



August 3, 2011

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
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Washington D.C.
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Dear Ms. Murphy:

TransCanada Corporation (TransCanada) is pleased to submit its comments in response to the U.S. Securities and Exchange Commission's (Commission or SEC) Notice of Solicitation of Public Comment on the Work Plan for the Consideration of Incorporating IFRS into Financial Reporting Systems for U.S. Issuers (Work Plan).

TransCanada is a leader in the responsible development and reliable operation of North American energy infrastructure including natural gas and oil pipelines, power generation and gas storage facilities. TransCanada's network of wholly owned natural gas pipelines extends more than 57,000 kilometres (35,500 miles), tapping into virtually all major gas supply basins in North America. TransCanada is one of the continent's largest providers of gas storage and related services with approximately 380 billion cubic feet of storage capacity. A growing independent power producer, TransCanada owns, or has interests in over 10,800 megawatts of power generation in Canada and the United States. TransCanada is developing one of North America's largest oil delivery systems.

Proposed Framework

TransCanada supports the "condorsement" approach whereby efforts would be made to converge International Financial Reporting Standards (IFRS) with U.S. generally accepted accounting practices (US GAAP) over time to address existing differences between IFRS and US GAAP. A transition period of a number of years will ease the burden of a significant conversion cost and learning curve that would otherwise occur in a one-time conversion. TransCanada also strongly supports the view that this method would retain Financial Accounting Standards Board (FASB) as the U.S. standard setter and the ultimate authority in determining accounting standards for U.S. reporting entities. This would allow for consideration of specific needs of U.S. reporting entities if necessary and provide interpretations of certain IFRS standards when needed.

Below are our observations in response to certain elements of the requests for comment as it relates to regulatory accounting and the impact on contractual arrangements.

Regulatory Accounting

As noted in the Work Plan, potential modifications to IFRS as adopted under US GAAP may include the possible continuation of some existing US GAAP requirements that have no specific IFRS counterparts. Rate regulated accounting falls within this category as there currently is not an equivalent standard under IFRS to Accounting Standards Codification (ASC) 980, *Regulated Operations*. While we acknowledge an objective of the IASB is to minimize industry specific guidance, the FASB and the SEC have determined that the recognition of regulatory assets and liabilities is appropriate under US GAAP. More importantly, ASC 980 continues to address the economic effects of the rate-making process. As such, TransCanada strongly believes that recording regulatory assets and liabilities represents the economic substance of transactions for companies operating in a rate regulated environment. Specifically, under cost of service regulation, the regulator sets rates to ensure the recovery of the entity's capital cost as well as the ability to earn a fair return on these capital costs. Therefore, the accounting treatment which governs these entities should reflect the economic effect of this rate regulated environment.

The elimination of ASC 980 would considerably affect the appropriateness of income reported for rate regulated entities that have recorded significant regulatory assets and liabilities and would create volatility of earnings, which would not be reflective of a rate regulated entity's true financial condition. Further, in order for users (investors, creditors and regulators) to properly evaluate a regulated entity's true financial position, ASC 980 would need to continue under US GAAP, unless significant costly and cumbersome non-GAAP or non-IFRS measures were utilized to build decision useful financial information.

We believe that the "condorsement" approach proposed in the Work Plan provides the necessary consideration and authority to FASB to determine whether the existing guidance in ASC 980 should be retained as part of US GAAP.

Impact on Contractual Arrangements

As many contractual arrangements are linked to financial performance and reported results, the change from US GAAP to IFRS could substantially impact compliance with contractual covenants and other terms and conditions. For rate regulated entities, the change in financial balances upon convergence, particularly equity, significantly impacts these ratios initially and over the life of any credit agreement. In order for a company to suitably determine its need to negotiate revised terms with counterparties for those contractual arrangements that would be impacted, an appropriate timeline for the conversion to IFRS is necessary to plan for the time and resources required for the transition.

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

Yours very truly,



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