

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 11-K**

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2008.

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 1-31690

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**Union Local 1-2 Plan #83080 – TransCanada 401(k)  
and Savings UWUA Local 1-2 Plan**  
TransCanada USA Services Inc., 13710 FNB Parkway,  
Omaha, Nebraska 68154-5200

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**TransCanada Corporation**  
450 – 1 Street S.W., Calgary, Alberta, T2P 5H1, Canada

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**UNION LOCAL 1-2 PLAN #83080 – TRANSCANADA 401(K) AND SAVINGS UWUA LOCAL 1-2 PLAN**

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Schedule H, Part IV, Line 4i	
Schedule of Assets (Held at End of Year) as of December 31, 2008	
SIGNATURE	
EXHIBIT	
The following exhibit is filed herewith:	
Exhibit 23.1 Consent of Independent Registered Public Accounting Firm	
NOTE:	
All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.	

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**TRANSCANADA 401(K) AND SAVINGS  
UWUA LOCAL 1-2 PLAN**

**FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE**

**DECEMBER 31, 2008**

**AND REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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## Report of Independent Registered Public Accounting Firm

Plan Administrator  
TransCanada 401(k) and Savings UWUA Local 1-2 Plan

We have audited the accompanying statement of net assets available for plan benefits of the TransCanada 401(k) and Savings UWUA Local 1-2 Plan (the Plan) as of December 31, 2008, and the related statement of changes in net assets available for plan benefits for the period from August 26, 2008 (Inception) to December 31, 2008. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan was not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the net assets available for plan benefits of the TransCanada 401(k) and Savings UWUA Local 1-2 Plan as of December 31, 2008, and the changes in net assets available for plan benefits for the period from August 26, 2008 (Inception) to December 31, 2008 in conformity with accounting principles generally accepted in the United States.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year as of December 31, 2008 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the 2008 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*/s/ Eide Bailly LLP*

Greenwood Village, Colorado  
June 29, 2009

**TRANSCANADA 401(K) AND SAVINGS UWUA LOCAL 1-2 PLAN**

**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**

*December 31 (dollars)*

**2008**

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**Assets**

Investments

Investments at fair value (Note 3) **11,448,315**

Participant loans **804,789**

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**12,253,104**

Employer contribution receivable **2,857**

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**Net Assets Available for Benefits** **12,255,961**

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

**TRANSCANADA 401(K) AND SAVINGS UWUA LOCAL 1-2 PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

<i>Period ended December 31 (dollars)</i>	<b>2008</b>
<b>Additions</b>	
Contributions:	
Employee contributions	367,010
Employer contributions	49,796
	<u>416,806</u>
Transfers (Note 6)	12,678,202
Interest and dividend income	255,106
<b>Total Additions</b>	<u><b>13,350,114</b></u>
<b>Deductions</b>	
Net decrease in fair value of investments (Note 3)	374,532
Payment of plan benefits	719,441
Administrative expenses	180
<b>Total Deductions</b>	<u><b>1,094,153</b></u>
<b>Increase in Net Assets Available for Benefits</b>	<b>12,255,961</b>
<b>Net Assets Available for Benefits</b>	
<b>Beginning of Period</b>	--
<b>End of Period</b>	<u><u><b>12,255,961</b></u></u>

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

# TRANSCANADA 401(K) AND SAVINGS UWUA LOCAL 1-2 PLAN

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1: DESCRIPTION OF PLAN

The following description of the TransCanada 401(k) and Savings UWUA Local 1-2 Plan (the Plan) provides only general information. Participants and all others should refer to the Plan document for a more complete description of the Plan's provisions.

On August 26, 2008, TransCanada Corporation (TransCanada), parent company of TransCanada USA Services Inc. (TCUSA or the Company), acquired the Ravenswood power generating facility (Ravenswood) from National Grid plc (National Grid). Historically, Ravenswood union employees had participated in the KeySpan Energy 401(k) Plan for Union Employees (the Keyspan plan) sponsored by National Grid. As of the acquisition date, Ravenswood employees began participating in the new Plan set up by TransCanada. Effective November 3, 2008, their account balances, including outstanding loans from the Keyspan plan, were transferred to the Plan.

The Plan is a defined contribution plan for retirement benefits. The Plan excludes any employee of TCUSA or its subsidiaries who are not covered under a collective bargaining agreement with the Utility Workers Union of America (UWUA) Local 1-2 Ravenswood and non-resident persons who have been non-resident for 183 days or more unless the employee remains on the Company's payroll, subject to certain restrictions. Employees are eligible for employer matching contributions when they have completed 11 months of service by the end of a 12 month period with the Company. The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA).

The Board of Directors of TCUSA has appointed Fidelity Management Trust Company (Fidelity or the Trustee) as custodian and trustee of the Plan's assets.

#### **Vesting**

Participants contributions (including rollovers), and any earnings thereon, are immediately vested. Employer-matching contributions and earnings are 100 per cent vested after three years. For certain participants and certain contribution sources transferred into the Plan but related to a predecessor plan, the predecessor vesting schedule will still apply.

In the event of disability or death while employed by TCUSA, a participant's account becomes fully vested.

#### **Payment of Benefits**

Participants are eligible to request a distribution of their vested amounts upon retirement, death, total and permanent disability, severance of employment with the Company, or, in very limited circumstances, in the event of financial hardship. Distributions are made in the form of a lump-sum payment or a rollover to another qualified account.

A participant's normal retirement age is 65, however, a participant may elect to withdraw all or a portion of their contributions after the age of 59½, subject to certain conditions. A participant may receive pension benefits commencing on or after age 55 provided they have terminated their employment with the Company.

Participants may elect to withdraw all or a portion of vested matching contributions that have been in their account for a minimum of 36 months, subject to certain conditions.

## **Forfeitures**

As participants are immediately 100 per cent vested in employee contributions and related plan earnings, there are no forfeitures of the employee accounts.

Upon termination of employment, any unvested portion of a participant's employer contributions and related earnings is forfeited. The forfeiture will occur in the year that the participant receives a distribution of their entire vested account, subject to certain conditions.

## **Employee and Employer Contributions**

Each year, participants may voluntarily agree to contribute up to the lesser of 50 per cent of their compensation, as defined by the Plan document, and \$15,500, subject to certain limitations under the Internal Revenue Code (the Code). The Company may make discretionary matching contributions, if any, to be determined annually based on a percentage of participant contributions.

## **Participant Accounts**

Each participant's account is credited with the participant's contribution and an allocation of the Company's contribution and Plan earnings. Earnings are allocated by the fund based on the ratio of a participant's account invested in a particular fund to all participants' investments in that fund. Plan expenses are generally paid by the Plan Sponsor.

Participants are responsible for investment decisions relating to the investment of assets in their account. The Trustee carries out all investing transactions on behalf of the participant.

## **Participant Loans**

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 per cent of their vested account balance, reduced by the highest outstanding loan balance in their account during the prior twelve month period. Loan terms range from one to five years for general loans or up to 15 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest, at a reasonable interest rate, as determined by the Plan Administrator, based on prevailing market interest rates at the time. Interest rates remain fixed throughout the duration of the loan. The interest rate on loans outstanding at December 31, 2008 ranged from 5.00 per cent to 9.25 per cent. Principal and interest are paid through payroll deductions.

## **Investment in TransCanada Corporation**

Stock of TransCanada is available to participants in the Plan. A participant's portfolio may consist of up to ten per cent of TransCanada stock.

## **Administrative Expenses**

The Company is the Plan Administrator and is responsible for filing all required reports on behalf of the Plan. The Company provides or pays for certain accounting, legal, and management services on behalf of the Plan. The Company incurred \$2,907 of expenses on behalf of the Plan in the period ending December 31, 2008. The Company has not charged the Plan for these expenses or services.

## **Plan Termination**

Although it has not expressed any intent to do so, with approval from its Board of Directors, the Company has the right under the Plan to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 per cent vested in their accounts.



## NOTE 2: SUMMARY OF ACCOUNTING POLICIES

### Changes in Accounting Policies

The Plan adopted the provisions of Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" (FAS 157) for its assets measured at fair value on a recurring basis, effective August 26, 2008.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the 'exit price') in an orderly transaction between market participants at the measurement date.

The Plan's financial assets that are recorded at fair value on a recurring basis are categorized as Level I based upon a fair value hierarchy in accordance with FAS 157. Fair values of assets included in Level I are determined by reference to quoted prices in active markets for identical assets and liabilities. There is no current period disclosure required under FAS 157 for items measured at fair value on a non-recurring basis.

Assets measured at fair value on a recurring basis are categorized in accordance with FAS 157 as follows:

<i>December 31, 2008 (dollars)</i>	Quoted prices in active markets (Level I)	Significant other observable inputs (Level II)	Significant unobservable inputs (Level III)	Total
Mutual funds	11,317,414	-	-	11,317,414
Common stock and other	130,901	-	-	130,901
Participant loans	-	-	804,789	804,789
Total Investments	11,448,315	-	804,789	12,253,104

The following table presents a summary of changes in the fair value of the Plan's Level III assets:

<i>December 31 (dollars)</i>	2008
Participant Loans	
Beginning balance at August 26, 2008	-
Purchases, sales, transfers, issuances and settlements (net)	804,789
Ending balance at December 31, 2008	804,789

### Basis of Presentation

The financial statements of the Plan are prepared on a going concern basis and do not purport to reflect the financial status of the Plan if it were terminated on the valuation date. These financial statements present the aggregate financial position of the Plan and provide no information about the portion of assets attributable to any individual member or group of members. Amounts are stated in U.S. dollars unless otherwise indicated.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

### Basis of Accounting

These financial statements are prepared using the accrual basis of accounting.

## **Investment Valuation and Income Recognition**

The Plan's investments are stated at fair value. The fair value of shares is determined by quoted prices in active markets using the closing sale price on the last day of the Plan year.

Interest income is recorded on the accrual basis; dividends are recorded on the ex-dividend date.

Net increase or decrease in fair value of investments consists of: (1) the net change in unrealized appreciation or depreciation on investments held during the year and (2) the realized gains or losses recognized on the sale of investments during the year.

Purchases and sales of securities are recorded on trade-date basis. Gains and losses on sales of these securities are reported on an average-cost basis.

Participant loans are valued at the outstanding balances, which approximate fair value.

## **Contributions and Payment of Benefits**

Contributions are recorded in the period in which they become obligations of the Company. Benefits are recorded when paid.

## **Concentration of Risk**

The Plan's exposure to credit loss in the event of nonperformance of investments managed by the Trustee is limited to the carrying value of such instruments. The Plan's concentrations of credit risk, interest rate risk and market risk are dictated by the Plan's provisions as well as those of ERISA and the participants' investment preference.

## **NOTE 3: INVESTMENTS**

The Plan utilizes various investment instruments, including common stock funds and mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of these investments, it is reasonably possible that changes in the values of investment securities may occur in the near term and that such changes could materially affect participant account balances and the amounts reported in the financial statements.

The following is a summary of investments which represented five per cent or more of the Plan's Net Assets Available for Benefits:

<i>December 31 (dollars)</i>	<b>2008</b>
Fidelity Retirement Money Market Portfolio	<b>2,281,559</b>
Fidelity Freedom 2020 Fund®	<b>1,503,870</b>
Fidelity Freedom 2015 Fund	<b>1,491,625</b>
Fidelity Freedom 2010 Fund®	<b>1,329,644</b>
Fidelity Freedom 2025 Fund	<b>977,958</b>
Fidelity Freedom Income Fund®	<b>702,435</b>

#### **Net Decrease in Fair Value of Investments**

Net decrease in fair value of investments by major category (including investments purchased, sold and held during the period) as determined by quoted market prices was as follows:

<i>December 31 (dollars)</i>	<b>2008</b>
Mutual funds	<b>358,711</b>
Common stock and other	<b>15,821</b>
Net decrease in fair value of investments	<b>374,532</b>

#### **NOTE 4: INCOME TAXES**

The Plan is a prototype plan designed by the Trustee. The Internal Revenue Service has determined and informed the Company, by a letter dated October 9, 2003, that the Plan and related trust are designed in accordance with applicable sections of the Code. Although the Plan has been amended since receiving the determination letter, the plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code. The Plan is exempt from federal income taxes. Accordingly, no provision for federal income taxes has been made in the accompanying financial statements.

#### **NOTE 5: PARTY-IN-INTEREST AND RELATED PARTY TRANSACTIONS**

Certain Plan investments are shares of mutual funds managed by Fidelity, the Trustee as defined by the Plan, therefore, these transactions qualify as party-in-interest. The expenses incurred on behalf of the Plan by the plan sponsor are disclosed in Note 1.

At December 31, 2008, Plan investments included \$129,883 of TransCanada common stock and \$1,018 in a TransCanada stock purchase account.

#### **NOTE 6: TRANSFERS**

Transfers relate to UWUA Local 1-2 employees acquired as part of the Ravenswood acquisition in August 2008. Accounts from their previous plan under National Grid were transferred into the Plan during November 2008.

**TRANSCANADA 401(K) AND SAVINGS UWUA LOCAL 1-2 PLAN**

EIN #: 98-0460263  
PLAN #: 005

FORM 5500 SCHEDULE H, PART IV, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
AS OF DECEMBER 31, 2008

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment	(e) Current Value (US dollars)
*	Fidelity Retirement Money Market Portfolio	Mutual Fund	2,281,559
*	Fidelity Freedom 2020 Fund®	Mutual Fund	1,503,870
*	Fidelity Freedom 2015 Fund	Mutual Fund	1,491,625
*	Fidelity Freedom 2010 Fund®	Mutual Fund	1,329,644
*	Fidelity Freedom 2025 Fund	Mutual Fund	977,958
*	Fidelity Freedom Income Fund®	Mutual Fund	702,435
*	Fidelity Freedom 2035 Fund	Mutual Fund	604,066
*	Fidelity Freedom 2030 Fund®	Mutual Fund	547,616
*	Fidelity U.S. Bond Index Fund	Mutual Fund	440,408
*	Fidelity Inflation Protected Bond Fund	Mutual Fund	257,298
	Artisan Mid Cap Value Fund	Mutual Fund	249,552
*	Spartan ® U.S. Equity Index Fund	Mutual Fund	185,090
*	Fidelity Freedom 2045 Fund	Mutual Fund	130,049
*	Fidelity Dividend Growth Fund	Mutual Fund	110,425
*	Fidelity Freedom 2005 Fund	Mutual Fund	83,938
*	Fidelity Freedom 2040 Fund®	Mutual Fund	81,772
*	Fidelity Freedom 2000 Fund®	Mutual Fund	60,391
*	Fidelity International Discovery Fund	Mutual Fund	59,127
*	Fidelity Export & Multinational Fund	Mutual Fund	50,422
	RS Partners A	Mutual Fund	41,319
	Hartford Growth Y	Mutual Fund	39,636
*	Fidelity Equity Income Fund	Mutual Fund	38,583
*	Fidelity Freedom 2050 Fund	Mutual Fund	23,805
*	Fidelity Fund	Mutual Fund	13,538
*	Fidelity Growth Strategies Fund	Mutual Fund	8,879
	Baron Asset Fund	Mutual Fund	4,409
	<b>Total Mutual Funds</b>		<b>11,317,414</b>
*	TransCanada Corporation	Common Stock	129,883
*	TransCanada Corporation	Stock Purchase Account	1,018
	Participants loans	Interest rates ranging from 5.00% to 9.25% maturing through 2017	804,789
	<b>Total Investments</b>		<b>12,253,104</b>

\* Represents a party-in-interest (Note 5).

See accompanying report of independent registered public accounting firm.

## SIGNATURES

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, TransCanada USA Services Inc., as Plan Administrator, has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: June 29, 2009

**Union Local 1-2 Plan #83080–TransCanada 401(k) and  
Savings UWUA Local 1-2 Plan**

By: /s/ Wendy L. Hanrahan  
Wendy L. Hanrahan  
Vice-President  
TransCanada USA Services Inc., the Plan Administrator

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## EXHIBIT INDEX

23.1 Consent of Independent Registered Public Accounting Firm to incorporation by reference in Form S-8.

