

ORIGINAL

U.S. Case No. DC 11-250

Exhibit No. #107

By Michael E. Hackey

DO NOT REMOVE FROM FILE

FINAL TRANSCRIPT

Thomson StreetEventsSM

TRP - Q1 2009 TransCanada Corporation Earnings Conference Call

Event Date/Time: May. 01. 2009 / 3:00PM ET

THOMSON

www.streetevents.com

Contact Us

May. 01. 2009 / 3:00PM, TRP - Q1 2009 TransCanada Corporation Earnings Conference Call

Linda Ezergailis - *TD Newcrest - Analyst*

Okay. But you haven't received any cash payments on the floor payments to date, either, though.

Greg Lohnes - *TransCanada Corporation - EVP and CFO*

Bruce Power has, yes. But they are refundable when the actual prices do exceed the floor.

Linda Ezergailis - *TD Newcrest - Analyst*

Okay.

Hal Kvisle - *TransCanada Corporation - President and CEO*

And to just to reiterate, we have not taken that into income. And I think you'll see that in our quarterly disclosure.

Linda Ezergailis - *TD Newcrest - Analyst*

Okay. Thank you.

Operator

Thank you. The next question is from Matthew Akman from Macquarie. Please go ahead.

Matthew Akman - *Macquarie Research - Analyst*

Thanks very much. I wanted to ask about your gas pipeline strategy because the gas market in North America has changed so much lately and TransCanada had a lot of focus on northern gas also developing regasification facilities in and around North America. Is there a shift now in strategy in terms of what you're developing on the gas front, given changes in pricing, both in North American and globally with LNG? So, what is the focus now, if it's not as much northern gas and regas facilities? What is the focus for development on the gas pipeline business over the next, say, five years, given where we are?

Hal Kvisle - *TransCanada Corporation - President and CEO*

Sure. Matthew, it's Hal. Clearly, LNG projects are on the back burner for the next little while. We have our regulatory set back on the Broadwater. But given that we have full FERC approval and full Coast Guard approval, we're just working with Shell, our partner, and considering whether we should terminate the project or put it on the back burner or just what kind of an approach we should take. But clearly, there's not a strong economic signal that we should be proceeding with Broadwater or any other LNG project in the near term. We had pretty much terminated work on [Kokoona] quite awhile ago. So, it's not really an impact there. Kokoona was not driven by the changes in the gas price market but rather by the Russian decision not to go ahead and enter into the gas supply contract with us. So, that project was effectively on hold, in any event.

Northern pipes are interesting. I don't think anybody would proceed with a Mackenzie or Alaska pipeline project based on this month's gas price versus what gas prices were eight months ago. Gas prices are obviously volatile and we look at them today and we would say that our gas price outlook for the longer term is somewhere in the 6 to 10 range. And you could see over that period, gas prices going well above 10 and you can see them going down into the 3 or 4 range, as we're seeing right now. But we don't think gas prices are going to remain below CAD4 because you can't actually offset the annual decline that occurs in

May. 01. 2009 / 3:00PM, TRP - Q1 2009 TransCanada Corporation Earnings Conference Call

the supply base. Every year, we lose about 13 BcF a day through declining production in North America and that much has to be brought back on just to maintain flat production. And if the price is below 4, that simply can't occur. So, we would expect gas prices to move back up into that 6 to 10 range.

The Alaska project is different from MacKenzie, in that it is just a project to bring gas that's on production and that is being processed every day and bring that production to market by building a pipeline to connect it. MacKenzie is a little more complicated. There's no field development occurred. And so, in addition to the pipeline, the producers have to make all of the investments to drill up the fields and develop the facilities. And that just puts an extra burden on MacKenzie. And the urgency, if you will, of getting going on MacKenzie is not there, to the same extent it is in the case of Alaska. What are we doing in the meantime? We've actually got on awful lot of really interesting opportunity in front of us right now. As you've seen, we're building the North Central Corridor in Alberta to connect Northwest Gas over into our eastern Alberta System.

We're going to be building pipelines to connect Groundbirch, that's the Monteny play near Dawson Creek. And to connect Horn River, up near Fort Nelson. Those are both large diameter pipes. And you know, just the magnitude of gas infrastructure is significant. If you look at the Bison project, that's 300 miles or 500-kilometers of 30-inch pipe. That's a relatively long haul, large capital investment pipeline project in its own right and we've got good commercial terms on that. We see opportunity to build feeder lines into the ANR system from the Haynesville Shale play. And there's other projects like Marcellus and Fayetteville. Really the thing that's going to drive LNG offshore and might delay northern gas, would be things like shale gas. And so, we just have to shift our focus and look at those opportunities in the near term and we're not uncomfortable with that at all.

Matthew Akman - Macquarie Research - Analyst

Is that -- just a quick supplementary, are there also opportunities still to develop more storage around the ANR pipeline?

Hal Kvisle - TransCanada Corporation - President and CEO

Yes, there are. We have significant opportunities to develop -- to both expand existing reservoirs and operations in Michigan, and to develop other -- there's a number of other geological features there that are well suited to gas storage. In some of them, we have to negotiate commercial arrangements with other people that have a partial interest in them. But the opportunities are there and we're watching storage closely. And if the market demand is there for it, we've got a number of opportunities to go ahead.

Matthew Akman - Macquarie Research - Analyst

Okay. Thanks very much, Hal.

Hal Kvisle - TransCanada Corporation - President and CEO

Thank you, Matthew.

Operator

Thank you. The next question is from Robert Kwan from RBC Capital Markets. Please go ahead.



www.streetevents.com

Contact Us