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NewsRelease

TransCanada Responds to FERC Gas "Wash" Trade Request

CALGARY, Alberta – June 5, 2002 – (TSX: TRP) (NYSE: TRP) – TransCanada PipeLines Limited today, under oath, told the U.S. Federal Energy Regulatory Commission (FERC) that it did not participate in any natural gas transactions referred to as "wash", "round trip", or "sell/buyback" in the U.S. portion of the Western Systems Co-ordinating Council (WSCC) or Texas during 2000-2001. The WSCC's area includes California.

TransCanada was responding to a May 22, 2002 FERC data request. TransCanada was not specifically named in, or served with, the FERC's request. However, because TransCanada intends to continue to provide full disclosure to its stakeholders and wishes to cooperate fully with the FERC, it submitted a response.

Recently, TransCanada was one of approximately 150 organizations questioned by the FERC regarding energy trading strategies/activities in the U.S. portion of the WSCC for the period 2000-2001. TransCanada fully cooperated with the FERC's request. On May 22 and May 31, 2002, the company categorically stated to the FERC, under oath, that it did not participate in any of the strategies in question.

Today's response and the May 22 and May 31, 2002 responses to the FERC are posted on TransCanada's web site at www.transcanada.com.

TransCanada is a leading North American energy company. It is focused on natural gas transmission and power services with employees who are expert in these businesses. The company's network of approximately 38,000 kilometres of pipeline transports the majority of western Canada's natural gas production to the fastest growing markets in Canada and the United States. TransCanada owns, controls or is developing a total of approximately 2,250 megawatts of power -- an amount of power that can meet the needs of more than two million average households. The company's common shares trade under the symbol TRP on the Toronto and New York stock exchanges. Visit us on the internet at www.transcanada.com for more information.

FORWARD LOOKING INFORMATION

Certain information in this news release is forward-looking and is subject to important risks and uncertainties. The results or events predicted in this information may differ from actual results or events. Factors which could cause actual results or events to differ materially from current expectations include, among other things, the ability of TransCanada to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the availability and price of energy commodities, regulatory decisions, competitive factors in the pipeline and power industry sectors, and the current economic conditions in North America. For additional information on these and other factors, see the reports filed by TransCanada with Canadian securities regulators and with the United States Securities and Exchange Commission. TransCanada disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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