

December 17, 2009

British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
New Brunswick Securities Commission  
Superintendent of Securities, Prince Edward Island  
Nova Scotia Securities Commission  
Securities Commission of Newfoundland and Labrador  
Superintendent of Securities, Yukon Territory  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Nunavut

c/o John Stevenson, Secretary  
Ontario Securities Commission  
via e-mail to: [jstevenson@osc.gov.on.ca](mailto:jstevenson@osc.gov.on.ca)

c/o Anne-Marie Beaudoin, Secrétaire  
Autorité des marchés financiers  
via e-mail to: [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

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**Re: Proposed National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* and Companion Policy 52-107CP *Acceptable Accounting Principles and Auditing Standards* and Proposed Amendments to National Instrument 14-101 *Definitions***

Dear Sirs and Mesdames:

In response to the Notice and Request for Comments dated September 25, 2009 of the Canadian Securities Administrators (the "CSA") and relating to the Proposed National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* and Companion Policy 52-107CP *Acceptable Accounting Principles and Auditing Standards* and Proposed Amendments to National Instrument 14-101 *Definitions* (collectively referred to herein as the "Proposed Materials"), we are pleased to provide the following comments.

TransCanada Corporations ("TransCanada") is a leader in the responsible development and reliable operation of North American energy infrastructure, including natural gas pipelines, power generation, gas storage facilities and projects related to oil pipelines and power facilities.

TransCanada is supportive of the Proposed Materials. Our responses to the questions raised in the Notice and Request for Comments are set out below.

**Question 1**

Do you agree with the proposal of jurisdictions other than Ontario that acquisition statements should be permitted to be prepared in accordance with Canadian GAAP for private enterprises where the specified conditions are met in accordance with paragraph 3.11(1)(f)? Please give reasons for your response.

*Response to Question 1*

TransCanada agrees with the proposal of jurisdictions other than Ontario that acquisition statements should be permitted to be prepared in accordance with Canadian GAAP for private enterprises where the specified conditions are met in accordance with paragraph 3.11(1)(f). We believe that pro forma financial statements, prepared in accordance with IFRS, and audited acquisition financial statements, prepared in accordance with Canadian GAAP applicable to private enterprises subject to certain conditions, would produce sufficiently comprehensive financial information for making investment decisions. Accordingly, we feel that the effort and cost required to produce audited IFRS financial statements for the acquired private enterprise does not appear to be justified and contains little additional benefit to financial statement users.

**Question 2**

Do you agree with Ontario's proposal that acquisition statements should be permitted to be prepared only in accordance with a set of accounting principles specified in paragraphs 3.11(1)(a) to (e)? Please give reasons for your response.

*Response to Question 2*

TransCanada does not agree with Ontario's proposal that acquisition statements should be permitted to be prepared only in accordance with a set of accounting principles specified in paragraphs 3.11(1)(a) to (e) for reasons outlined above in question 1.

Additionally, we do not consider Ontario's proposal to be reasonable with respect to the filing deadline, which remains unchanged at 75 days, despite the potentially significant nature and extent of differences between Canadian GAAP for private enterprises and IFRS, the additional disclosure requirements under IFRS and the related audit work. Ontario's proposal may also act as a deterrent for merger and acquisition activity for certain issuers.

**Question 3**

Do you think that any other options would better balance the cost and time for issuers to provide acquisition statements and the needs of investors to make investment decisions? For example, one option identified by Ontario would be to permit acquisition statements to be prepared in accordance with Canadian GAAP applicable to private enterprises where they are accompanied by an audited reconciliation quantifying and explaining material differences from Canadian GAAP applicable to private enterprises to IFRS and providing material IFRS disclosures. Please give reasons for your response.

*Response to Question 3*

TransCanada believes the proposal of jurisdictions other than Ontario best balances the cost and time for issuers to provide acquisition statements and the needs of investors to make investment decisions. TransCanada feels that the alternative option identified by Ontario and reflected in question 3, would result in substantially the same level of cost and time for issuers as preparing audited financial statements.

TransCanada hopes its comments will be useful to the CSA in their deliberations. If you have any questions or would like to discuss any of these matters, please do not hesitate to contact us.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Glenn Menuz', with a long horizontal stroke extending to the right.

Glenn Menuz, C.A.  
TransCanada Corporation  
Vice-President and Controller