
As filed with the Securities and Exchange Commission on May 15, 2003

File No. 333-9130

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1 TO
FORM S-8

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TRANSCANADA CORPORATION
(Exact name of registrant as specified in its charter)

CANADA
(State or other jurisdiction
of incorporation or organization)

NOT APPLICABLE
(I.R.S. Employer Identification No.)

450 - 1ST STREET S.W.
CALGARY, ALBERTA, T2P 5H1, CANADA
(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

TRANSCANADA STOCK OPTION PLAN
(Full title of the plan)

TRANSCANADA POWER MARKETING LTD.
110 TURNPIKE ROAD, SUITE 203
WESTBOROUGH, MASSACHUSETTS 01581
(Name and address of agent for service)

(508) 871-1855
(Telephone number, including area code, of agent for service)

EXPLANATORY NOTE

This Post-Effective Amendment No. 1 to Registration Statement on Form S-8 (No. 333-9130) is being filed pursuant to Rule 414 under the Securities Act of 1933, as amended (the "Securities Act"), to reflect the completion by TransCanada PipeLines Limited, a Canadian public company ("TransCanada PipeLines"), of an arrangement pursuant to a statutory reorganization (the "Arrangement") through which TransCanada PipeLines became a wholly owned subsidiary of TransCanada Corporation, a Canadian public company (the "Registrant"). The Arrangement was effected pursuant to Articles of Arrangement that were filed with the director appointed pursuant to Section 260 of the Canada Business Corporations Act. The shareholders of TransCanada PipeLines approved the Arrangement at a special meeting of shareholders that was held on April 25, 2003. By virtue of the Arrangement, each issued and outstanding common share (and related right under the shareholder rights plan) of TransCanada PipeLines was exchanged for one common share (and related right under the shareholder rights plan) of the Registrant and each new common share of the Registrant was issued in a transaction exempt from registration under Section 3(a)(10) of the Securities Act of 1933, as amended. As a result, each holder of common shares of TransCanada PipeLines became the owner of common shares of the Registrant.

In accordance with paragraph (d) of Rule 414 under the Securities Act, the Registrant expressly adopts this registration statement as its own registration statement for all purposes of the Securities Act and the Securities Exchange Act of 1934, as amended. The applicable registration fees were paid at the time of the original filing of this registration statement.

PART II

INFORMATION REQUIRED IN REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The following documents, filed with the Securities and Exchange Commission by the Registrant with the Securities and Exchange Commission or assumed by the Registrant as the successor issuer to TransCanada PipeLines, are incorporated in this Registration Statement by reference and shall be deemed to be a part hereof:

- (a) Annual Report on Form 40-F for the year ended December 31, 2002 filed by TransCanada PipeLines;
- (b) The following documents filed as exhibits to the Form 6-K report filed on April 28, 2003 by TransCanada PipeLines:
 - (i) Management's Discussion and Analysis of Financial Condition and Results of Operations of the Registrant as at and for the period ended March 31, 2003;
 - (ii) Consolidated comparative interim unaudited financial statements of the Registrant for the period ended March 31, 2003; and
 - (iii) U.S. GAAP reconciliation of the consolidated comparative interim unaudited financial statements of the Registrant;
- (c) Form 6-K report filed on May 15, 2003 by the Registrant to report the completion of the Arrangement and the Registrant's succession to TransCanada PipeLines; and
- (d) The description of the Registrant's common stock contained in the Management Proxy Circular of TransCanada PipeLines dated February 25, 2003 (filed as part of a Form 6-K report filed on March 26, 2003).

All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated herein by reference and shall be deemed a part hereof from the date of filing of such documents.

ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

The validity of the common shares registered hereunder will be passed upon for the Registrant by Albrecht W.A. Bellstedt, Executive Vice-President, Law and General Counsel of the Registrant. As of May 15, 2003, Mr. Bellstedt beneficially owned 11,577 common shares of the Registrant and held exercisable options to purchase 209,375 common shares of the Registrant.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 124 of the Canada Business Corporation Act ("CBCA") and Section 6 of the Registrant's By-Law No. 1 provide for the indemnification of directors and officers of the Registrant. Under these provisions, the Registrant shall indemnify a director or officer of the Registrant, a former director or officer, or a person who acts or acted at the Registrant's request as a director or officer of a body corporate of which the Registrant is or was a

shareholder or creditor and his heirs or legal representatives (collectively, an "Indemnified Person") against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the Indemnified Person in respect of any civil, criminal or administrative action or proceeding (other than in respect to an action by or on behalf of the Registrant to procure a judgment in its favor) to which the Indemnified Person is made a party by reason of being or having been a director or officer of the Registrant or such body corporate, if the Indemnified Person fulfills the following two conditions: (a) he or she acted honestly and in good faith with a view to the best interests of the Registrant and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful. In respect of an action by or on behalf of the Registrant to procure a judgment in its favor, the Registrant, with the approval of a court, may indemnify an Indemnified Person against all costs, charges and expenses reasonably incurred by him or her in connection with such action if he or she fulfills the conditions set out in clauses (a) and (b) of the previous sentence. Notwithstanding the foregoing, an Indemnified Person is entitled to indemnification from the Registrant in respect of all costs, charges and expenses reasonably incurred by him or her in connection with the defense of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of his or her position with the Registrant if he or she was substantially successful on the merits in his or her defense of the action or proceeding and if he or she fulfills the conditions in clauses (a) and (b) of this paragraph.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The Registrant maintains directors' and officers' liability insurance with policy limits of U.S. \$175 million in the aggregate, subject to a deductible in respect of corporate reimbursement of U.S. \$250,000 for each loss. Generally, under this insurance the Registrant is reimbursed for payments made under corporate indemnity provisions on behalf of its directors and officers, and individual directors and officers (or their heirs and legal representatives) are reimbursed for losses arising during the performance of their duties for which they are not indemnified by the Registrant. Major exclusions from coverage include claims arising from illegal acts, those acts which result in illegal personal profit, violation of any fiduciary duty under the United States of America Employee Retirement Income Security Act of 1974, pollution damage (except for resultant shareholder actions) and claims brought by a director or officer against the Registrant, or another director or officer or by the Registrant against a director or officer except for shareholder derivative actions.

The foregoing is a description of the provisions of Section 124 of the CBCA and the Registrant's By-Law No. 1 regarding indemnification of directors and officers of the Registrant and the Registrant's directors' and officers' liability insurance in effect as of May 15, 2003 under a policy held by TransCanada PipeLines dated as of October 1, 2002.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable.

ITEM 8. EXHIBITS.

See Index to Exhibits which is incorporated herein by reference.

ITEM 9. UNDERTAKINGS.

A. Rule 415 Offering

The Registrant hereby undertakes:

- (1) To file, during any period in which offers and sales are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

PROVIDED, HOWEVER, that paragraphs (1)(i) and (1)(ii) do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. Filings Incorporating Subsequent Exchange Act Documents by Reference

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Indemnification of Officers and Directors

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions referred to under Item 6, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such

indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Post-Effective Amendment No. 1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Calgary, Province of Alberta, Country of Canada, on the 15th day of May, 2003.

TRANSCANADA CORPORATION

By: /s/ Harold N. Kvisle

Harold N. Kvisle
PRESIDENT AND CHIEF EXECUTIVE OFFICER
AND DIRECTOR

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints each of Harold N. Kvisle, Russell K. Girling and Rhondda E.S. Grant his or her true and lawful attorney-in-fact and agent, each acting alone, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing appropriate or necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

This Power and Attorney may be executed in multiple counterparts, each of which shall be deemed an original, but which taken together shall constitute one instrument.

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 1 has been signed below by the following persons in the capacities indicated on May 15th, 2003.

SIGNATURE	TITLE
-----	-----
/s/ Harold N. Kvisle ----- Harold N. Kvisle	President and Chief Executive Officer (Principal Executive Officer) and Director
/s/ Russell K. Girling ----- Russell K. Girling	Executive Vice-President and Chief Financial Officer (Principal Financial Officer)
/s/ Lee G. Hobbs ----- Lee G. Hobbs	Vice-President and Controller (Principal Accounting Officer)
/s/ Douglas D. Baldwin ----- Douglas D. Baldwin	Director

SIGNATURE

TITLE

/s/ Wendy Dobson

Wendy Dobson

Director

The Hon. Paule Gauthier,
P.C., O.C., O.Q. Q.C.

Director

Richard F. Haskayne

Director

/s/ Kerry L. Hawkins

Kerry L. Hawkins

Director

/s/ S. Barry Jackson

S. Barry Jackson

Director

/s/ David P. O'Brien

David P. O'Brien

Director

/s/ James R. Paul

James R. Paul

Director

/s/ Harry G. Schaefer

Harry G. Schaefer

Director

W. Thomas Stephens

Director

Joseph D. Thompson

Director

AUTHORIZED REPRESENTATIVE

Pursuant to the requirements of Section 6(a) of the Securities Act of 1933, the undersigned has duly signed this Post-Effective Amendment No. 1, solely in the capacity of the duly authorized representative of TransCanada Corporation in the United States, on May 15, 2003.

TRANSCANADA POWER MARKETING LTD.

By: /s/ Rhondda E.S. Grant

Rhondda E.S. Grant
SECRETARY

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----
4.1	Certificate and Articles of Incorporation of the Registrant (incorporated by reference from Exhibit 3.1 to the Registrant's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on May 14, 2003)
4.2	By-law No. 1 of the Registrant (incorporated by reference from Exhibit 3.2 to the Registrant's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on May 14, 2003)
4.3	TransCanada Stock Option Plan
4.4	Shareholder Rights Plan, dated as of April 24, 2003, by and between the Registrant and Computershare Trust Company of Canada, including the form of rights certificate (incorporated by reference from Exhibit 4.1 to the Registrant's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on May 14, 2003)
5.1	Opinion of Albrecht W.A. Bellstedt
23.1	Consent of KPMG LLP
23.2	Consent of Albrecht W.A. Bellstedt (included in Exhibit 5.1)
24.1	Power of attorney (included on pages III-1 and III-2 of the Registration Statement).

TRANSCANADA CORPORATION

STOCK OPTION PLAN

MAY 15, 2003

1. PURPOSE

1.1 The purpose of the Plan is to provide the Corporation and its subsidiaries with a share-related mechanism to attract, retain and motivate skilled and experienced employees and to reward such of those key employees as may be awarded Options under the Plan by the Committee from time to time for their significant contributions toward the long term goals of the Corporation and its subsidiaries and to encourage such key employees to acquire Shares as long term investments.

2. DEFINITIONS

2.1 As used herein:

- a) "AWARD DATE" means the date on which a particular Option is awarded to an Employee;
- b) "BOARD" means the board of directors of TransCanada Corporation;
- c) "COMMITTEE" means the Human Resources Committee or such other committee of the Board as may from time to time be designated by the Board to administer the Plan; provided that such committee shall consist of three or more persons who are not at the time they exercise discretion under the Plan eligible, and have not at any time within one year prior thereto been eligible, pursuant to the Plan or any similar plan of the Corporation and its subsidiaries entitling the participants therein, to acquire Shares of the Corporation;
- d) "CORPORATION" means TransCanada Corporation and any successor or continuing body corporate resulting from the amalgamation or any other form of corporate reorganization of TransCanada Corporation;
- e) "EFFECTIVE DATE" means May 15, 2003;
- f) "EMPLOYEE" means a key employee of the Corporation and its subsidiaries as designated at the discretion of the Committee. A company or other entity shall be deemed to be a subsidiary of TransCanada Corporation if a sufficient number of voting securities of the company or entity entitling the holder thereof to elect a

majority of the board of directors of such company or entity are owned by: i) the Corporation, ii) a company or entity that is a subsidiary of the Corporation, or iii) a company or entity which is directly or indirectly a subsidiary of any company or entity referred to in (i) or (ii). An Employee may include a person about to be employed by the Corporation or any of its subsidiaries, provided that an award of an Option to any such person shall be conditional upon employment with the Corporation or any of its subsidiaries becoming effective;

- g) "EXERCISE PERIOD" means the period during which Shares subject to a particular Option may be purchased pursuant to the exercise of such Option and is the period from the various Vesting Dates to and including the Expiry Date applicable to such Option;
- h) "EXERCISE PRICE" means the price at which Shares subject to a particular Option may be purchased pursuant to the exercise of such Option as determined in accordance with paragraph 8.1;
- i) "EXPIRY DATE" means the date after which a particular Option cannot be exercised as determined in accordance with paragraph 7.1;
- j) "OPTION" means an option to acquire Shares awarded to an Employee pursuant to the Plan;
- k) "NOTICE PERIOD" means the actual or equivalent period of time that the Corporation or any of its subsidiaries determines, at its sole discretion, an Option Holder should receive as reasonable notice of his or her termination of employment. Such reasonable period of time shall commence on the date the employee is notified in writing of his or her termination of employment and shall extend to such date or for such equivalent period of time as provided by the Corporation or any of its subsidiaries in the written notification;
- l) "OPTION HOLDER" means an Employee or former Employee who holds an unexpired Option which has not been exercised in full or, where applicable, the Personal Representative of such person;
- m) "PERSONAL REPRESENTATIVE" means:
 - i) in the case of a deceased Option Holder, the executor, administrator or legal representative of the estate of the deceased; and
 - ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;
- n) "PLAN" means the Key Employee Stock Incentive Plan (1995) of TransCanada PipeLines Limited ('TCPL') as established by resolution of the board of directors of TCPL dated February 23, 1995, and as amended from time to time, and as adopted by the board of directors of TCPL as part of a Plan of Arrangement

between TCPL and TransCanada Corporation and as adopted by the Board of TransCanada Corporation by resolution dated May 15, 2003;

- o) "RETIREMENT" means, with respect to any particular employee, the earlier of: i) the date on which such employee becomes entitled to receive an early retirement pension under the pension plan of the Corporation or any of its subsidiaries, ii) the date on which such employee becomes entitled to receive a regular retirement pension or a disability pension under the pension plan of the Corporation or any of its subsidiaries, and iii) the first day of the month following the month in which such employee attains age 65;
- p) "SHARE" or "SHARES" mean, as the case may be, one or more common shares in the capital of the Corporation;
- q) "SHAREHOLDER RIGHTS PLAN" means the Shareholder Rights Plan Agreement dated May 15, 2003, as may be amended from time to time, between the Corporation and Computershare Trust Company of Canada and as adopted by the board of directors of TCPL as part of a Plan of Arrangement between TCPL and TransCanada Corporation and as adopted by resolution of the Board on May 15, 2003; and
- r) "VESTING DATES" means the dates on and after which all or a certain number of Shares subject to a particular Option may be purchased pursuant to the exercise of such Option as determined in accordance with paragraph 7.1.

3. ADMINISTRATION

3.1 The Plan shall be administered by the Committee. The Committee may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Committee may delegate to any director, officer or employee of the Corporation or any of its subsidiaries such administrative duties and powers relating to the Plan as it may see fit.

3.2 The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant to the Plan shall be final and conclusive and shall not be subject to any dispute by an Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Corporation.

3.3 The powers of the Committee under this Plan may be exercised severally by either the Committee or the Board.

4. ELIGIBILITY

4.1 Persons eligible to participate in the Plan shall be Employees designated by the Committee.

4.2 No Option Holder is eligible to be awarded any further Options or the value of Options foregone after his or her last day of active employment.

5. SHARES SUBJECT TO PLAN AND TERM OF PLAN

5.1 The aggregate number of Shares that may be issued after May 19, 1998 pursuant to the exercise of Options awarded under the Plan after the Effective Date shall not exceed 25,000,000 Shares subject to adjustment as provided for in paragraph 11.1. Options may only be awarded under the Plan until December 31, 2004 (subject to earlier termination of the Plan). If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares subject to the unexercised portion of the Option shall again be available for purposes of the Plan.

5.2 The Shares to be issued to Option Holders upon the exercise of Options shall be from the authorized and unissued share capital of the Corporation.

6. AWARDING OF OPTIONS

6.1 The Committee may from time to time, in its sole discretion, award Options to Employees eligible to participate in the Plan and determine the number of Shares subject to each such Option; provided that, in accordance with the rules of The Toronto Stock Exchange, the number of Shares that may be reserved for issuance pursuant to Options awarded to any one person shall not exceed 5% of the total number of Shares outstanding.

6.2 Following the awarding of an Option to an Employee, the President and Chief Executive Officer shall, on instruction by the Committee, notify the Employee in writing of the award.

6.3 The Employee, concurrently with the notice of such Employee's first award of an Option and from time to time as may be required, shall be provided with two copies of a stock option agreement and the Employee shall, within 10 days of receipt thereof, execute one copy and return it as directed by the Committee.

6.4 Upon the awarding of an Option to an Employee, the Award Date, the number of Shares subject to the Option and the Exercise Price of the Option shall be endorsed upon Schedule A to such Employee's stock option agreement.

6.5 Subject to the provisions of the Plan, the Committee or the President and Chief Executive Officer of the Corporation may from time to time approve such amendments as the Committee or the President and Chief Executive Officer may consider expedient to stock option agreements entered into between the Corporation and an Employee and to authorize the execution and delivery of any agreement necessary to give effect to such amendments.

6.6 The award of an Option to an Employee at any time shall neither entitle such Employee to receive, nor preclude such Employee from receiving, a subsequent Option award. The Plan does not give any Option Holder the right to be or to continue to be employed by the Corporation or any of its subsidiaries. The awarding of an Option to an Employee is a matter to be determined solely in the discretion of the Committee. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Committee or the Board with regard to the allotment or issue of any shares in the capital of the Corporation other than as specifically provided for in the Plan.

7. VESTING DATES AND EXPIRY OF OPTIONS

7.1 Subject to paragraph 7.2 and 7.3:

- a) The Vesting Dates of an Option shall be the dates so fixed by the Committee at the time of the award of the Option and unless otherwise fixed by the Committee, the Option shall vest 25% on the Award Date and 25% of the Options shall vest on those dates which are one, two and three years following the Award Date and effective on each such Vesting Date the Option Holder may within the Exercise Period exercise such Options which have vested at the Exercise Price;
- b) The Expiry Date of Options shall be the date, so fixed by the Committee at the time of the award of the Options and shall, unless otherwise fixed by the Committee, be no later than the tenth anniversary of the Award Date of such Options.

7.2 Notwithstanding paragraph 7.1 for Options granted PRIOR to December 31, 2002:

- a) On the death of an Option Holder while an Employee or upon Retirement, the Vesting Dates of any Option then held by such Option Holder which are later than the date of such death or Retirement shall be deemed to be the date of such death or Retirement, as the case may be;
- b) On the termination of employment of an Option Holder on a not for cause basis by the Corporation or any of its subsidiaries, the Vesting Date of any Option then held by such Option Holder shall continue as provided in paragraph 7.1(a) above during such Option Holder's Notice Period if applicable; and the Expiry Date of each Option then held by such Option Holder shall be deemed to be the earlier of: i) the Expiry Date fixed by the Committee at the time of the award of the Option, and ii) the end of the Notice Period for such Option Holder;
- c) On the termination of employment of an Option Holder for other than a not for cause basis by the Company, the Expiry Date of each Option then held by such Option Holder shall be deemed to be the earlier of: i) the Expiry Date fixed by the Committee at the time of the award of the Option, and ii) the date which is one month following the effective date of such termination of employment; and

- d) On the termination of employment of an Option Holder other than on death, upon Retirement or by the Corporation, the Expiry Date of each Option then held by such Option Holder shall be deemed to be the earlier of: i) the Expiry Date fixed by the Committee at the time of the award of the Option, and ii) the date which is six months following the effective date of such termination.

7.3 Notwithstanding paragraph 7.1 and 7.2 for Options granted AFTER January 1, 2003:

- a) On the death of an Option Holder while an Employee, the Vesting Dates of any Option then held by such Option Holder which are later than the date of such death shall be deemed to be the date of such death, and the Expiry Date of each Option held by such Option Holder shall be the earlier of i) the Expiry Date fixed by the Committee at the time of the award of the Option, and ii) the date which is one (1) year from the date of such death;
- b) Upon an Option Holder's Retirement, the Vesting Dates of any Option then held by such Option Holder which are later than the date of such Retirement shall be deemed to be the date of such death or Retirement, and the Expiry Date of each Option then held by such Option Holder shall be the earlier of i) the Expiry Date fixed by the Committee at the time of the award of the Option and ii) the date which is three (3) years from the date of such retirement;
- c) On the termination of employment of an Option Holder on a not for cause basis, by the Corporation, the Vesting Date of any Option then held by such Option Holder shall continue as provided in paragraph 7.1(a) above during such Option Holder's Notice Period if applicable, and the Expiry Date of each Option then held by such Option Holder shall be the earlier of: i) the Expiry Date fixed by the Committee at the time of the award of the Option, and ii) the end of the Notice Period for such Option Holder;
- d) On the termination of employment of an Option Holder for other than on a not for cause basis, by the Corporation, the Expiry Date of each Option then held by such Option Holder shall be the effective date of such Option Holder's date of termination of employment; and
- e) On the voluntary resignation of an Option Holder, the Expiry Date of each Option then held by such Option Holder shall be the effective date of the Option Holder's date of resignation from the Corporation.

7.4 The Committee may at any time or from time to time, with the agreement of an Option Holder, (and subject to obtaining any necessary regulatory approvals), accelerate or extend any Vesting Date and/or the Expiry Date of any Options held by such Option Holder if the Committee, in its sole discretion, determines that in all the circumstances, such action is warranted and provided that the Expiry Date of any Option shall not be extended beyond the tenth anniversary of the Award Date of such Option.

7.5 Any Option not fully exercised within the Exercise Period shall terminate and become null, void and of no effect as of the day following the Expiry Date.

8. EXERCISE PRICE

8.1 The Exercise Price of an Option shall be determined by the Committee at the time the particular Option is awarded but shall, in any event, be the higher of the trading price of the Shares of the Corporation on the Award Date of the Option and the amount equal to the weighted average trading price of the Shares of the Corporation for the five consecutive trading days on The Toronto Stock Exchange ending on the trading day immediately preceding the Award Date of the Option.

9. EXERCISE OF OPTIONS

9.1 An Option may only be exercised by the Option Holder. An Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period applicable thereto, provided that, with respect to the exercise of an Option in part, the Committee may at any time and from time to time fix a minimum number of Shares in respect of which an Option Holder may exercise such Option in part. Upon exercise of an Option, a certified cheque or bank draft payable to the Corporation in an amount equal to the Exercise Price of the Option multiplied by the number of Shares to be purchased pursuant to the exercise of the Option shall be delivered by the Option Holder to the administrator of the Plan.

9.2 Promptly following the receipt of the certified cheque or bank draft upon exercise of an Option in whole or in part, the Committee shall cause to be delivered to the Option Holder a certificate for the Shares purchased upon such exercise.

9.3 For the purposes of this section, "Option Holder" includes Personal Representative, where applicable.

10. ASSIGNMENT OF OPTIONS

10.1 Options may not be assigned or transferred. However, the Personal Representative of an Option Holder may exercise the Option within the Exercise Period in accordance with, and to the extent permitted by, paragraph 9.1.

11. ADJUSTMENTS

11.1 If prior to the complete exercise of any Option a stock dividend, other than in lieu of a cash dividend in the ordinary course, is paid on the Shares or if the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for (collectively, the "Event"), an Option Holder, upon the exercise of an Option in accordance with its terms, shall be entitled to such number and kind of shares, other securities or property to which such Option Holder would have been entitled as a result of the Event had such Option Holder actually owned

the Shares subject to the unexercised portion of the Option at the time of the occurrence of the Event, and the Exercise Price of the Option shall be the same as if the originally optioned Shares of the Corporation were being purchased hereunder. No fractional Shares shall be issued upon the exercise of Options and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded. Upon the occurrence of the Event, the number of Shares authorized by the Board for purposes of the Plan as referred to in Paragraph 5.1 shall be appropriately adjusted.

11.2 If prior to the complete exercise of any Option a Flip-in Event (as defined in the Shareholder Rights Plan) should occur and the Rights (as defined in the Shareholder Rights Plan) issued thereunder are separated from the Shares and are exercisable on a dilutive basis (unless the Option Holder is a person whose Rights would be voided as a holder of Rights under the Shareholder Rights Plan, in which event no adjustment shall be made to the number of Shares under the Option or the Exercise Price), the Committee shall make appropriate adjustments in the number of Shares under the Option and in the Exercise Price.

11.3 In the case of a proposed merger or amalgamation of the Corporation with one or more other companies, an offer by any person to purchase all or substantially all of the outstanding Shares of the Corporation, a sale or distribution of all or substantially all of the Corporation's assets to any other person or any arrangement or corporate reorganization not otherwise provided for herein, the Committee shall, in a fair and equitable manner, determine the manner in which all unexercised Options granted under the Plan shall be treated.

12. SPECIAL PROVISIONS APPLICABLE TO INCENTIVE STOCK OPTIONS

12.1 Notwithstanding any provisions of the Plan to the contrary, the Committee is authorized to award Options to Employees which constitute "incentive stock options" within the meaning of Section 422 of the UNITED STATES INTERNAL REVENUE CODE OF 1986, as amended.

13. COMPLIANCE WITH LAW

13.1 The awarding of Options and the issuance of Shares on the exercise of Options, the determination of Vesting Dates and Expiry Dates and the terms and conditions of the Plan and Options awarded pursuant thereto is subject to compliance with the laws, rules and regulations of all public agencies and authorities applicable to the Plan and the creation, issuance and distribution of such Options and Shares and to the listing requirements of any stock exchange or exchanges on which the Shares may be listed. An Option Holder shall comply with all such laws, rules and regulations and furnish to the Corporation any information, report and/or undertakings required to comply with, and to fully cooperate with the Corporation in complying with, such laws, rules and regulations.

14. CHOICE OF LAW

14.1 The Plan shall be interpreted and construed in accordance with the laws in effect in the Province of Alberta.

15. AMENDMENT

15.1 The Committee may amend or discontinue the Plan at any time, provided, however, that any amendment to the Plan, which increases the number of Shares that may be issued under the Plan, must be approved by the shareholders of the Corporation. No amendment, however, shall alter or impair the rights of any Option Holder without the consent of such Option Holder.

May 15, 2003

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

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

tel 403.920.7770
fax 403.920.2410
email
al_bellstedt@transcanada.com

Ladies and Gentlemen:

I am Executive Vice-President, Law and General Counsel of TransCanada Corporation, a corporation organized under the laws of Canada (the "Corporation"). This legal opinion is being rendered in connection with Post-Effective Amendment No. 1 to the Registration Statement on Form S-8 (File No. 333-9130) (the "Registration Statement"), to be filed with the Securities and Exchange Commission (the "Commission") in connection with the registration under the Securities Act of 1933, as amended (the "Securities Act"), of common shares of the Corporation (the "Common Shares") to be issued pursuant to the TransCanada Stock Option Plan (the "Plan"). The Corporation is making such filing as successor issuer to TransCanada PipeLines Limited, a corporation organized under the laws of Canada, pursuant to Rule 414 under the Securities Act.

I have examined originals or copies, certified or otherwise identified to my satisfaction, of such public and corporate records, certificates, instruments and other documents and have considered such questions of law as I have deemed necessary or appropriate to enable me to render the opinion hereinafter expressed. In such examination I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals and the conformity to original documents of all documents submitted to me as copies, certified or otherwise.

The opinion hereinafter expressed is limited to matters governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

Based and relying upon the foregoing, I am of the opinion that the Common Shares, when issued in accordance with the terms of the Plan, shall be validly issued, fully paid and non-assessable.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Yours truly,

/s/ Albrecht W. A. Bellstedt

ALBRECHT W. A. BELLSTEDT
EXECUTIVE VICE-PRESIDENT, LAW
AND GENERAL COUNSEL

ACCOUNTANTS' CONSENT

To: TransCanada Corporation

We consent to incorporation by reference in the Post-Effective Amendment No. 3 to Registration Statement (No. 33-00958) on Form S-8 dated May 15, 2003, the Post-Effective Amendment No. 1 to Registration Statement (No. 333-5916) on Form S-8 dated May 15, 2003, the Post-Effective Amendment No. 1 to Registration Statement (No. 333-8470) on Form S-8 dated May 15, 2003, and the Post-Effective Amendment No. 1 to Registration Statement (No. 333-9130) on Form S-8 dated May 15, 2003, of our report dated February 25, 2003 relating to the consolidated balance sheets of TransCanada PipeLines Limited and subsidiaries as at December 31, 2002 and 2001 and the related statements of consolidated income, retained earnings, and cash flows for each of the years in the three-year period ended December 31, 2002 which report is attached to Form 40-F of TransCanada PipeLines Limited for the fiscal year ended December 31, 2002.

/s/ KPMG LLP

Chartered Accountants

Calgary, Canada
May 15, 2003