

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☒ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan TRANSCANADA 401(K) AND SAVINGS LOCAL 1-2 PLAN	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:80%;">1b Three-digit plan number (PN) ▶</td> <td style="width:20%; text-align: center;">006</td> </tr> <tr> <td colspan="2">1c Effective date of plan 08/25/2008</td> </tr> </table>	1b Three-digit plan number (PN) ▶	006	1c Effective date of plan 08/25/2008	
1b Three-digit plan number (PN) ▶	006				
1c Effective date of plan 08/25/2008					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) TRANSCANADA USA SERVICES INC. CA 450 1ST STREET SW T2P 5H1 CALGARY, AB 99999 CA	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) 98-0460263</td> </tr> <tr> <td>2c Sponsor's telephone number 403-920-2593</td> </tr> <tr> <td>2d Business code (see instructions) 486000</td> </tr> </table>	2b Employer Identification Number (EIN) 98-0460263	2c Sponsor's telephone number 403-920-2593	2d Business code (see instructions) 486000	
2b Employer Identification Number (EIN) 98-0460263					
2c Sponsor's telephone number 403-920-2593					
2d Business code (see instructions) 486000					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/10/2012	PETER FITZMAURICE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") TRANSCANADA USA SERVICES INC. CA 450 1ST STREET SW T2P 5H1 CALGARY, AB 99999 CA	3b Administrator's EIN 98-0460263 3c Administrator's telephone number 403-920-2593
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	147
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	147
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	7
d Subtotal. Add lines 6a , 6b , and 6c	6d	154
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	154
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	142
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2F 2G 2J 2K 2T 3D 3F 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

<div>A</div> <div>Name of plan</div> <div>TRANSCANADA 401(K) AND SAVINGS LOCAL 1-2 PLAN</div>	<div>B</div> <div>Three-digit plan number (PN)</div> <div>▶</div> <div>006</div>
<div>C</div> <div>Plan sponsor's name as shown on line 2a of Form 5500</div> <div>TRANSCANADA USA SERVICES INC.</div>	<div>D</div> <div>Employer Identification Number (EIN)</div> <div>98-0460263</div>

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1

Information on Persons Receiving Only Eligible Indirect Compensation

a

Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....

☒ Yes

☐ No

b

If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b)	Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	
04-2647786	

(b)	Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

400 ROBERT ST N
SAINT PAUL, MN 55101

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 65 71 60	RECORDKEEPER	1032	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ARTISAN MID CAP VAL - BOSTON FINANC 04-2526037	0.40%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
BARON ASSET FUND - DST SYSTEMS, INC 43-1581814	0.40%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
HARTFORD GROWTH Y - HARTFORD ADMINI 41-0679409	0.35%

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
RS PARTNERS A - BOSTON FINANCIAL DA 04-2526037	0.55%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	EIDE BAILLY LLP	b EIN:	45-0250958
c Position:	ACCOUNTANT		
d Address:	5299 DTC BLVD, STE 1000 GREENWOOD VILLAGE, CO 80111	e Telephone:	303-770-5700

Explanation: CONSOLIDATION OF AUDITING ENGAGEMENT

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN;	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN;	
c Position:			
d Address:		e Telephone:	

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan TRANSCANADA 401(K) AND SAVINGS LOCAL 1-2 PLAN	B Three-digit plan number (PN) ►	006
C Plan sponsor's name as shown on line 2a of Form 5500 TRANSCANADA USA SERVICES INC.	D Employer Identification Number (EIN) 98-0460263	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2281559	2281046
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	804789	928407
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	9035855	12217961
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	130901	216567
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	12253104	15643981

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	12253104	15643981
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	167041	
(B) Participants	2a(1)(B)	1237529	
(C) Others (including rollovers)	2a(1)(C)	10724	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1415294

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	15198	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	55473	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		70671

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	6229	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	328641	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		334870

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	50898	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	49241	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		1657

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	42828	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		42828
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		2017188
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		3882508

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	490597	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		490597
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	1034	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1034
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		491631

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3390877
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: KPMG LLP

(2) EIN: 13-5565207

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan TRANSCANADA 401(K) AND SAVINGS LOCAL 1-2 PLAN	B Three-digit plan number (PN) ▶ 006
C Plan sponsor's name as shown on line 2a of Form 5500 TRANSCANADA USA SERVICES INC.	D Employer Identification Number (EIN) 98-0460263

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____



KPMG LLP
Suite 1501
222 South 15th Street
Omaha, NE 68102-1610

Suite 1600
233 South 13th Street
Lincoln, NE 68508-2041

Independent Auditors' Report

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

We have audited the accompanying statement of net assets available for benefits of the TransCanada 401(k) and Savings UWUA Local 1-2 Plan (the Plan) as of December 31, 2009, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the TransCanada 401(k) and Savings UWUA Local 1-2 Plan as of December 31, 2009, and the changes in its net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedule H, line 4i – schedule of assets (held at end of year) at December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. This supplemental schedule has been subjected to the auditing procedures applied in the audit of the 2009 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

Omaha, Nebraska
June 28, 2010



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

**FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
AS OF AND FOR THE YEARS ENDING DECEMBER 31, 2009 AND 2008
AND REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS**



KPMG LLP
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Two Central Park Plaza
Omaha, NE 68102

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233 South 13th Street
Lincoln, NE 68508-2041

Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying statement of net assets available for benefits of the TransCanada 401(k) and Savings UWUA Local 1-2 Plan (the Plan) as of December 31, 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Plan as of and for the year ended December 31, 2008 were audited by other auditors whose report dated June 29, 2009 expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the TransCanada 401(k) and Savings UWUA Local 1-2 Plan as of December 31, 2009, and the changes in its net assets available for benefits for the year ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets (held at end of year) at December 31, 2009, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. This supplemental schedule has been subjected to the auditing procedures applied in the audit of the 2009 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

KPMG LLP

Omaha, Nebraska
June 28, 2010



Report of Independent Registered Public Accounting Firm

Plan Administrator

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

We have audited the accompanying statement of net assets available for plan benefits of the TransCanada 401(k) and Savings UWUA Local 1-2 Plan (the Plan) as of December 31, 2008, and the related statement of changes in net assets available for plan benefits for the period from August 26, 2008 (Inception) to December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly in all material respects, the net assets available for plan benefits of the TransCanada 401(k) and Savings UWUA Local 1-2 Plan as of December 31, 2008, and the changes in net assets available for plan benefits for the period from August 26, 2008 (Inception) to December 31, 2009 in conformity with accounting principles generally accepted in the United States.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Greenwood Village, Colorado
June 29, 2009

www.eidebailly.com

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

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

<i>December 31 (dollars)</i>	2009	2008
Assets		
Investments at fair value (Note 3)	14,715,574	11,448,315
Participant loans	928,407	804,789
Employer contribution receivable	-	2,857
Net Assets Available for Benefits	15,643,981	12,255,961

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

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

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

<i>Period ended December 31 (dollars)</i>	2009	2008
Additions		
Contributions		
Employee contributions	1,237,529	367,010
Employer contributions	164,184	49,796
Employee rollover	10,724	-
	1,412,437	416,806
Investment Income		
Net increase in fair value of investments (Note 3)	2,061,673	-
Interest and dividend income	405,541	255,106
Transfer of assets (Note 6)	-	12,678,202
Total Additions	3,879,651	13,350,114
Deductions		
Benefits paid to participants	490,597	719,441
Administrative expenses	1,034	180
Net decrease in fair value of investments (Note 3)	-	374,532
Total Deductions	491,631	1,094,153
Increase in Net Assets Available for Benefits	3,388,020	12,255,961
Net Assets Available for Benefits		
Beginning of Period	12,255,961	-
End of Period	15,643,981	12,255,961

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN

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

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

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

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

Vesting

Participants are immediately vested in their contributions (including rollovers) and any earnings thereon. Employer-matching contributions and earnings are 100 per cent vested after three years. Employee rollovers are amounts transferred to the Plan from another qualified plan at the participant's request.

For certain participants and certain contribution sources transferred into the Plan but related to a predecessor plan, the predecessor vesting schedule will still apply. In the event of disability or death while employed by TCUSA, a participant's account becomes fully vested.

Payment of Benefits

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

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

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

Forfeitures

As participants are immediately 100 per cent vested in employee contributions and related plan earnings, there are no forfeitures of these amounts. Employer contributions that are not vested are forfeited if the participant's employment is terminated for reasons other than retirement.

Employee and Employer Contributions

Each year, participants may voluntarily agree to contribute up to the lesser of 50 per cent of their compensation, as defined by the Plan document, and \$16,500 (2008 - \$15,500), subject to certain limitations under the Internal Revenue Code (the Code). Participants age 50 and older may contribute an additional \$5,500. The Company may make discretionary matching contributions, if any, to be determined annually based on a percentage of participant contributions.

Participant Accounts

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

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

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 per cent of their vested account balance, reduced by the highest outstanding loan balance in their account during the prior 12 month period. Loan terms range from one to five years for general loans or up to 15 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a reasonable interest rate, as determined by TCUSA (the Plan Administrator), based on prevailing market interest rates at the time. Interest rates remain fixed throughout the duration of the loan. The interest rate on loans outstanding at December 31, 2009 ranged from 4.25 per cent to 9.25 per cent (2008 – 6.00 per cent to 9.25 per cent). Principal and interest are paid through payroll deductions.

Investment in TransCanada Corporation

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

Administrative Expenses

The Plan Administrator is responsible for filing all required reports on behalf of the Plan. The Company provides or pays for certain accounting, legal and management services on behalf of the Plan. The Company has not charged the Plan for these expenses or services.

Plan Termination

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

NOTE 2: SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation

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

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

Basis of Accounting

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

Investment Valuation and Income Recognition

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

Interest income is recorded on the accrual basis and dividend income is recorded on the ex-dividend date.

Net Increase/(Decrease) in Fair Value of Investments consists of: (1) the unrealized gains or losses on investments held during the year and (2) the realized gains or losses recognized on the sale of investments during the year.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average-cost basis.

Participant loans are valued at the outstanding balances.

Contributions and Payment of Benefits

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

Concentration of Risk

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

NOTE 3: INVESTMENTS

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

Fair Value Hierarchy

The Plan's financial assets and liabilities recorded or disclosed at fair value have been categorized into three categories based upon a fair value hierarchy. Fair value of assets and liabilities included in Level I is determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level II include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. This category includes fair value determined using valuation techniques, such as option pricing models and extrapolation using observable inputs. Level III valuations are based on inputs that are not readily observable and are significant to the overall fair value measurement.

Assets measured at fair value on a recurring basis are classified as follows. There were no transfers between any categories in 2009 or 2008.

<i>December 31, 2009 (dollars)</i>	Quoted Prices in Active Markets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total
Mutual funds				
Balanced	8,943,642	-	-	8,943,642
Money market	2,281,046	-	-	2,281,046
Fixed income	1,861,624	-	-	1,861,624
Equity growth	1,412,695	-	-	1,412,695
	<u>14,499,007</u>	<u>-</u>	<u>-</u>	<u>14,499,007</u>
Common stock and other	216,567	-	-	216,567
	<u>14,715,574</u>	<u>-</u>	<u>-</u>	<u>14,715,574</u>

<i>December 31, 2008 (dollars)</i>	Quoted Prices in Active Markets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total
Mutual funds				
Balanced	6,834,734	-	-	6,834,734
Money market	2,281,559	-	-	2,281,559
Fixed income	1,400,141	-	-	1,400,141
Equity growth	800,980	-	-	800,980
	<u>11,317,414</u>	<u>-</u>	<u>-</u>	<u>11,317,414</u>
Common stock and other	130,901	-	-	130,901
	<u>11,448,315</u>	<u>-</u>	<u>-</u>	<u>11,448,315</u>

Significant Investments

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

<i>December 31 (dollars)</i>	2009	2008
Fidelity Retirement Money Market Portfolio	2,281,046	2,281,559
Fidelity Freedom 2015 Fund	2,084,849	1,491,625
Fidelity Freedom 2020 Fund®	1,926,724	1,503,870
Fidelity Freedom 2010 Fund®	1,546,919	1,329,644
Fidelity Freedom 2025 Fund	1,196,390	977,958
Fidelity Freedom 2035 Fund®	885,879	*
Fidelity U.S. Bond Index Fund®	834,349	*
Fidelity Freedom Income Fund®	813,868	702,435

* Investment represents less than five per cent of the Plan's Net Assets Available for Benefits.

Net Increase/(Decrease) in Fair Value of Investments

Net Increase/(Decrease) in Fair Value of Investments by major category (including investments purchased, sold and held during the period) as determined by quoted market prices was as follows:

<i>Period ended December 31 (dollars)</i>	2009	2008
Mutual funds	2,017,242	(358,711)
Common stock and other	44,431	(15,821)
Net Increase/(Decrease) in Fair Value of Investments	2,061,673	(374,532)

NOTE 4: INCOME TAXES

The Plan was a prototype plan designed by the Trustee. The Internal Revenue Service has determined and informed the Company, by a letter dated October 9, 2003, that the Plan and related trust are designed in accordance with applicable sections of the Code. Effective December 15, 2009, the Plan has been restated to a volume submitter plan. A determination letter filing process is underway. The plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code. The Plan is exempt from federal income taxes. Accordingly, no provision for federal income taxes has been made in the accompanying financial statements.

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

Certain Plan investments are shares of mutual funds managed by Fidelity, the Trustee as defined by the Plan, therefore these transactions qualify as party-in-interest.

The Company incurred \$14,026 of administrative expenses, as described in Note 1, on behalf of the Plan in the year ending December 31, 2009 (period of August 26 to December 31, 2008 - \$2,907). The Company has not charged the Plan for these expenses.

At December 31, 2009, Plan investments included \$215,495 (2008 - \$129,883) of TransCanada common stock and \$1,072 (2008 - \$1,018) in a TransCanada stock purchase account.

NOTE 6: TRANSFER OF ASSETS

The transfer in 2008 related to UWUA Local 1-2 employee accounts transferred into the Plan as a result of TransCanada's acquisition of Ravenswood in August 2008.

NOTE 7: SUBSEQUENT EVENTS

Subsequent events have been assessed up to June 28, 2010, which is the date the financial statements were available for issuance.

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

EIN #: 98-0460263
PLAN #: 005

**FORM 5500 SCHEDULE H, PART IV, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2009**

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment	(e) Current Value (US dollars)
*	Fidelity Retirement Money Market Portfolio	Mutual Fund	2,281,046
*	Fidelity Freedom 2015 Fund	Mutual Fund	2,084,849
*	Fidelity Freedom 2020 Fund®	Mutual Fund	1,926,724
*	Fidelity Freedom 2010 Fund®	Mutual Fund	1,546,919
*	Fidelity Freedom 2025 Fund	Mutual Fund	1,196,390
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*	Fidelity Freedom 2050 Fund	Mutual Fund	35,604
*	Fidelity Fund	Mutual Fund	18,359
*	Fidelity Growth Strategies Fund	Mutual Fund	14,549
	Baron Asset Fund	Mutual Fund	12,110
	Total Mutual Funds		14,499,007
*	TransCanada Corporation	Common Stock	215,495
*	TransCanada Corporation	Stock Purchase Account	1,072
	Participant Loans	Interest rates ranging from 4.25% to 9.25% maturing through 2024	928,407
	Total Investments		15,643,981

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

See accompanying report of independent registered public accounting firm.



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

**FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
AS OF AND FOR THE YEARS ENDING DECEMBER 31, 2009 AND 2008
AND REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS**



KPMG LLP
Suite 1501
Two Central Park Plaza
Omaha, NE 68102

Suite 1600
233 South 13th Street
Lincoln, NE 68508-2041

Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying statement of net assets available for benefits of the TransCanada 401(k) and Savings UWUA Local 1-2 Plan (the Plan) as of December 31, 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Plan as of and for the year ended December 31, 2008 were audited by other auditors whose report dated June 29, 2009 expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the TransCanada 401(k) and Savings UWUA Local 1-2 Plan as of December 31, 2009, and the changes in its net assets available for benefits for the year ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets (held at end of year) at December 31, 2009, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. This supplemental schedule has been subjected to the auditing procedures applied in the audit of the 2009 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

KPMG LLP

Omaha, Nebraska
June 28, 2010



Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying statement of net assets available for plan benefits of the TransCanada 401(k) and Savings UWUA Local 1-2 Plan (the Plan) as of December 31, 2008, and the related statement of changes in net assets available for plan benefits for the period from August 26, 2008 (Inception) to December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly in all material respects, the net assets available for plan benefits of the TransCanada 401(k) and Savings UWUA Local 1-2 Plan as of December 31, 2008, and the changes in net assets available for plan benefits for the period from August 26, 2008 (Inception) to December 31, 2009 in conformity with accounting principles generally accepted in the United States.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Greenwood Village, Colorado
June 29, 2009

www.eidebailly.com

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

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

<i>December 31 (dollars)</i>	2009	2008
Assets		
Investments at fair value (Note 3)	14,715,574	11,448,315
Participant loans	928,407	804,789
Employer contribution receivable	-	2,857
Net Assets Available for Benefits	15,643,981	12,255,961

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

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

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

<i>Period ended December 31 (dollars)</i>	2009	2008
Additions		
Contributions		
Employee contributions	1,237,529	367,010
Employer contributions	164,184	49,796
Employee rollover	10,724	-
	1,412,437	416,806
Investment Income		
Net increase in fair value of investments (Note 3)	2,061,673	-
Interest and dividend income	405,541	255,106
Transfer of assets (Note 6)	-	12,678,202
Total Additions	3,879,651	13,350,114
Deductions		
Benefits paid to participants	490,597	719,441
Administrative expenses	1,034	180
Net decrease in fair value of investments (Note 3)	-	374,532
Total Deductions	491,631	1,094,153
Increase in Net Assets Available for Benefits	3,388,020	12,255,961
Net Assets Available for Benefits		
Beginning of Period	12,255,961	-
End of Period	15,643,981	12,255,961

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN

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

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

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

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

Vesting

Participants are immediately vested in their contributions (including rollovers) and any earnings thereon. Employer-matching contributions and earnings are 100 per cent vested after three years. Employee rollovers are amounts transferred to the Plan from another qualified plan at the participant's request.

For certain participants and certain contribution sources transferred into the Plan but related to a predecessor plan, the predecessor vesting schedule will still apply. In the event of disability or death while employed by TCUSA, a participant's account becomes fully vested.

Payment of Benefits

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

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

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

Forfeitures

As participants are immediately 100 per cent vested in employee contributions and related plan earnings, there are no forfeitures of these amounts. Employer contributions that are not vested are forfeited if the participant's employment is terminated for reasons other than retirement.

Employee and Employer Contributions

Each year, participants may voluntarily agree to contribute up to the lesser of 50 per cent of their compensation, as defined by the Plan document, and \$16,500 (2008 - \$15,500), subject to certain limitations under the Internal Revenue Code (the Code). Participants age 50 and older may contribute an additional \$5,500. The Company may make discretionary matching contributions, if any, to be determined annually based on a percentage of participant contributions.

Participant Accounts

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

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

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 per cent of their vested account balance, reduced by the highest outstanding loan balance in their account during the prior 12 month period. Loan terms range from one to five years for general loans or up to 15 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a reasonable interest rate, as determined by TCUSA (the Plan Administrator), based on prevailing market interest rates at the time. Interest rates remain fixed throughout the duration of the loan. The interest rate on loans outstanding at December 31, 2009 ranged from 4.25 per cent to 9.25 per cent (2008 – 6.00 per cent to 9.25 per cent). Principal and interest are paid through payroll deductions.

Investment in TransCanada Corporation

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

Administrative Expenses

The Plan Administrator is responsible for filing all required reports on behalf of the Plan. The Company provides or pays for certain accounting, legal and management services on behalf of the Plan. The Company has not charged the Plan for these expenses or services.

Plan Termination

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

NOTE 2: SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation

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

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

Basis of Accounting

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

Investment Valuation and Income Recognition

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

Interest income is recorded on the accrual basis and dividend income is recorded on the ex-dividend date.

Net Increase/(Decrease) in Fair Value of Investments consists of: (1) the unrealized gains or losses on investments held during the year and (2) the realized gains or losses recognized on the sale of investments during the year.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average-cost basis.

Participant loans are valued at the outstanding balances.

Contributions and Payment of Benefits

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

Concentration of Risk

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

NOTE 3: INVESTMENTS

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

Fair Value Hierarchy

The Plan's financial assets and liabilities recorded or disclosed at fair value have been categorized into three categories based upon a fair value hierarchy. Fair value of assets and liabilities included in Level I is determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level II include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. This category includes fair value determined using valuation techniques, such as option pricing models and extrapolation using observable inputs. Level III valuations are based on inputs that are not readily observable and are significant to the overall fair value measurement.

Assets measured at fair value on a recurring basis are classified as follows. There were no transfers between any categories in 2009 or 2008.

<i>December 31, 2009 (dollars)</i>	Quoted Prices in Active Markets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total
Mutual funds				
Balanced	8,943,642	-	-	8,943,642
Money market	2,281,046	-	-	2,281,046
Fixed income	1,861,624	-	-	1,861,624
Equity growth	1,412,695	-	-	1,412,695
	<u>14,499,007</u>	<u>-</u>	<u>-</u>	<u>14,499,007</u>
Common stock and other	216,567	-	-	216,567
	<u>14,715,574</u>	<u>-</u>	<u>-</u>	<u>14,715,574</u>

<i>December 31, 2008 (dollars)</i>	Quoted Prices in Active Markets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total
Mutual funds				
Balanced	6,834,734	-	-	6,834,734
Money market	2,281,559	-	-	2,281,559
Fixed income	1,400,141	-	-	1,400,141
Equity growth	800,980	-	-	800,980
	<u>11,317,414</u>	<u>-</u>	<u>-</u>	<u>11,317,414</u>
Common stock and other	130,901	-	-	130,901
	<u>11,448,315</u>	<u>-</u>	<u>-</u>	<u>11,448,315</u>

Significant Investments

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The transfer in 2008 related to UWUA Local 1-2 employee accounts transferred into the Plan as a result of TransCanada's acquisition of Ravenswood in August 2008.

NOTE 7: SUBSEQUENT EVENTS

Subsequent events have been assessed up to June 28, 2010, which is the date the financial statements were available for issuance.

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

EIN #: 98-0460263
PLAN #: 005

**FORM 5500 SCHEDULE H, PART IV, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2009**

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment	(e) Current Value (US dollars)
*	Fidelity Retirement Money Market Portfolio	Mutual Fund	2,281,046
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	Participant Loans	Interest rates ranging from 4.25% to 9.25% maturing through 2024	<u>928,407</u>
	Total Investments		<u>15,643,981</u>

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

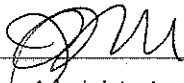
See accompanying report of independent registered public accounting firm.

Required Statement of Explanation for Termination

I, as plan administrator, verify that the explanation that is reproduced below is the explanation concerning your termination reported on the Schedule C (Form 5500) attached to the 2009 Annual Return/Report Form 5500 for the plan:
TransCanada 401(k) and Savings Local 1-2 Plan

This Form 5500 is identified in line 2b by the nine-digit EIN 98-0460263 and in line 1b by the three-digit plan number 006.

Services were terminated due to:
Consolidation of auditing engagement



Plan Administrator

October 14, 2010

Date

You have the opportunity to comment to the Department of Labor concerning any aspect of this explanation. Comments should include the name, EIN, and the 3-digit plan number. Submit directly to:

Office of Enforcement
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210