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 January 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 into the following registration statements filed by TransCanada Corporation under the Securities Act of 1933.

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 December 31, 2003.

2 Consolidated comparative interim unaudited financial statements of the registrant for the twelve month period ended December 31, 2003 (included in the registrant's Fourth Quarter 2003 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 Fourth Quarter 2003 Quarterly Report to Shareholders.

II

A copy of the Registrant's news release of January 27, 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 Exchange Act of 1934, as amended, unless specifically identified therein as being incorporated therein by reference.

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

January 28, 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 December 31, 2003.

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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 Fourth Quarter 2003 Quarterly Report to Shareholders.

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

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

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 January 27, 2004.

EXHIBIT 1

[TRANSCANADA LOGO]

TRANSCANADA CORPORATION

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FOURTH QUARTER 2003

Q u a r t e r l y   R e p o r t   t o
S h a r e h o l d e r s

CONSOLIDATED RESULTS-AT-A-GLANCE

(unaudited) (millions of dollars except per share amounts)	Three months ended December 31 2003	2002	Year ended December 31 2003	2002
NET INCOME				
Continuing operations	193	180	801	747
Discontinued operations	-	-	50	-
	193	180	851	747
NET INCOME PER SHARE - BASIC				
Continuing operations	$0.40	$0.37	$1.66	$1.56
Discontinued operations	-	-	0.10	-
	$0.40	$0.37	$1.76	$1.56

MANAGEMENT'S DISCUSSION AND ANALYSIS

On January 27, 2004, the Board of Directors of TransCanada Corporation (TransCanada or the company) raised the quarterly dividend on the company's common shares from $0.27 per share to $0.29 per share, an increase of seven per cent, for the quarter ending March 31, 2004.

The following discussion and analysis should be read in conjunction with the accompanying unaudited consolidated financial statements of TransCanada for the year ended December 31, 2003 and the notes thereto.

RESULTS OF OPERATIONS

CONSOLIDATED

TransCanada's net income from continuing operations (net earnings) and net income for fourth quarter 2003 were $193 million or $0.40 per share compared to $180 million or $0.37 per share for fourth quarter 2002. The increase of $13 million or $0.03 per share was primarily due to higher earnings from the Power business. Higher net earnings from the Power business included $7 million after tax from TransCanada's investment in Bruce Power L.P. (Bruce Power) and lower general, administrative and support costs.

TransCanada's net income for the year ended December 31, 2003 was $851 million or $1.76 per share compared to $747 million or $1.56 per share for the comparable period in 2002. Included in 2003 was net income from discontinued operations of $50 million or $0.10 per share reflecting the third quarter 2003 income recognition of a portion of the initially deferred gain of approximately $100 million after tax relating to the 2001 disposition of the company's Gas Marketing business.

TransCanada's net earnings for the year ended December 31, 2003 were $801 million or $1.66 per share compared to $747 million or $1.56 per share for the comparable period in 2002. The increase of $54 million or $0.10 per share in 2003 compared to 2002 was primarily due to higher net earnings of $74 million from the Power business and lower net expenses in the Corporate segment, partially offset by lower net earnings from the Gas Transmission business.

Net earnings from the Power business for the year ended December 31, 2003 included $73 million after tax from TransCanada's investment in Bruce Power which was acquired in February 2003 and a $19 million positive after-tax earnings impact of a June 2003 settlement with a former counterparty which defaulted in 2001 under power forward contracts. This amount represents the value of power forward contracts terminated at the time of the counterparty's default. These increases were partially offset by reduced operating and other income from the Northeastern U.S. Operations, combined with higher general, administrative and support costs.

The $11 million decrease in 2003 net expenses in the Corporate segment was primarily due to the positive impacts of a weaker U.S. dollar in 2003 compared to 2002.

The lower net earnings of $31 million in the Gas Transmission business for the year ended December 31, 2003 compared to the prior year were primarily due to the decline in the Alberta System's 2003 net earnings, reflecting the one-year fixed revenue requirement settlement reached between TransCanada and its stakeholders in February 2003. In June 2002, TransCanada received the National Energy Board (NEB) decision on its Fair Return application (Fair Return decision) to determine the cost of capital to be included in the calculation of 2001 and 2002 final tolls on its Canadian Mainline. The results for the year ended December 31, 2002 included after-tax income of $16 million representing the impact of the Fair Return decision for 2001. The 2003 results for the Gas Transmission segment included TransCanada's $11 million share of future income tax benefits recognized by TransGas de Occidente (TransGas) while the 2002 results included TransCanada's $7 million share of a favourable ruling for Great Lakes related to Minnesota use tax paid in prior years.

SEGMENT RESULTS-AT-A-GLANCE

(unaudited)
Three months
ended December
31 Year ended
December 31
(millions of
dollars) 2003
2002 2003 2002 -

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--- Gas
Transmission 160

162 622 653
Power 44 30 220
146 Corporate
(11) (12) (41)
(52) -----------
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Continuing
operations 193
180 801 747
Discontinued
operations - -
50 - -----------
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------ NET
INCOME 193 180
851 747
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Funds generated from continuing operations of $403 million for fourth quarter 2003 decreased $64 million compared to fourth quarter 2002. Funds generated from continuing operations of $1,810 million for the year ended December 31, 2003 decreased $17 million compared to last year.

GAS TRANSMISSION

The Gas Transmission business generated net earnings of $160 million and $622 million for the quarter and year ended December 31, 2003, respectively, compared to $162 million and $653 million for the same periods in 2002.

GAS TRANSMISSION RESULTS-AT-A-GLANCE
(unaudited)
Three months
ended December
31 Year ended
December 31
(millions of
dollars) 2003
2002 2003 2002 -

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----- WHOLLY-
OWNED PIPELINES
Alberta System
54 56 190 214
Canadian
Mainline 75 75
290 307
Foothills* 6 4
20 17 BC System
2 2 6 6 --------
-------- -------
--------- -----
--------- -----
--------- 137
137 506 544 ----
------------ ---
------------- -
------------- -

OTHER GAS
TRANSMISSION

Great Lakes 14
17 52 66
Iroquois 3 3 18
18 TC PipeLines,
LP 4 5 15 17
Portland** 4 -
11 2 Ventures LP
3 2 10 7 Trans
Quebec &
Maritimes 2 2 8
8 CrossAlta 2 4
6 13 TransGas de
Occidente 2 1 22
6 Northern
Development (2)
(1) (4) (6)
General,
administrative,
support and
other (9) (8)
(22) (22) ------
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------------ ---
------------ ---
----------- 23
25 116 109 -----
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------------ Net
earnings 160 162
622 653
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* The remaining ownership interests in Foothills, previously not held by TransCanada, were acquired on August 15, 2003.

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

WHOLLY-OWNED PIPELINES

The Alberta System's net earnings of $54 million in fourth quarter 2003 decreased $2 million compared to $56 million in the same quarter of 2002. Net earnings for the year ended December 31, 2003 decreased $24 million compared to the prior year. This decrease is primarily due to lower earnings from the one-year 2003 Alberta System Revenue Requirement Settlement (the 2003 Settlement) reached in February 2003. The 2003 Settlement includes a fixed revenue requirement component, before non-routine adjustments, of $1.277 billion compared to $1.347 billion in 2002. As discussed in the third quarter 2003 Quarterly Report to Shareholders, the lower negotiated 2003 revenue requirement was expected to reduce 2003 earnings by approximately $30 million relative to 2002 earnings of $214 million. However, lower financing and operating costs partially offset the previously anticipated reduction in earnings.

The Canadian Mainline's fourth quarter net earnings of $75 million are consistent with net earnings in the same quarter of 2002. The

2003 net earnings of $290 million are $17 million lower than 2002 net earnings due to the impact of the NEB's Fair Return decision in 2002. This decision included an increase in the deemed common equity ratio from 30 to 33 per cent effective January 1, 2001 and resulted in additional net earnings of $16 million for the year ended December 31, 2001, recognized in June 2002. The impact of a lower average investment base was substantially offset by an increase in the approved rate of return on common equity from 9.53 per cent in 2002 to 9.79 per cent in 2003.

In December 2002, the NEB approved TransCanada's application to charge interim tolls for transportation service, effective January 1, 2003. In August 2003, subsequent to the NEB's decision on the 2003 Tolls and Tariff Application, it approved interim tolls that the company charged from September 1, 2003 to December 31, 2003. The NEB ordered that tolls will remain interim pending a decision from the Federal Court of Appeal on TransCanada's appeal of the NEB's decision on TransCanada's Fair Return Review and Variance Application, which is expected to be heard commencing February 16, 2004.

OPERATING STATISTICS

Year ended December 31 (unaudited)	Alberta System*		Canadian Mainline**		Foothills***		BC System	
	2003	2002	2003	2002	2003	2002	2003	2002
Average investment base ($ millions)	4,878	5,074	8,565	8,884	739	***	236	211
Delivery volumes (Bcf) Total	3,883	4,146	2,628	2,630	1,110	***	325	371
Average per day	10.6	11.4	7.2	7.2	3.0	***	0.9	1.0

* Field receipt volumes for the Alberta System for the year ended December 31, 2003 were 3,892 Bcf (2002 - 4,101 Bcf); average per day was 10.7 Bcf (2002 - 11.2 Bcf).

** Canadian Mainline deliveries originating at the Alberta border and in Saskatchewan for the year ended December 31, 2003 were 2,055 Bcf (2002 - 2,221 Bcf); average per day was 5.6 Bcf (2002 - 6.1 Bcf).

*** The remaining interests in Foothills were acquired in August 2003. The annual 2003 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 $23 million and $116 million for the quarter and year ended December 31, 2003, respectively.

Net earnings for fourth quarter 2003 were slightly lower than the same quarter in 2002. Higher contributions from Portland, Ventures LP and TransGas were more than offset by lower earnings from CrossAlta, higher project development costs, and the impact of a weaker U.S. dollar.

The 2002 results included TransCanada's $7 million share of a favourable ruling for Great Lakes related to Minnesota use tax paid in prior years. Excluding the impact of the Great Lakes ruling in 2002, net earnings for 2003 increased $14 million compared to 2002. Earnings from TransGas were $16 million higher as a result of higher contractual tolls and the recognition of future tax benefits in 2003. TransCanada's share of Portland's net earnings in 2003 has increased $9 million compared to last year primarily due to the impacts of a rate settlement in early 2003 and TransCanada's increased ownership interest in 2003. These increases were partially offset by a weaker U.S. dollar and lower earnings from CrossAlta due to reduced storage margins as a result of unfavourable market conditions.

On December 3, 2003, TransCanada increased its ownership interest in Portland Natural Gas Transmission System Partnership (Portland) from 43.4 per cent to 61.7 per cent. The company acquired the additional interest from El Paso Corporation for US$82 million, including US$50 million of assumed debt.

POWER

POWER RESULTS-AT-A-GLANCE

(unaudited)	Three months ended December 31		Year ended December 31	
(millions of dollars)	2003	2002	2003	2002
Western operations	31	30	160	131
Northeastern U.S. operations	36	35	127	149
Bruce Power L.P. investment	7	-	99	-
Power LP investment	9	9	35	36
General, administrative and support costs	(20)	(25)	(86)	(73)
Operating and other income	63	49	335	243
Financial charges	(4)	(4)	(12)	(13)
Income taxes				

(15) (15) (103)
(84) ----------
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------- -------
-------- Net
earnings 44 30
220 146
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Power's net earnings in fourth quarter 2003 of $44 million increased $14 million compared to $30 million in fourth quarter 2002. Earnings from the February 2003 acquisition of the 31.6 per cent interest in Bruce Power and reduced general, administrative and support costs were the primary reasons for the increase.

Net earnings for the year ended December 31, 2003 of $220 million were $74 million higher compared to the prior year. Bruce Power earnings, a second quarter 2003 settlement in Western Operations for the value of power forward contracts terminated with a former counterparty and the addition of the ManChief plant in late 2002 were the primary reasons for the increase. Partially offsetting

the increase were lower earnings from the Northeastern U.S. Operations and higher general, administrative and support costs.

WESTERN OPERATIONS

Operating and other income for fourth quarter 2003 in Western Operations of $31 million was comparable to fourth quarter 2002. Higher contributions from the Sundance power purchase arrangements reflecting lower transmission costs were partially offset by the unfavourable effects in fourth quarter 2003 of lower prices achieved on the overall sale of power.

Operating and other income for the year ended December 31, 2003 in Western Operations of $160 million was $29 million higher compared to the prior year, mainly due to a $31 million pre-tax ($19 million after tax) positive earnings impact related to a June 2003 settlement with a former counterparty which defaulted in 2001 under power forward contracts. A full year of earnings from the ManChief plant, acquired in late 2002, and higher contributions from the Sundance power purchase arrangements reflecting lower transmission costs also contributed to higher operating income. Partially offsetting these increases were the effects in 2003 of lower prices achieved on the overall sale of power and the higher cost of natural gas fuel at the carbon black facility.

NORTHEASTERN U.S. OPERATIONS

Operating and other income for fourth quarter 2003 in Northeastern U.S. Operations of $36 million increased marginally compared to fourth quarter 2002. Increased water flows through the Curtis Palmer hydroelectric facility and earnings from the Cobourg temporary generation facility were partially offset by the unfavourable impact of a weaker U.S. dollar and higher natural gas fuel cost at Ocean State Power (OSP) resulting from an arbitration process.

Operating and other income for the year ended December 31, 2003 in Northeastern U.S. Operations of $127 million decreased $22 million compared to 2002 primarily due to the impact of higher operating costs at OSP and the unfavourable impact of a weaker U.S. dollar. Partially offsetting these decreases were incremental earnings from the growth in volumes and margins in the Northeastern U.S. retail business with large commercial and industrial customers. The long-term gas supply for OSP is subject to a yearly price renegotiation, taking effect after the tenth year of the contract. If OSP and the suppliers are unable to reach an agreement on price in a given year, the matter is settled by arbitration. OSP is currently in arbitration with its natural gas fuel suppliers regarding changes to the pricing of its fuel supply.

BRUCE POWER L.P. INVESTMENT

BRUCE POWER RESULTS-AT-A-GLANCE

(unaudited) (millions of dollars)	Three months ended December 31, 2003	Year ended December 31, 2003
BRUCE POWER (100 per cent basis)		
Revenues	269	1,208
Operating expenses	254	853
Operating income	15	355
Financial charges	20	69
(Loss)/Income before income taxes	(5)	286
TransCanada's interest in Bruce Power (loss)/income before income taxes*	(1)	65
Adjustments**	8	34
TransCanada's income from Bruce Power before income taxes	7	99

* 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 December 31, 2003 was $205 million.

** See Note 8 to the December 31, 2003 financial statements for an explanation of the amounts included in Adjustments.

Bruce Power contributed $7 million of pre-tax equity income in fourth quarter 2003 compared to $38 million in third quarter 2003. The decrease reflected lower power output and higher maintenance costs compared to third quarter 2003, primarily due to a maintenance outage at one of the Bruce B units for the entire fourth quarter 2003. Overall prices achieved during fourth quarter 2003 were approximately $45 per megawatt hour (MWh) which is consistent with third quarter 2003. The average price achieved for the year ended December 31, 2003 was approximately $48 per MWh. Approximately 30 per cent of the output was sold into Ontario's wholesale spot market in fourth quarter 2003 with the remainder being sold under longer term contracts. TransCanada's share of power output for fourth quarter 2003 from four Bruce B units and one Bruce A unit was 1,846 gigawatt hours (GWh) compared to 2,041 GWh in third quarter 2003. This includes power output from Bruce A Unit 4 from November 1, 2003 to December 31, 2003 of approximately 275 GWh. Bruce A Unit 4 began producing electricity to the Ontario electricity grid on October 7, 2003 and was considered commercially in-service November 1, 2003. Bruce B Unit 8 was offline for the entire fourth quarter for maintenance. As well, Bruce B Unit 7 incurred a week long forced outage in the fourth quarter. The Bruce units ran at an average availability of 73 per cent in the fourth quarter 2003. The average availability during TransCanada's period of ownership ending December 31, 2003 was 83 per cent.

Bruce A Unit 3 reconnected to the Ontario electricity grid on January 8, 2004. Similar to the Bruce A Unit 4 startup process, after performing and evaluating tests of the shutdown system, Bruce A Unit 3 is expected to reconnect to the grid and begin ramping up to full power. Bruce Power's cumulative restart cost for the two Bruce A units was approximately $720 million. Bruce Power incurred approximately $300 million on the two unit restart program for the period February 14, 2003 to December 31, 2003, of which approximately $32 million was incurred in fourth quarter 2003. TransCanada did not provide any funding to Bruce Power subsequent to the acquisition of its ownership interest in February 2003. The two Bruce A units add 1,500 megawatts (MW) of capacity bringing Bruce Power's total capacity to 4,660 MW.

Bruce Power spent approximately $147 million on capital expenditures at Bruce B for the period February 14, 2003 to December 31, 2003, the majority of which was for safety systems and power uprate programs. In 2004, Bruce Power's capital expenditure program for the two Bruce A and four Bruce B reactors is expected to total approximately $400 million.

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 1,560 MW of output for 2004. The average availability in 2004 for the six Bruce units is expected to be 80 per cent compared to 85 per cent for the year ended December 31, 2003. This decrease reflects planned maintenance outages for two Bruce B and two Bruce A units and a test of the Bruce B vacuum building expected in the fall, which will require all four Bruce B units to be taken offline for approximately one month. There is a planned maintenance outage at one of the Bruce A units for approximately one month, towards the end of the first quarter 2004.

POWER LP INVESTMENT

Operating and other income of $9 million and $35 million for the three and twelve months ended December 31, 2003, was consistent with the same periods in 2002.

GENERAL, ADMINISTRATIVE AND SUPPORT COSTS

General, administrative and support costs for fourth quarter 2003 of $20 million were $5 million lower compared to fourth quarter 2002. The decrease is primarily due to lower business development costs in fourth quarter 2003.

General, administrative and support costs for the year ended December 31, 2003 increased $13 million compared to the prior year, mainly reflecting higher support costs as part of the company's continued investment in Power.

POWER SALES VOLUMES

(unaudited) (GWh)	Three months ended December 31 2003	2002	Year ended December 31 2003	2002
Western operations*	2,972	2,864	12,296	12,065
Northeastern U.S. operations	1,794	1,513	6,906	5,630
Bruce Power L.P. investment**	1,846	n/a	6,655	n/a
Power LP investment	549	637	2,153	2,416
Total	7,161	5,014	28,010	20,111

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

** Acquired in February 2003. Sales volumes reflect TransCanada's share of Bruce Power output (31.6 per cent) for the period February 14, 2003 to December 31, 2003.

WEIGHTED AVERAGE PLANT AVAILABILITY*

(unaudited)	Three months ended December 31 2003	2002	Year ended December 31 2003	2002
Western operations	94%	99%	93%	99%
Northeastern U.S. operations	99%	82%	94%	95%
Bruce Power L.P. investment**	73%	n/a	83%	n/a
Power LP investment	98%	98%	96%	94%
All plants	89%	92%	90%	96%

* Plant availability is reduced by planned and unplanned outages.

** Acquired in February 2003. TransCanada's availability reflects the period February 14, 2003 to December 31, 2003.

CORPORATE

Net expenses were $11 million and $12 million for the three months ended December 31, 2003 and 2002, respectively. Net expenses were $41 million for the year ended December 31, 2003 compared to $52 million for 2002. The $11 million decrease in net expenses for 2003 is primarily due to the positive impacts of a weaker U.S. dollar compared to the prior year. These positive impacts substantially offset the negative impacts of a weaker U.S. dollar reflected in the other segments.

DISCONTINUED OPERATIONS

The company's exit from the Gas Marketing business was substantially completed by December 31, 2001. In third quarter 2003, $50 million of the original approximately $100 million after-tax deferred gain related to Gas Marketing was recognized in income. At December 31, 2003, TransCanada reviewed the provision for loss on discontinued operations and the deferred gain and concluded that the remaining provision was adequate and the deferral of the remaining approximately $50 million of deferred after-tax gain related to the Gas Marketing business was appropriate.

TransCanada's investments in Gasoducto del Pacifico, INNERGY Holdings S.A. and P.T. Paiton Energy Company, which were approved for disposal under a plan in December 1999, will be accounted for as part of continuing operations as of December 31, 2003 due to the length of time it has taken the company to dispose of these assets. It is the intention of the company to continue with the plan to dispose of these investments.

LIQUIDITY AND CAPITAL RESOURCES

FUNDS GENERATED FROM OPERATIONS

Funds generated from continuing operations were $403 million and $1,810 million for the three and twelve months ended December 31, 2003, respectively, compared with $467 million and $1,827 million for the same periods in 2002.

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, 2002.

INVESTING ACTIVITIES

In the three months and year ended December 31, 2003, capital expenditures, excluding acquisitions, totalled $127 million (2002 - $202 million) and $391 million (2002 - $599 million), respectively, and related primarily to Iroquois' ongoing Eastchester Expansion project into New York City, maintenance and capacity capital in wholly-owned pipelines and construction of the MacKay River power plant in Alberta.

Acquisitions for the year ended December 31, 2003 totalled $570 million (2002 - $228 million) and were primarily comprised of:

o in fourth quarter 2003, the increase in interest in Portland from 43.4 per cent to 61.7 per cent for approximately US$32 million,

o in third quarter 2003, the increase in interest in Portland from 33.3 per cent to 43.4 per cent for approximately US$19 million,

o in third quarter 2003, the acquisition of the remaining interests in Foothills for approximately $105 million, and

o in first quarter 2003, the acquisition of a 31.6 per cent interest in Bruce Power for approximately $409 million including closing adjustments.

In addition, TransCanada assumed $154 million and US$78 million of debt on the Foothills and Portland acquisitions, respectively.

FINANCING ACTIVITIES

TransCanada used a portion of its cash resources to retire long-term debt of $358 million and $744 million in the quarter and year ended December 31, 2003, respectively. In November 2003, the company issued $450 million of ten year notes bearing interest at 5.65 per cent and in June 2003, the company issued US$350 million of ten year notes bearing interest at 4.00 per cent. For the year ended December 31, 2003, outstanding notes payable decreased by $62 million, while cash and short-term investments increased by $126 million.

In July 2003, TransCanada redeemed all of its outstanding US$160 million, 8.75 per cent Junior Subordinated Debentures, also known as Cumulative Trust Originated Preferred Securities. Holders of these debentures received US$25.0122 per US$25.00 of the principal amount, which included accrued and unpaid interest to the redemption date.

DIVIDENDS

On January 27, 2004, TransCanada's Board of Directors declared a quarterly dividend of $0.29 per share for the quarter ending March 31, 2004 on the outstanding common shares. This is the 161st consecutive quarterly dividend paid by TransCanada and its subsidiary on its common shares, and is payable on April 30, 2004 to shareholders of record at the close of business on March 31, 2004.

RISK MANAGEMENT

With respect to continuing operations, TransCanada's market, financial and counterparty risks remain substantially unchanged since December 31, 2002. See explanation for discontinued operations' risk management activity under Results of Operations - Discontinued Operations. For further information on risks, refer to Management's Discussion and Analysis in TransCanada PipeLines Limited's 2002 Annual Report.

The processes within TransCanada's risk management function are designed to ensure that risks are properly identified, quantified, reported and managed. Risk management strategies, policies and limits are designed to ensure TransCanada's risk-taking is consistent with its business objectives and risk tolerance. Risks are managed within limits ultimately established by the Board of Directors and implemented by senior management, monitored by risk management personnel and audited by internal audit personnel.

TransCanada manages market and financial risk exposures in accordance with its corporate market risk policy and position

limits. The company's primary market risks result from volatility in commodity prices, interest rates and foreign currency exchange rates. TransCanada's counterparty risk exposure results from the failure of a counterparty to meet its contractual financial obligations, and is managed in accordance with its corporate counterparty risk policy.

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, 2002, 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 PipeLines Limited's 2002 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, 2002 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 Results of Operations - Discontinued Operations and to Management's Discussion and Analysis in TransCanada PipeLines Limited's 2002 Annual Report.

OUTLOOK

In 2004, the outcome of regulatory proceedings could have a significant impact on the expected results for the Alberta System and Canadian Mainline. Plant availability and fluctuating power prices could have a significant impact on Power results. Excluding these impacts as well as the settlement with a former counterparty in 2003 and the recognition of the TransGas future tax benefits in 2003, the outlook for the company is relatively unchanged since December 31, 2002. For further information on outlook, refer to Management's Discussion and Analysis in TransCanada PipeLines Limited's 2002 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. The strengthening of the Canadian dollar compared to the U.S. dollar in 2003 has not significantly impacted TransCanada's consolidated financial results in 2003 and is not expected to have a significant impact in 2004. 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 Generic Cost of Capital (GCOC) Proceeding with the Alberta Energy and Utilities Board (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 arguments to follow.

In September 2003, TransCanada filed Phase I of the 2004 General Rate Application (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. EUB hearings to consider the 2004 GRA Phase I and Phase II applications are scheduled to commence, in Calgary, on April 1, 2004 and June 1, 2004, respectively.

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 for the GCOC hearing and both phases of the GRA.

On December 1 and 2, 2003, two natural gas pipeline failures occurred on the Alberta System. Deliveries of gas to local communities were not impacted as a result of either incident. Following preliminary investigations into the causes of the two pipeline ruptures, TransCanada found evidence of external corrosion on the pipeline. No one was injured and the impacted segment of the Alberta System was repaired within days. The incidents are not expected to have an impact on the company's earnings.

CANADIAN MAINLINE

In July 2003, TransCanada filed a notice of appeal with the Federal Court of Appeal and served notice of appeal on parties to the NEB proceeding on TransCanada's Fair Return Review and Variance Application. In September 2003, TransCanada filed a Memorandum of Fact and Law with the Federal Court of Appeal, and in October 2003 all interested parties filed their memoranda in response to TransCanada's filing. The case will be heard in an oral hearing scheduled to commence February 16, 2004.

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.

OTHER GAS TRANSMISSION

IROQUOIS

Iroquois continues to make progress on the construction of the Eastchester expansion project and is expected to place the expansion facilities into service in February 2004.

NORTHERN DEVELOPMENT

For the Mackenzie Gas Pipeline Project, TransCanada has agreed to finance the Aboriginal PipeLine Group (APG) for its one-third

share of project definition phase costs which is estimated to be approximately $90 million over three years. In the year ended December 31, 2003, TransCanada funded $34 million which is included in Other Assets. Regulatory applications for the Mackenzie Gas Pipeline Project have been delayed and are expected to be filed mid-2004.

LIQUEFIED NATURAL GAS

In September 2003, TransCanada and ConocoPhillips Company announced the Fairwinds partnership to jointly evaluate a site in Harpswell, Maine for the development of a liquefied natural gas (LNG) regasification facility. The residents of the Town of Harpswell are expected to vote in first quarter 2004 on leasing a town-owned site for the facility. If leasing of the site is approved and necessary regulatory approvals are subsequently received, construction of the LNG facility could begin in 2006 with the facility becoming operational in 2009. Natural gas from the LNG facility would be delivered by pipeline to markets in the northeast U.S.

POWER

In August 2003, TransCanada successfully commenced operations under a fee-for-service power purchase arrangement with the Ontario government through the Ontario Electricity Financial Corporation (OEFC). Under the agreement, TransCanada supplied 110 MW of capacity from a temporary facility adjacent to the Canadian Mainline near Cobourg, Ontario up to December 31, 2003. Demobilization of the temporary facility began in early January 2004 and is expected to be complete by late spring.

On October 24, 2003, TransCanada and Grandview Cogeneration Corporation, an affiliate of Irving Oil Limited (Irving), announced an agreement to build a 90 MW natural gas-fired cogeneration power plant in Saint John, New Brunswick. This cogeneration facility will be developed and owned by TransCanada. Under a 20 year tolling arrangement, Irving will provide fuel for the plant and contract for 100 per cent of the plant's heat and electricity output. Construction of the plant commenced in December 2003 and is expected to be in-service in December 2004.

Construction of MacKay River, a 165 MW facility near Fort McMurray, Alberta, was completed in fourth quarter 2003 and commissioning is underway.

The fourth quarter scheduled maintenance outage of Bruce B Unit 8 was originally planned to take approximately eight weeks, but was extended after inspections identified some erosion on support

plates in three of the unit's eight steam generators. Repairs have been completed and approved by the Canadian Nuclear Safety Commission and the unit is in the process of being returned to service.

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

(unaudited)
Three months
ended December
31 Year ended
December 31
(millions of
dollars except
per share
amounts) 2003
2002 2003 2002 -

-------- -------
------- --------
------ ---------
------ REVENUES
1,319 1,338
5,357 5,214
OPERATING
EXPENSES Cost of
sales 159 161
692 627 Other
costs and
expenses 434 423
1,682 1,546
Depreciation 222
217 914 848 ----
------------ ---
----------- ----
---------- -----
---------- 815
801 3,288 3,021

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

OPERATING INCOME
504 537 2,069
2,193 OTHER
EXPENSES/(INCOME)
Financial
charges 202 215
821 867
Financial
charges of joint
ventures 14 23
77 90 Equity
income (14) (7)
(165) (33)
Interest and
other income
(16) (17) (60)
(53) -----------
----- ----------
---- -----------
--- ------------
--- 186 214 673
871 ------------
---- -----------
--- ------------
-- ------------
-- INCOME FROM
CONTINUING
OPERATIONS
BEFORE INCOME
TAXES AND NON-
CONTROLLING
INTERESTS 318
323 1,396 1,322
INCOME TAXES -
CURRENT AND

FUTURE 108 128 535 517 NON-CONTROLLING INTERESTS Preferred securities charges 10 10 36 36 Preferred share dividends 5 5 22 22 Other 2 - 2 - -------- -------- ------- ------- -------- ------ --------- ------ NET INCOME FROM CONTINUING OPERATIONS 193 180 801 747 NET INCOME FROM DISCONTINUED OPERATIONS - - 50 - ----------- ----- ---------- ---- ----------- --- ------------ --- NET INCOME 193 180 851 747 ================ ============== ============== =============== NET INCOME PER SHARE Continuing operations $0.40 $0.37 $1.66 $1.56 Discontinued operations - - 0.10 - --------- ------- -------- ------ --------- ----- ---------- ----- BASIC $0.40 $0.37 $1.76 $1.56 ================ ============== ============== =============== DILUTED $0.40 $0.37 $1.76 $1.55 ================ ============== ============== =============== AVERAGE SHARES OUTSTANDING - BASIC (millions) 482.8 479.3 481.5 478.3 ================ ============== ============== =============== AVERAGE SHARES OUTSTANDING - DILUTED (millions) 485.5 481.7 483.9 480.7 ================ ============== ============== ===============

See accompanying Notes to the Consolidated Financial Statements.

CONSOLIDATED CASH FLOWS

(unaudited) (millions of dollars)	Three months ended December 31 2003	2002	Year ended December 31 2003	2002
CASH GENERATED FROM OPERATIONS				
Net income from continuing operations	193	180	801	747
Depreciation	222	217	914	848
Future income taxes	(18)	67	230	247
Equity income in excess of distributions received	(3)	-	(128)	(6)
Non-controlling interests	17	15	60	58
Other	(8)	(12)	(67)	(67)
Funds generated from continuing operations	403	467	1,810	1,827
Decrease in operating working capital	29	101	112	33
Net cash provided by continuing operations	432	568	1,922	1,860
Net cash provided by/(used in) discontinued operations	-	29	(17)	59
	432	597	1,905	1,919
INVESTING ACTIVITIES				
Capital expenditures	(127)	(202)	(391)	(599)
Acquisitions, net of cash acquired	(23)	(209)	(570)	(228)
Deferred amounts and other	43	(103)	(190)	(115)

-- ---------------
- ---------------
Net cash used in investing activities (107) (514) (1,151) (942) ---------------- ---------------- ---------------- ---------------
FINANCING ACTIVITIES Dividends and preferred securities charges (150) (139) (588) (546) Notes payable (repaid)/issued, net (341) 182 (62) (46) Long-term debt issued 455 - 930 - Reduction of long-term debt (358) (256) (744) (486) Non-recourse debt of joint ventures issued - 20 60 44 Reduction of non-recourse debt of joint ventures (16) (29) (71) (80) Redemption of junior subordinated debentures - - (218) - Common shares issued 16 7 65 50 ---------------- ---------------- ---------------- ---------------
Net cash used in financing activities (394) (215) (628) (1,064) ---------------- ---------------- ---------------- ---------------
-
(DECREASE)/INCREASE IN CASH AND SHORT-TERM INVESTMENTS (69) (132) 126 (87) CASH AND SHORT-TERM INVESTMENTS Beginning of period 407 344 212 299 ---------------- ---------------- ---------------- ---------------
CASH AND SHORT-TERM INVESTMENTS End of period 338 212 338 212
===============
================
================
===============
SUPPLEMENTARY CASH FLOW INFORMATION Income taxes paid 28 52 220 257 Interest paid 222 227 846 866
===============
================

================ ===============

See accompanying Notes to the Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET

(unaudited) December 31 (millions of dollars) 2003 2002 - - ---------------------- ---------------------- ---------------------- ----------- ---------- ------------- ASSETS CURRENT ASSETS Cash and short-term investments 338 212 Accounts receivable 605 691 Inventories 165 178 Other 88 107 - ---------------------- ---------------------- - 1,196 1,188 LONG-TERM INVESTMENTS 733 345 PLANT, PROPERTY AND EQUIPMENT 17,451 17,496 OTHER ASSETS 1,164 937 ------------ ----------- ---------- ------------- 20,544 19,966 ======================= ======================= LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES Notes payable 367 297 Accounts payable 1,025 990 Accrued interest 208 227 Current portion of long-term debt 550 517 Current portion of non-recourse debt of joint ventures 19 75 ------- ---------------- ----- ------------------ 2,169 2,106 DEFERRED AMOUNTS 466 549 LONG-TERM DEBT 9,465 8,815 FUTURE INCOME TAXES 427 226 NON-RECOURSE DEBT OF JOINT VENTURES 761 1,222 PREFERRED SECURITIES 22 238 ---- ------------------- -- --------------------- 13,310 13,156 -------- --------------- ------ ----------------- NON-CONTROLLING INTERESTS Preferred securities of subsidiary 672 674 Preferred shares of subsidiary 389 389 Other 82 - ----------- ----------- --------- ------------- 1,143 1,063 ---------------- ------- -------------- --------- SHAREHOLDERS' EQUITY Common shares 4,679 4,614 Contributed surplus 267 265

Retained earnings
1,185 854 Foreign
exchange adjustment
(40) 14 --------------
--------- ------------
----------- 6,091
5,747 ----------------
------- --------------
--------- 20,544
19,966
=======================
=======================

See accompanying Notes to the Consolidated Financial Statements.

CONSOLIDATED RETAINED EARNINGS

(unaudited)
Year ended
December 31
(millions of
dollars) 2003
2002 - --------

-- ------------
--- Balance at
beginning of
year 854 586
Net income 851
747 Common
share dividends
(520) (479) ---
------------ --

1,185 854
===============
===============

See accompanying Notes to the Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

Pursuant to a plan of arrangement, effective May 15, 2003, common shares of TransCanada PipeLines Limited (TCPL) were exchanged on a one-to-one basis for common shares of TransCanada Corporation (TransCanada or the company). As a result, TCPL became a wholly-owned subsidiary of TransCanada. The consolidated financial statements for the year ended December 31, 2003 include the accounts of TransCanada and the consolidated accounts of all its subsidiaries, including TCPL. Comparative information for the year ended December 31, 2002 is that of TCPL and its wholly-owned subsidiaries at that time.

The financial statements of TransCanada have been prepared using the continuity of interests method of accounting. Accordingly, the financial statements of TransCanada on the effective date, on a consolidated basis, were in all material respects the same as those of TCPL immediately prior to the arrangement, except that the preferred securities and preferred shares of TCPL have been reflected as non-controlling interests in the consolidated financial statements of TransCanada. In addition, the distributions on the preferred securities and the dividends on the preferred shares have been reflected as non-controlling interest charges in determining the consolidated net income of TransCanada.

On December 3, 2003, TransCanada increased its ownership interest in Portland Natural Gas Transmission System Partnership (Portland) from 43.4 per cent to 61.7 per cent. Subsequent to the acquisition, Portland was fully consolidated in the company's financial statements, with 38.3 per cent reflected in non-controlling interests.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of TransCanada have been prepared in accordance with Canadian generally accepted accounting principles. The accounting policies applied are consistent with those outlined in TCPL's annual financial statements for the year ended December 31, 2002. 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 PipeLines Limited's 2002 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.

REGULATION

In December 2002, the National Energy Board (NEB) approved TransCanada's application for the Canadian Mainline to charge interim tolls for transportation service, effective January 1, 2003. In August 2003, subsequent to the NEB's decision on the 2003 Tolls and Tariff Application, it approved interim tolls for the period September 1, 2003 to December 31, 2003. The NEB determined that tolls will remain interim pending a decision from the Federal Court of Appeal on TransCanada's Fair Return Review and Variance Application. Any adjustments to the interim tolls will be recorded in accordance with the final NEB decision.

3. SEGMENTED INFORMATION

Three months ended December 31 (unaudited - millions of dollars)	Gas Transmission		Power		Corporate		Total	
	2003	2002	2003	2002	2003	2002	2003	2002

----- ------
---- -------
-- Revenues
982 1,007
337 331 - -
1,319 1,338
Cost of
sales - -
(159) (161)
- - (159)
(161) Other
costs and
expenses
(326) (319)
(106) (103)
(2) (1)
(434) (423)
Depreciation
(202) (197)
(20) (20) -
- (222)
(217) ------
--- --------
- ----------
-------- ---
---- ------
---------- -

Operating
income/(loss)
454 491 52
47 (2) (1)
504 537
Financial
charges and
non-
controlling
interests
(193) (205)
(4) (4) (22)
(21) (219)
(230)
Financial
charges of
joint
ventures
(14) (23) -
- - - (14)
(23) Equity
income 7 7 7
- - - 14 7
Interest and
other income
6 5 4 2 6 10
16 17 Income
taxes (100)
(113) (15)
(15) 7 -
(108) (128)
--------- --
------- ----
------ -----
--- -------
------ -----
----- ------

Continuing
operations
160 162 44
30 (11) (12)
193 180
=========
=========
==========
========
=======
======
Discontinued
operations -
- ----------

NET INCOME
193 180
==========
=========

Gas
Transmission
Power
Corporate
Total ------

-- ---------

--- --------

Year ended
December 31
(unaudited -
millions of
dollars)
2003 2002
2003 2002
2003 2002
2003 2002 -

-------- ---
------ -----
----- ------
-- ------- -
----- ------
---- -------
-- Revenues
3,956 3,921
1,401 1,293
- - 5,357
5,214 Cost
of sales - -
(692) (627)
- - (692)
(627) Other
costs and
expenses
(1,270)
(1,166)
(405) (371)
(7) (9)
(1,682)
(1,546)
Depreciation
(831) (783)
(82) (65)
(1) - (914)
(848) ------
---- -------
-- ---------
- -------- -
------ -----
- ----------

Operating
income/(loss)
1,855 1,972
222 230 (8)
(9) 2,069
2,193
Financial
charges and
non-
controlling
interests
(781) (821)
(11) (13)
(89) (91)
(881) (925)
Financial
charges of

joint
ventures
(76) (90)
(1) - - -
(77) (90)
Equity
income 66 33
99 - - - 165
33 Interest
and other
income 17 17
14 13 29 23
60 53 Income
taxes (459)
(458) (103)
(84) 27 25
(535) (517)
---------- -
-------- ---
------- ----
---- -------
------ -----
----- ------

Continuing
operations
622 653 220
146 (41)
(52) 801 747
==========
=========
==========
========
=======
======
Discontinued
operations
50 - -------
--- --------
- NET INCOME
851 747
==========
=========

TOTAL ASSETS December
31 2003 2002 (millions
of dollars) (unaudited)
- ---------------------

-------------------- --
---------------- Gas
Transmission 16,972
16,979 Power 2,746
2,391 Corporate 815 457

- -----------------
Continuing Operations
20,533 19,827
Discontinued Operations
11 139 ----------------
-------- -------------
---- 20,544 19,966
========================
==================

4. LONG-TERM DEBT

December 31 2003 2002
(millions of dollars)
(unaudited) - -------

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

Alberta System 2,341
2,892 Foreign
exchange differential
recoverable through
the tollmaking
process (16) (271) --

- 2,325 2,621 -------
--------------- -----

Canadian Mainline
4,913 5,277 Foreign
exchange differential
recoverable through
the tollmaking
process (60) (330) --

- 4,853 4,947 -------
--------------- -----

Other 2,837 1,764 ---
------------------- -

10,015 9,332 Less:
current portion of
long-term debt 550
517 -----------------
----- ---------------
------- 9,465 8,815
======================
======================

On June 9, 2003, the company issued US$350 million of unsecured 4.00 per cent notes maturing on June 15, 2013. On November 18, 2003, the company issued $450 million of unsecured 5.65 per cent notes maturing on January 15, 2014.

5. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The following represents the significant changes to the company's risk management and financial instruments since December 31, 2002.

FOREIGN INVESTMENTS

At December 31, 2003 and December 31, 2002, the company had foreign currency denominated assets and liabilities which created an exposure to changes in exchange rates. The company uses foreign currency derivatives to hedge this net exposure on an after-tax basis. The company's portfolio of foreign investment derivatives is comprised of contracts for periods up to four years. The fair values shown in the table below for foreign exchange risk are offset by translation gains or losses on the net assets and are recorded in the foreign exchange adjustment account in Shareholders' Equity.

ASSET/(LIABILITY)
December 31 2003
2002 (millions
of dollars)
(unaudited) - --

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

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

Carrying Fair
Carrying Fair
Amount Value
Amount Value ---

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

FOREIGN EXCHANGE
Cross-currency
swaps U.S.
dollars 65 65
(8) (8) - ------

At December 31, 2003, the notional principal amounts of cross-currency swaps were US$250 million (2002 - US$350 million).

RECONCILIATION OF FOREIGN EXCHANGE ADJUSTMENT

December 31 (millions of dollars) (unaudited)	2003	2002
Balance at beginning of year	14	13
Translation (losses)/gains on foreign currency denominated net assets	(136)	3
Foreign exchange gains/(losses) on derivatives, and other	82	(2)
	(40)	14

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 nine years. Certain of the realized gains and losses on these derivatives are shared with shippers on predetermined terms.

ASSET/(LIABILITY)
December 31 2003 2002 (millions of dollars)
(unaudited) - --

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
FOREIGN EXCHANGE				
Cross-currency swaps	(26)	(26)	56	56
INTEREST RATE				
Interest rate swaps				
Canadian dollars	2	15	4	56
U.S. dollars	-	8	(1)	4

At December 31, 2003, the notional principal amounts of cross-currency swaps were US$282 million (2002 - US$282 million). Notional principal amounts for interest rate swaps were $964 million (2002 - $874 million) and US$100 million (2002 - US$175 million).

6. STOCK-BASED COMPENSATION

TransCanada's accounting policy is to expense stock options. This charge is reflected in the Gas Transmission and Power segments. In the year ended December 31, 2003, TransCanada issued 1,503,200 options to purchase common shares at a weighted average price of $22.42 under the company's Key Employee Stock Incentive Plan.

Amounts expensed for the three months and year ended December 31, 2003 were approximately $1 million and $2 million, respectively. The company used the Black-Scholes model for these calculations with the weighted average assumptions being 4 years of expected life, 4.1 per cent interest rate, 18 per cent volatility and 4.5 per cent dividend yield.

7. DISCONTINUED OPERATIONS

The Board of Directors approved plans to dispose of the company's International, Canadian Midstream, and certain other businesses (December Plan) and the Gas Marketing business in December 1999 and July 2001, respectively. The company's disposals under both plans were substantially completed at December 31, 2001.

TransCanada's investments in Gasoducto del Pacifico, INNERGY Holdings S.A. and P.T. Paiton Energy Company approved for disposal under the December Plan will be accounted for as part of continuing operations as of December 31, 2003, due to the length of time it has taken the company to dispose of these assets. It is the intention of the company to continue with its plan to dispose of these investments.

The company mitigated certain of its remaining exposures associated with the contingent liabilities related to the divested Gas Marketing operations by acquiring from a subsidiary of Mirant Corporation certain contracts under which it still had exposure in 2003, and simultaneously hedging the market price exposures of these contracts. The company remains contingently liable for certain residual obligations. In 2003, $50 million of the original approximately $100 million after-tax deferred gain was recognized in income. The after-tax deferred gain is included in Deferred Amounts.

At December 31, 2003, TransCanada reviewed the provision for loss on discontinued operations and the deferred gain and concluded that the remaining provision was adequate and the deferral of the remaining approximately $50 million of after-tax deferred gain related to the Gas Marketing business was appropriate.

Revenues from discontinued operations for the year ended December 31, 2003 were $2 million (2002 - $36 million). Net income/(loss) from discontinued operations for the year ended December 31, 2003 was $50 million, net of $29 million income taxes (2002 - nil). The provision for loss on discontinued operations at December 31, 2003 was $41 million (2002 - $83 million). The provision for loss on discontinued operations is included in Accounts Payable.

8. INVESTMENT IN BRUCE POWER L.P.

On February 14, 2003, the company acquired a 31.6 per cent interest in Bruce Power L.P. (Bruce Power) for $409 million, including closing adjustments. As part of the acquisition, the company also funded a one-third share ($75 million) of a $225 million accelerated deferred rent payment made by Bruce Power to Ontario Power Generation. The resulting note receivable from Bruce Power is recorded in Other Assets.

The purchase price of TransCanada's 31.6 per cent interest in Bruce Power has been allocated as follows.

PURCHASE PRICE ALLOCATION (unaudited) (millions of dollars)	
Net book value of assets acquired	281
Capital lease	301
Power sales agreements	(131)
Pension liability and other	(42)
	409

The amount allocated to the investment in Bruce Power includes a purchase price allocation of $301 million to the capital lease of the Bruce Power plant which will be amortized on a straight-line basis over the lease term which extends to 2018, resulting in an annual amortization expense of $19 million. The amount allocated to the power sales agreements will be amortized to income over the remaining term of the underlying sales contracts. The amortization of the fair value allocated to these contracts is: 2003 - $38 million; 2004 - $37 million; 2005 - $25 million; 2006 - $29 million; and 2007 - $2 million. The amount allocated to the pension liability will be amortized to income over the 11 year expected average remaining service life of Bruce Power employees, resulting in an annual amortization of $3 million.

9. COMMITMENT

On June 18, 2003, an agreement was reached among the Mackenzie Delta gas producers, the Aboriginal PipeLine Group (APG) and TransCanada which governs TransCanada's role in the Mackenzie Gas Pipeline Project. The Mackenzie Gas Pipeline Project would result in a natural gas pipeline being constructed from Inuvik, Northwest Territories to the northern border of Alberta, where it would then connect with the Alberta System. Under the agreement, TransCanada has agreed to finance the APG for its one-third share of project definition phase costs, which is estimated to be approximately $90 million over three years. In the year ended December 31, 2003, TransCanada funded $34 million of this loan which is included in Other Assets. The ability to recover this investment is contingent upon the outcome of the project.

SUPPLEMENTARY INFORMATION

As at December 31, 2003, TransCanada had 483,200,387 issued and outstanding common shares. In addition, there were 10,354,958 outstanding options to purchase common shares, of which 7,588,203 were exercisable as at December 31, 2003.

- --

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/Anita Perry 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(2)

Three months
ended Year ended
December 31
December 31 ----

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

---- (MILLIONS
OF DOLLARS) 2003
2002 2003 2002 -

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

Revenues(3)
1,227 1,178
4,919 4,565 ----
--------- ------
------ ---------
---- -----------
--- Cost of
sales(3) 127 127
592 441 Other
costs and
expenses 424 410
1,663 1,532
Depreciation 209
185 819 729 ----
--------- ------
------ ---------
---- -----------
--- 760 722
3,074 2,702 ----
--------- ------
------ ---------
---- -----------
--- Operating
income 467 456
1,845 1,863
Other
(income)/expenses
Equity income(2)
(4)(5) (49) (61)
(334) (260)
Other
expenses(1)(5)
(6) 216 222 863
872 Income taxes
104 121 515 499
------------- --
---------- -----
-------- -------
------- 271 282
1,044 1,111 ----
--------- ------
------ ---------
---- -----------
--- Income from
continuing
operations -
U.S. GAAP 196
174 801 752 Net
income from
discontinued
operations -
U.S. GAAP - - 50
- -------------

----------- ---
---------- -----
--------- Income
before
cumulative
effect of the
application of
accounting
changes in
accordance with
U.S. GAAP 196
174 851 752
Cumulative
effect of the
application of
EITF 02-3, net
of tax(3) - -
(13) - ---------
---- ----------
- ------------

NET INCOME IN
ACCORDANCE WITH
U.S. GAAP 196
174 838 752
Adjustments
affecting
comprehensive
income under
U.S. GAAP
Foreign currency
translation
adjustment, net
of tax(7) (11) -
(54) 1
Additional
minimum pension
liability, net
of tax(8) (11)
(40) (2) (40)
Unrealized
(loss)/gain on
derivatives, net
of tax(5) (6) -
8 (4) ----------
--- ------------
------------- --

COMPREHENSIVE
INCOME IN
ACCORDANCE WITH
U.S. GAAP 168
134 790 709
=============
============
=============
==============
NET INCOME PER
SHARE IN
ACCORDANCE WITH
U.S. GAAP
Continuing
operations $0.41
$0.36 $1.67
$1.57
Discontinued
operations - -
0.10 - ---------
---- ----------
- ------------

Income before
cumulative
effect of the
application of
accounting
changes in
accordance with
U.S. GAAP $0.41
$0.36 $1.77
$1.57 Cumulative

effect of the
application of
EITF 02-3, net
of tax(3) - -
(0.03) - -------
------ ---------
--- ------------
- -------------
Basic $0.41
$0.36 $1.74
$1.57
=============
============
=============
==============
Diluted $0.40
$0.36 $1.73
$1.56
=============
============
=============
==============
Net income per
share in
accordance with
Canadian GAAP
Basic $0.40
$0.37 $1.76
$1.56
=============
============
=============
==============
Diluted $0.40
$0.37 $1.76
$1.55
=============
============
=============
==============
Dividends per
common share
$0.27 $0.25
$1.08 $1.00
=============
============
=============
==============
COMMON SHARES
OUTSTANDING
(millions)
Average for the
period - Basic
482.8 479.3
481.5 478.3
=============
============
=============
==============
Average for the
period - Diluted
485.5 481.7
483.9 480.7
=============
============
=============
==============

RECONCILIATION OF INCOME FROM CONTINUING OPERATIONS

Three months
ended Year
ended
December 31
December 31 -

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

(MILLIONS OF
DOLLARS
EXCEPT PER
SHARE
AMOUNTS) 2003
2002 2003
2002 - ------

------- -----
-------- ----
----- -------
------ ------
----- Net
income from
continuing
operations in
accordance
with Canadian
GAAP 193 180
801 747 U.S.
GAAP
adjustments
Unrealized
(loss)/gain
on foreign
exchange and
interest rate
derivatives(5)
(3) (1) (9)
30 Tax impact
of
(loss)/gain
on foreign
exchange and
interest rate
derivatives 1
- 3 (12)
Unrealized
gain/(loss)
on energy
trading
contracts(3)
14 (7) 28
(21) Tax
impact of
unrealized
gain/(loss)
on energy
trading
contracts (5)
2 (10) 8
Equity
loss(4)(5)
(6) - (18) -
Tax impact of
equity loss 2
- 6 - -------
------ ------
--- ---------
---- --------
--- Income
from
continuing
operations in
accordance
with U.S.
GAAP 196 174
801 752
=============
============
=============
==============

CONDENSED BALANCE SHEET IN ACCORDANCE WITH U.S. GAAP(2)

(MILLIONS OF DOLLARS)	December 31, 2003	December 31, 2002
Current assets	1,020	1,079
Long-term energy trading assets(3)	-	218
Long-term investments(4)(9)	1,760	1,683
Plant, property and equipment(10)	15,798	14,992
Regulatory asset(11)	2,721	2,578
Other assets(5)	1,192	884
	22,491	21,434
Current liabilities(12)	2,073	2,006
Long-term energy trading liabilities(3)	-	41
Deferred amounts(3)(5)(9)(10)	741	789
Long-term debt(5)	9,494	8,963
Deferred income taxes(11)	3,039	2,692
Preferred securities(13)	694	694
Trust originated preferred securities	-	218
Non-controlling interests	471	389
Shareholders' equity	5,979	5,642
	22,491	21,434

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

(MILLIONS OF DOLLARS)	Cumulative Translation	Minimum Pension Liability	Cash Flow Hedges

Account (SFAS No.
87) (SFAS No.
133) Total ------

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

- ----------
Balance at
January 1, 2002
13 (56) (9) (52)
Additional
minimum liability
for employee
future benefits,
net of tax of
$22(8) - (40) -
(40) Unrealized
loss on
derivatives, net
of tax of $(1)(5)
- - (4) (4)
Foreign currency
translation
adjustment, net
of tax of nil(7)
1 - - 1 ---------
------- ---------
--------- -------
----------- -----
----- Balance at
December 31, 2002
14 (96) (13) (95)
Additional
minimum liability
for employee
future benefits,
net of tax of
$1(8) - (2) - (2)
Unrealized gain
on derivatives,
net of tax of
nil(5) - - 8 8
Foreign currency
translation
adjustment, net
of tax of $(64)
(7) (54) - - (54)

- ---------------
--- ----------
BALANCE AT
DECEMBER 31, 2003
(40) (98) (5)
(143)
================
==================
==================
==========

1) Pursuant to a plan of arrangement, TransCanada Corporation (TransCanada or the Company) became the parent company of TransCanada PipeLines Limited (TCPL), effective May 15, 2003. The financial statements of TransCanada have been prepared using the continuity of interests method. Accordingly, the financial statements of TransCanada on the effective date, on a consolidated basis, were in all material respects the same as TCPL immediately prior to the arrangement, except that under Canadian GAAP the distributions on the preferred securities have been reflected as non-controlling interest charges in determining the consolidated net income of TransCanada, and under both Canadian and U.S. GAAP the dividends on the preferred shares have been reflected as non-controlling interest charges in determining the consolidated net income of TransCanada.

2) 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.

3) In 2002, for U.S. GAAP purposes, TransCanada adopted the transitional provisions of FASB Emerging Issues Task Force (EITF) 02-3, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities" whereby the Company was netting all revenues and expenses related to derivative energy trading contracts. Prior to the adoption of EITF 02-3, energy trading contracts were measured at fair value determined as at the balance sheet date. The accounting change was applied retroactively with reclassification of prior periods. Effective January 1, 2003, the Company fully adopted EITF 02-3. This accounting change was effected through a cumulative adjustment of $(13) million, after tax, in the current year's income with no restatement of prior periods. Substantially all of the energy trading contracts are accounted for as hedges under Canadian GAAP. Subsequent to October 1, 2003, 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 2003 as differences between U.S. and Canadian GAAP relate to gains and losses on contracts that were not accounted for as hedges.

4) (a) 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.

(b) Under both Canadian GAAP and U.S. GAAP, interest is capitalized on expenditures relating to construction of development projects actively being prepared for their intended use. In Bruce Power L.P., under U.S. GAAP, the carrying value of development projects against which interest is capitalized is lower due to the expensing of pre-operating costs.

5) 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.

6) Other expenses included an allowance for funds used during construction of $2 million for the year ended December 31, 2003 (2002 - $4 million).

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

8) 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.

9) 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, the Company has recorded the fair value of the guarantees ($4 million) arising on the acquisition of the interest in Bruce Power L.P. as a liability and an increase in the cost of the investment.

10) Effective January 1, 2003, the Company adopted the provisions of SFAS No. 143 "Accounting for Asset Retirement Obligations", which addresses financial accounting and reporting for obligations associated with asset retirement costs. SFAS No. 143 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.

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 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 estimated fair value of the liability for the power plants and associated assets as at January 1, 2003 was $6 million. 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 December 31, 2003 was $7 million. The cumulative effect of the application of SFAS No. 143 on income with respect to the years ended December 31, 2001 and 2002 would have been less than $1 million. The Company has no legal liability for asset retirement obligations with respect to its investment in Bruce Power L.P. and the Sundance A and B power purchase arrangements.

11) 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.

12) Current liabilities at December 31, 2003 include dividends payable of $136 million (2002 - $125 million) and current taxes payable of $271 million (2002 - $150 million).

13) The fair value of the preferred securities at December 31, 2003 was $612 million (2002 - $743 million). The Company made preferred securities charges payments of $57 million for the year ended December 31, 2003 (2002 - $58 million).

14) 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.

15) Effective December 31, 2003, the Company adopted the provisions of FIN 46 "Consolidation of Variable Interest Entities". Adopting these provisions has had no impact on the U.S. GAAP financial statements of the Company.

STOCK-BASED COMPENSATION

Under the transition rules provided by SFAS No. 148 "Accounting for Stock-Based Compensation - Transition and Disclosure - an amendment of FASB Statement No. 123", the Company is expensing stock options granted in 2002 and 2003. The use of the fair value method of SFAS No. 123 "Accounting for Stock-Based Compensation" for previously issued options would have resulted in net income under U.S. GAAP of $836 million for the year ended December 31, 2003 (2002 - $749 million) and net income per share (basic) of $1.74 for the year ended December 31, 2003 (2002 - $1.56 per share).

SUMMARIZED FINANCIAL INFORMATION OF LONG-TERM INVESTMENTS(16)

Three months
ended Year
ended
December 31
December 31 -

-- (MILLIONS
OF DOLLARS)
2003 2002
2003 2002 - -

INCOME				
Revenues	257	210	1,063	798
Other costs and expenses	(157)	(77)	(528)	(273)
Depreciation	(28)	(40)	(141)	(146)
Financial charges and other	(19)	(28)	(53)	(112)
Proportionate share of income before income taxes of long-term investments	53	65	341	267

(MILLIONS OF DOLLARS)	December 31, 2003	December 31, 2002
BALANCE SHEET		
Current assets	385	246
Plant, property and equipment	2,944	3,251
Other assets (net)	-	112
Current liabilities	(204)	(216)
Deferred amounts (net)	(286)	-
Non-recourse debt	(1,060)	(1,646)
Deferred income taxes	(19)	(64)
Proportionate share of net assets of long-term investments	1,760	1,683

16) 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 January 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 January 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 December 31, 2003 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
January 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 December 31, 2003 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
January 26, 2004

EXHIBIT 8

[TRANSCANADA LOGO]

TRANSCANADA CORPORATION

Media Inquiries: Hejdi Feick/Anita Perry (403) 920-7877
Analyst Inquiries: David Moneta/Debbie Stein (403) 920-7911

N e w s R e l e a s e

TransCanada reports another year of strong performance; Board raises dividend

Quarterly dividend increased to $0.29 per share

CALGARY, Alberta - January 27, 2004 - (TSX: TRP) (NYSE: TRP)

FOURTH QUARTER AND YEAR-END 2003 FINANCIAL HIGHLIGHTS
(All financial figures are in Canadian dollars unless noted otherwise)

- TransCanada Corporation's Board of Directors today raised the quarterly dividend on the company's common shares from $0.27 per share to $0.29 per share, an increase of seven per cent, for the quarter ending March 31, 2004. This is the 161st consecutive quarterly dividend on TransCanada's common shares paid by TransCanada and its subsidiary. It is payable on April 30, 2004 to shareholders of record at the close of business on March 31, 2004.

- TransCanada's net income for the fourth quarter 2003 was $193 million or $0.40 per share, an increase of $13 million or $0.03 per share compared to $180 million or $0.37 per share for the fourth quarter 2002. This increase is primarily due to increased net earnings from the Power business.

- For the year ended December 31, 2003, TransCanada's net income was $851 million or $1.76 per share. This compares to $747 million or $1.56 per share for 2002. Included in 2003 was net income from discontinued operations of $50 million or $0.10 per share reflecting the third quarter 2003 income recognition of a portion of the initially deferred gain of approximately $100 million after tax relating to the 2001 disposition of the company's Gas Marketing business.

- Net income from continuing operations for the year ended December 31, 2003 was $801 million or $1.66 per share compared to $747 million or $1.56 per share in 2002. The increase of $54 million or $0.10 per share was primarily due to higher net earnings from the Power business and lower net expenses in the Corporate segment, partially offset by lower net earnings from the Gas Transmission business.

- Funds generated from continuing operations for the fourth quarter 2003, were $403 million, a decrease of $64 million compared to fourth quarter 2002. Funds generated from continuing operations for the year ended December 31, 2003 were $1,810 million, a decrease of $17 million compared to 2002.

"It's been a solid year for TransCanada," said Hal Kvisle, TransCanada's chief executive officer. "We've delivered healthy operating and financial performance, and our balance sheet remains strong. As a result of our increased earnings and the strength of our cash flow -- and recognizing the importance of the dividend to our shareholders -- the Board has increased the dividend on our common shares for the fourth consecutive year.

"Over the course of the year, we've invested more than $1.2 billion, including the assumption of debt, in our natural gas transmission and power businesses. This includes our purchase of a 31.6 per cent interest in Bruce Power, a low cost power producer in one of the highest demand markets in North America. We continued to grow our gas transmission business through the purchase of additional interests in the Foothills and Portland pipelines, and longer term, we remain focused on strengthening our ability to tap into new sources of natural gas supply. To that end, we made good progress on the development of new pipelines to connect northern gas and new receiving terminals to bring liquefied natural gas to North American markets.

"On the regulatory front, we're in for another busy year. The outcome of regulatory proceedings could have a significant impact on results from the

Alberta System and the Canadian Mainline in 2004. We were encouraged by the National Energy Board's July 2003 decision on our Mainline tolls application, but we remain concerned about the regulators' assessment of the level of business risk inherent in our Mainline and Alberta systems and the resulting low returns on equity and deemed equity thicknesses. We look forward to continuing the dialogue with regulators and our customers in 2004.

"Over the year ahead, we will continue to focus on our core strategies with the same emphasis on disciplined, prudent execution that has contributed to our success. We have a skilled, dedicated team of people at TransCanada, and it's as a result of their efforts that we've established a track record of strong performance over the past four years. We remain well-positioned to capture opportunities that create significant value for our shareholders over the long term," said Mr. Kvisle.

FOURTH QUARTER 2003 DEVELOPMENTS

NATURAL GAS TRANSMISSION

INCREASED INTEREST IN PORTLAND

On December 3, 2003, TransCanada increased its ownership interest in Portland Natural Gas Transmission System Partnership (Portland) from 43.4 per cent to 61.7 per cent. TransCanada acquired the additional interest from El Paso Corporation for US$82 million including US$50 million of assumed debt.

"The Portland pipeline is essentially an extension of our Mainline System into the Boston regional market," said Mr. Kvisle. "Our increased stake in Portland further bolsters our role as an energy supplier to the US Northeast."

WESTERN ALBERTA SYSTEM PIPELINE INCIDENTS

On December 1 and December 2, 2003 two natural gas pipeline failures occurred on TransCanada's Alberta System. TransCanada immediately activated its emergency response plan to isolate damaged sections of pipeline. No one was injured, and both sites were returned to operation within days. Deliveries of gas to local communities were not impacted as a result of either incident. Following preliminary investigations into the causes of the two pipeline failures, TransCanada found evidence of external corrosion on the pipeline.

"The findings from the investigation will be used to improve future integrity work," said Mr. Kvisle. "Safety of the public, employees and the environment is a top priority at TransCanada."

POWER

GRANDVIEW COGENERATION PROJECT

TransCanada began construction of the Grandview cogeneration facility in December 2003 following the announcement of an agreement between TransCanada and Grandview Cogeneration Corporation, an affiliate of Irving Oil Limited (Irving), in October to build the plant. The 90 megawatt (MW) natural gas-fired cogeneration power plant will be located on the site of the

Irving Oil Refinery in Saint John, New Brunswick. The plant is expected to be in-service by the end of 2004.

"The Grandview project is an excellent example of how TransCanada is growing its power business through new developments in niche markets, capitalizing on our expertise in fuel efficient cogeneration," said Mr. Kvisle.

BRUCE POWER RESTARTS

Bruce A Unit 4 began producing power to the Ontario power grid on October 7, 2003 and achieved commercial production effective November 1, 2003. Bruce A Unit 3 was synchronized to the grid on January 8, 2004. Similar to the Unit 4 startup process, after performing and evaluating tests of the shutdown system, Unit 3 is expected to reconnect to the grid and begin ramping up to full power. Units 3 and 4 together will have a capacity of 1,500 MW of electricity bringing Bruce Power's total capacity to approximately 4,660 MW.

"The Bruce facility is a high quality asset . The restarts of Bruce A Units 3 and 4 took a tremendous amount of work and we applaud the Bruce team on their efforts related to this complex project," said Mr. Kvisle. "Bruce made a significant contribution to TransCanada's earnings in 2003, and we're very pleased with its performance to date."

REGULATORY DEVELOPMENTS

ALBERTA SYSTEM

In December 2003, the Alberta Energy and Utilities Board (EUB) approved TransCanada's November 28, 2003 application for interim tolls for 2004 on the Alberta System. Tolls will be finalized when decisions from the Generic Cost of Capital (GCOC) hearing and the hearings on both phases of the General Rate Application (GRA) have been received.

In the GCOC application, filed in July 2003, TransCanada has requested a return on equity of 11 per cent with a deemed common equity of 40 per cent. 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. Oral testimony in the hearing concluded January 16, 2004.

In the first phase of its 2004 GRA, TransCanada has applied for an increase in the composite depreciation rate of 4.13 per cent compared to the current depreciation rate of 4.00 per cent. The GRA Phase I hearing is scheduled to begin April 1, 2004. The

Phase II hearing, dealing primarily with rate design and services, is set to commence June 1, 2004.

CANADIAN MAINLINE

In July 2003, the National Energy Board (NEB) issued its decision on TransCanada's 2003 Mainline Tolls Application. In this decision, the NEB approved all key components of the application. The rates included in this decision are still considered interim pending the disposition of TransCanada's appeal to the Federal Court of Appeal regarding the NEB's Review and Variance (RH-R-1-2002) decision.

The Federal Court of Appeal is expected to hear TransCanada's appeal of the NEB's Review and Variance decision commencing February 16, 2004.

The company's 2004 Tolls and Tariff Application for the Canadian Mainline was filed January 26, 2004 and includes a request for an 11 per cent return on a 40 per cent deemed common equity component.

TELECONFERENCE - 1:00 P.M. (MOUNTAIN) / 3:00 P.M. (EASTERN)

TransCanada will hold a teleconference today at 1:00 p.m. (Mountain) / 3:00 p.m. (Eastern) to discuss the fourth quarter 2003 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 1-800-273-9672 or 416-695-5806 (Toronto area) at least 10 minutes prior to the start of the call. No pass code is required. A replay of the teleconference will be available two hours after the conclusion of the call until midnight, February 3 by dialing 1-800-408-3053 or 416-695-5800 (Toronto area) and entering pass code 1520354.

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 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.

FOURTH QUARTER 2003 FINANCIAL HIGHLIGHTS

(unaudited)

OPERATING RESULTS	Three months ended December 31		Year ended December 31	
(millions of dollars)	2003	2002	2003	2002
REVENUES	1,319	1,338	5,357	5,214
NET INCOME				
Continuing operations	193	180	801	747
Discontinued operations	-	-	50	-
	193	180	851	747
CASH FLOWS				
Funds generated from continuing operations	403	467	1,810	1,827
Capital expenditures	127	202	391	599
Acquisitions, net of cash acquired	23	209	570	228

	Three months ended December 31		Year ended December 31	
COMMON SHARE STATISTICS	2003	2002	2003	2002
NET INCOME PER SHARE - BASIC				
Continuing operations	$0.40	$0.37	$1.66	$1.56
Discontinued operations	-	-	0.10	-

$0.40 $0.37
$1.76 $1.56
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DIVIDENDS PER
SHARE $0.27
$0.25 $1.08
$1.00 COMMON
SHARES
OUTSTANDING
(millions)
Average for the
period 482.8
479.3 481.5
478.3 End of
period 483.2
479.5 483.2
479.5 - -------

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