 2004, TransCanada entered into an agreement to sell the ManChief and Curtis Palmer power facilities for US$402.6 million to Power LP. TransCanada expects to recognize a gain of approximately $10 million after tax on the sale of these assets. The sale is subject to certain post closing adjustments, approval by Power LP's unitholders and applicable regulatory approvals. TransCanada expects to complete the sale of these assets on or about May 5, 2004. Power LP's unitholders will be asked at a special meeting to be held on April 29, 2004 to approve the acquisition and to remove Power LP's obligation to redeem all units not owned by TransCanada in 2017.

Power LP expects to fund the transaction through an offering of 8.11 million subscription receipts which closed April 15, 2004 and a bridge loan facility from a Canadian chartered bank. As part of the subscription receipts offering, TransCanada purchased 540,000 subscription receipts for an aggregate purchase price of approximately $20 million. Subsequent to the transaction being completed, TransCanada's ownership interest in Power LP will be reduced from 35.6 per cent to approximately 30.6 per cent. TransCanada expects the removal of the redemption obligation and the reduction in ownership interest will result in a gain of approximately $165 million after tax. This amount primarily reflects the recognition of unamortized gains on previous Power LP transactions.

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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/Debbie Stein at (403) 920-7911. The investor fax line is (403) 920-2457. Media Relations: Hejdi Feick/Kurt Kadatz at (403) 920-7859

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

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EXHIBIT 3

TRANSCANADA CORPORATION
U.S. GAAP CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONDENSED STATEMENT OF CONSOLIDATED INCOME AND COMPREHENSIVE INCOME IN ACCORDANCE WITH U.S. GAAP(1)

Three months ended March 31 - ---------------- ---------- (MILLIONS OF DOLLARS EXCEPT PER SHARE AMOUNTS) 2004 2003 - --------- ---------------- ---------------- ---------------- ---------- ----- ---- ----------- Revenues(2) 1,143 1,177 ---- ----- ---------- - Cost of sales(2) 104 151 Other costs and expenses 387 422 Depreciation 212 185 --------- -- --------- 703 758 --------- -- --------- Operating income 440 419 Other (income)/expenses Equity income(1) (3) (109) (119) Other expenses(4)(5) 210 220 Income taxes 126 123 -- ------- -------- --- 227 224 ---- ----- ---------- - Income before cumulative effect of the application of accounting changes in accordance with U.S. GAAP 213 195 Cumulative effect of the application of accounting changes, net of tax(2) - (13) -- ------- -------- --- NET INCOME IN ACCORDANCE WITH U.S. GAAP 213 182 Adjustments affecting comprehensive income under U.S. GAAP Foreign currency translation adjustment, net of tax(6) 3 (15) Changes in minimum pension liability, net of tax(7) 25 3 Unrealized

(loss)/gain on derivatives, net of tax(4) (13) 8 --------- ------ -----
COMPREHENSIVE INCOME IN ACCORDANCE WITH U.S. GAAP 228 178 --------- -- --------- ------ --- -----------
NET INCOME PER SHARE IN ACCORDANCE WITH U.S. GAAP - BASIC AND DILUTED Income before cumulative effect of the application of accounting changes in accordance with U.S. GAAP $0.44 $0.41 Cumulative effect of the application of accounting changes, net of tax(2) - (0.03) --------- ------ ----- $0.44 $0.38 --------- ----------- ---- ----- ---------- - NET INCOME PER SHARE IN ACCORDANCE WITH CANADIAN GAAP - BASIC AND DILUTED $0.44 $0.43 --------- ----------- ---- ----- ---------- - Dividends per common share $0.29 $0.27 ---- ----- ---------- - --------- ---- ------- COMMON SHARES OUTSTANDING (millions) Average for the period - Basic 483.4 480.1 ---- ----- ---------- - --------- ---- ------- Average for the period - Diluted 486.1 481.9 --------- ----------- ---- ----- ---------- -

RECONCILIATION OF INCOME FROM CONTINUING OPERATIONS

Three months ended March 31 ---------- ------------ ----
(MILLIONS OF DOLLARS) 2004

2003 - ------

--------- ---
------ ------
----- Net
income from
continuing
operations in
accordance
with Canadian
GAAP 214 208
U.S. GAAP
adjustments
Unrealized
loss on
foreign
exchange and
interest rate
derivatives(4)
(4) (6) Tax
impact of
loss on
foreign
exchange and
interest rate
derivatives 1
2 Unrealized
gain/(loss)
on energy
trading
contracts(2)
4 (11) Tax
impact of
unrealized
gain/(loss)
on energy
trading
contracts (1)
4 Equity
loss(3) (1)
(3) Tax
impact of
equity loss -
1 --------- -

Income from
continuing
operations in
accordance
with U.S.
GAAP 213 195
--------- ---
-------- ----
----- -------

CONDENSED BALANCE SHEET IN ACCORDANCE WITH U.S. GAAP(1)

March 31,
December 31,
(MILLIONS OF
DOLLARS) 2004
2003 - --------

--------- -----
------ Current
assets 1,047
1,020 Long-term
investments(3)
(8) 1,826 1,760
Plant, property
and equipment
15,665 15,798
Regulatory

asset(9) 2,632
2,721 Other
assets(4) 1,379
1,192 ---------

22,549 22,491 -
-------- ------
----- ---------

Current
liabilities(10)
1,726 2,073
Deferred
amounts(2)(4)
(8) 794 741
Long-term
debt(4) 9,908
9,494 Deferred
income taxes(9)
2,963 3,039
Preferred
securities(11)
603 694 Non-
controlling
interests 474
471
Shareholders'
equity 6,081
5,979 ---------

22,549 22,491 -
-------- ------
----- ---------

STATEMENT OF OTHER COMPREHENSIVE INCOME IN ACCORDANCE WITH U.S. GAAP

Cumulative
Minimum
Cash Flow
Translation
Pension
Liability
Hedges
(MILLIONS
OF DOLLARS)
Account
(SFAS No.
87) (SFAS
No. 133)
Total - ---

-- --------

--- -------
-- Balance
at January
1, 2004
(40) (98)
(5) (143)
Changes in
minimum
pension
liability,
net of tax
of $(13)(7)
- 25 - 25
Unrealized
loss on
derivatives,
net of tax

of $7(4) -
- (13) (13)
Foreign
currency
translation
adjustment,
net of tax
of $6(6) 3
- - 3 -----
-------- --

----- -----
--------- -

BALANCE AT
MARCH 31,
2004 (37)
(73) (18)
(128) -----
-------- --

----- -----
--------- -
-------- --

------- ---

Balance at
January 1,
2003 14
(96) (13)
(95)
Changes in
minimum
pension
liability,
net of tax
of $(1)(7)
- 3 - 3
Unrealized
gain on
derivatives,
net of tax
of nil(4) -
- 8 8
Foreign
currency
translation
adjustment,
net of tax
of $(21)(6)
(15) - -
(15) ------
------- ---

---- ------
-------- --

Balance at
March 31,
2003 (1)
(93) (5)
(99) ------
------- ---

---- ------
-------- --
------- ---

------- ---

----

(1) In accordance with U.S. GAAP, the Condensed Statement of Consolidated Income and Balance Sheet are prepared using the equity method of accounting for joint ventures. Excluding the impact of other U.S. GAAP adjustments, the use of the proportionate consolidation method of accounting for joint

ventures, as required under Canadian GAAP, results in the same net income and Shareholders' Equity.

(2) Substantially all of the energy trading contracts are now accounted for as hedges under U.S. and Canadian GAAP. The energy trading contracts that qualified as hedges were accounted for as hedges under the provisions of Statement of Financial Accounting Standards (SFAS) No. 133. All gains or losses on the contracts that did not qualify as hedges, and the amounts of any ineffectiveness on the hedging contracts, are included in income each period. Substantially all of the amounts recorded in 2004 and 2003 as differences between U.S. and Canadian GAAP relate to gains and losses on contracts for periods before they were documented as hedges for purposes of U.S. GAAP.

(3) Under Canadian GAAP, pre-operating costs incurred during the commissioning phase of a new project are deferred until commercial production levels are achieved. After such time, those costs are amortized over the estimated life of the project. Under U.S. GAAP, such costs are expensed as incurred. Certain start-up costs incurred by Bruce Power L.P. (an equity investment) are required to be expensed under U.S. GAAP.

(4) Effective January 1, 2004, all foreign exchange and interest rate derivatives are recorded in the Company's Consolidated Financial Statements at fair value under Canadian GAAP. Under the provisions of SFAS No. 133 "Accounting for Derivatives and Hedging Activities", all derivatives are recognized as assets and liabilities on the balance sheet and measured at fair value. For derivatives designated as fair value hedges, changes in the fair value are recognized in earnings together with an equal or lesser amount of changes in the fair value of the hedged item attributable to the hedged risk. For derivatives designated as cash flow hedges, changes in the fair value of the derivatives that are effective in offsetting the hedged risk are recognized in other comprehensive income until the hedged item is recognized in earnings. Any ineffective portion of the change in fair value is recognized in earnings each period. Substantially all of the amounts recorded in 2004 as differences between U.S. and Canadian GAAP, for income from continuing operations, relate to the differences in accounting treatment with respect to the hedged items and, for comprehensive income, relate to cash flow hedges.

(5) Other expenses included an allowance for funds used during construction of $1 million for the three months ended March 31, 2004 (March 31, 2003 - $1 million).

(6) Under U.S. GAAP, changes in the foreign currency translation adjustment account must be recorded as a component of comprehensive income.

(7) Under U.S. GAAP, a net loss recognized pursuant to SFAS No. 87 "Employers' Accounting for Pensions" as an additional pension liability not yet recognized as net period pension cost, must be recorded as a component of comprehensive income. The components of net benefit cost recognized for the Company's defined benefit pension plans and other post-employment benefit plans for the three months ended March 31 are as follows.

PENSION
BENEFIT
OTHER
BENEFIT
PLANS PLANS
----------- -------- -- ----------- ------
(MILLIONS
OF DOLLARS)
2004 2003
2004 2003 -
----------- ----------- ----------- ----------- ----------- -- ------- -------- -- ------ ---- ----
Current
service
cost 7 6 -

- Interest
cost 14 13
1 1
Expected
return on
plan assets
(14) (13) -
-
Amortization
of
transitional
obligation
related to
regulated
business -
- 1 1
Amortization
of net
actuarial
loss 3 2 1
1
Amortization
of past
service
cost 1 1 -
- ------- -
------- ---
----- -----
--- Net
benefit
cost
recognized
11 9 3 3 --
----- -----
--- -------
- --------
------- ---
----- -----
--- -------
-

(8) Effective January 1, 2003, the Company adopted the provisions of Financial Interpretation (FIN) 45 that require the recognition of a liability for the fair value of certain guarantees that require payments contingent on specified types of future events. The measurement standards of FIN 45 are applicable to guarantees entered into after January 1, 2003. For U.S. GAAP purposes, the fair value of guarantees recorded as a liability at March 31, 2004 was $10 million (December 31, 2003 - $4 million) and relates to the Company's equity interest in Bruce Power L.P.

(9) Under U.S. GAAP, the Company is required to record a deferred income tax liability for its cost-of-service regulated businesses. As these deferred income taxes are recoverable through future revenues, a corresponding regulatory asset is recorded for U.S. GAAP purposes.

(10) Current liabilities at March 31, 2004 include dividends payable of $146 million (December 31, 2003 - $136 million) and current taxes payable of $217 million (December 31, 2003 - $271 million).

(11) The fair value of the preferred securities at March 31, 2004 was $624 million (December 31, 2003 - $612 million). The Company made preferred securities charges payments of $12 million for the three months ended March 31, 2004 (March 31, 2003 - $14 million).

(12) The Company's Statement of Consolidated Cash Flows under U.S. GAAP would be identical to that under Canadian GAAP except that the preferred securities charges would be classified with funds generated from continuing operations.

(13) Effective December 31, 2003, the Company adopted the provisions of FIN 46 (Revised) "Consolidation of Variable Interest Entities" that requires the consolidation of certain entities that are controlled through financial interests that indicate control (referred to as `variable interests'). Adopting these provisions has had no impact on the U.S. GAAP financial statements of the Company.

SUMMARIZED FINANCIAL INFORMATION OF LONG-TERM INVESTMENTS(14)

Three months ended March 31 (MILLIONS OF DOLLARS)	2004	2003
INCOME		
Revenues	275	280
Other costs and expenses	(119)	(105)
Depreciation	(33)	(38)
Financial charges and other	(15)	(25)
Proportionate share of income before income taxes of long-term investments	108	112

(MILLIONS OF DOLLARS)	March 31, 2004	December 31, 2003
BALANCE SHEET		
Current assets	317	385
Plant, property and equipment	3,048	2,944
Current liabilities	(185)	(204)
Deferred amounts (net)	(291)	(286)
Non-recourse debt	(1,052)	(1,060)

Deferred income taxes (17) (19) --

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Proportionate share of net assets of long-term investments 1,820 1,760

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(14) This includes those investments that are accounted for by the equity method under U.S. GAAP (including those that are accounted for by the proportionate consolidation method under Canadian GAAP).

EXHIBIT 4

CERTIFICATIONS

I, Harold N. Kvisle, certify that:

1. I have reviewed this quarterly report on Form 6-K of TransCanada Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Harold N. Kvisle

Dated April 26, 2004

Harold N. Kvisle
President and Chief Executive Officer

EXHIBIT 5

CERTIFICATIONS

I, Russell K. Girling, certify that:

1. I have reviewed this quarterly report on Form 6-K of TransCanada Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Russell K. Girling

Dated April 26, 2004

Russell K. Girling
Executive Vice-President, Corporate Development and Chief Financial Officer

EXHIBIT 6

TRANSCANADA CORPORATION

450 - 1st Street S.W.
Calgary, Alberta, Canada
T2P 5H1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
REGARDING PERIODIC REPORT CONTAINING
FINANCIAL STATEMENTS

I, Harold N. Kvisle, the Chief Executive Officer of TransCanada Corporation (the "Company"), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify, in connection with the Company's Quarterly Report as filed on Form 6-K for the period ended March 31, 2004 with the Securities and Exchange Commission (the "Report"), that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Harold N. Kvisle

Harold N. Kvisle
Chief Executive Officer
April 26, 2004

EXHIBIT 7

TRANSCANADA CORPORATION

450 - 1st Street S.W.
Calgary, Alberta, Canada
T2P 5H1

CERTIFICATION OF CHIEF FINANCIAL OFFICER
REGARDING PERIODIC REPORT CONTAINING
FINANCIAL STATEMENTS

I, Russell K. Girling, the Chief Financial Officer of TransCanada Corporation (the "Company"), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify, in connection with the Company's Quarterly Report as filed on Form 6-K for the period ended March 31, 2004 with the Securities and Exchange Commission (the "Report"), that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Russell K. Girling

Russell K. Girling
Chief Financial Officer
April 26, 2004

EXHIBIT 8

[TRANSCANADA LOGO]

TRANSCANADA CORPORATION - FIRST QUARTER 2004

QUARTERLY REPORT TO SHAREHOLDERS

Media Inquiries:	Hejdi Feick/Kurt Kadatz	(403) 920-7859
Analyst Inquiries:	David Moneta/Debbie Stein	(403) 920-7911

TransCanada delivers steady operating and financial performance

CALGARY, Alberta - April 23, 2004 - (TSX: TRP) (NYSE: TRP)

FIRST QUARTER 2004 FINANCIAL HIGHLIGHTS

(All financial figures are in Canadian dollars unless noted otherwise)

- Net income $214 million or $0.44 per share

- Funds generated from operations $423 million

- Board declares $0.29 per share dividend on the company's common shares; the 162nd consecutive quarterly dividend paid by TransCanada and its subsidiary

- TransCanada Chairman, Dick Haskayne, and Chief Executive Officer, Hal Kvisle, to address shareholders at Annual and Special Meeting in Calgary today

TransCanada Corporation today announced net income for the first quarter 2004 of $214 million or $0.44 per share compared to $208 million or $0.43 per share for the first quarter 2003. The increase of $6 million or $0.01 per share was primarily due to lower net expenses in the Corporate segment partially offset by lower net earnings from the Gas Transmission business. The decrease in net expenses in the Corporate segment relates primarily to income tax refunds received in first quarter 2004. Funds generated from operations for the first quarter 2004 were $423 million compared to $457 million for the same period last year.

"TransCanada continues to deliver steady operating and financial performance underpinned by our focus on operational excellence and a strong balance sheet," said Hal Kvisle, TransCanada's chief executive officer. "Over the course of the year, however, TransCanada faces some uncertainty around earnings from our Alberta System and Canadian Mainline as we await the outcome of regulatory hearings at the Alberta Energy and Utilities Board and the National Energy Board respectively.

"Over the longer term, our core businesses of natural gas transmission and power services remain strong, with increasing North American demand for energy supporting their growth. We continue to evaluate and act on opportunities to grow these businesses consistent with our corporate strategy and our commitment to long-term value creation, balanced against our objective of maintaining our strong financial position.

"Our announcement in the first quarter of an agreement to acquire Gas Transmission Northwest (pending bankruptcy court approval), and our reaffirmation of our intention to play a leadership role in developing the Alaskan and Canadian portions of an Alaska Highway Pipeline project are evidence of our ongoing efforts to fulfill that commitment," said Mr. Kvisle.

ANNUAL MEETING OF SHAREHOLDERS AND TELECONFERENCE

TransCanada will hold its Annual and Special Meeting of Shareholders beginning today at 10:30 a.m. (Mountain) / 12:30 p.m. (Eastern). The meeting will take place at the Hyatt Regency Hotel (700 Centre St. S.E.) in Calgary, Alberta. A live audio Web cast of the meeting will be available on TransCanada's Web site at www.transcanada.com beginning at 10:30 a.m. (Mountain) / 12:30 p.m. (Eastern). The meeting Web cast will be archived and available for replay.

TransCanada will hold a teleconference today at 1:00 p.m. (Mountain) / 3:00 p.m. (Eastern) to discuss the first quarter 2004 financial results and general developments and issues concerning the company. Analysts, members of the media and other interested parties wanting to participate in the call should dial 1-800-387-6216 or 416-405-9328 (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, April 30, 2004, by dialing 1-800-408-3053 or 416-695-5800 (Toronto area) and entering pass code 3036277.

The conference will begin with a short address by members of TransCanada's executive management, followed by a question and answer period for investment analysts. A question and answer period for members of the media unable to attend the Annual and Special Meeting of Shareholders will immediately follow. A live audio Web cast of the teleconference will also be available on TransCanada's Web site. The teleconference Web cast will be archived and available for replay.

ABOUT TRANSCANADA

TransCanada is a leading North American energy company. We are focused on natural gas transmission and power services with employees who are expert in these businesses. Our network of approximately 39,000 kilometres (24,200 miles) of wholly owned pipeline transports the majority of Western Canada's natural gas production to the fastest growing markets in Canada and the United States. TransCanada owns, controls or is constructing nearly 4,700 megawatts of power generation - an equal amount of power can meet the needs of about 4.7 million average households. Our 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.

FIRST QUARTER 2004 FINANCIAL HIGHLIGHTS
(unaudited)

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  OPERATING
   RESULTS
Three months
 ended March
31 (millions
 of dollars)
 2004 2003 -
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   REVENUES
 1,233 1,336
  NET INCOME
214 208 CASH
 FLOWS Funds
  generated
     from
  operations
   423 457
   Capital
expenditures
    101 76
Acquisitions,
 net of cash
 acquired -
     409
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   Three
   months
   ended
  March 31
   COMMON
   SHARE
 STATISTICS
 2004 2003
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 ---- NET
 INCOME PER
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SHARE -
BASIC AND
DILUTED
$0.44
$0.43
DIVIDENDS
DECLARED
PER SHARE
$0.29
$0.27
COMMON
SHARES
OUTSTANDING
(millions)
Average
for the
period
483.4
480.1 End
of period
483.9
480.5