



News Release

ATCO LTD.

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For Immediate Release

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TRANSCANADA (NGTL) AND ATCO PIPELINES REACH PROPOSED AGREEMENT TO PROVIDE SEAMLESS ALBERTA NATURAL GAS TRANSMISSION SERVICE

CALGARY, Alberta - ATCO's (TSX: ACO.X, ACO.Y) indirectly owned subsidiary, ATCO Pipelines and TransCanada Corporation's (TSX, NYSE: TRP) (TransCanada) wholly owned subsidiary, NOVA Gas Transmission Ltd. (NGTL), have reached a proposed agreement to provide seamless natural gas transmission service to customers. The gas transmission model will utilize a single suite of services to provide integrated gas transmission service which is expected to add value for customers as a result of seamless efficient service throughout Alberta.

Both ATCO Pipelines and NGTL have been encouraged by their regulator and by customers to explore collaborative concepts designed to streamline the provision of natural gas transmission service across Alberta and to address competitive pipeline issues. The seamless gas transmission model is the result of this process.

If approved by the regulator, the arrangement will see the two companies combine physical assets under a single rates and services structure with a single commercial interface with customers but with each company separately managing assets within distinct operating territories in the province. It is expected that the model will end duplicative tolling and operational activities and will result in more efficient regulatory processes.

The Alberta Utilities Commission concurs with the two companies meeting with representatives of the various customer groups. The objective of the discussions is to evaluate the long-term benefits and to determine rate and system design principles with the various groups for ultimate approval by the regulator.

ATCO Pipelines, a subsidiary of Canadian Utilities Limited and part of the ATCO Group of Companies, provides natural gas transmission services to producers in the Western Canada Sedimentary Basin, marketers, industrial customers and gas distribution companies in Alberta. Additional information on ATCO Pipelines can be found at www.atcopipelines.com.

ATCO Group, an Alberta-based worldwide organization of companies with assets of approximately \$8.5 billion and more than 7,800 employees, is comprised of three main business divisions: Power Generation, Utilities (natural gas and electricity transmission and distribution) and Global Enterprises (industrials, technology, logistics and energy services). More information about ATCO Ltd. can be found at www.atco.com.

NOVA Gas Transmission Ltd. (NGTL) is an indirect, 100 per cent wholly-owned subsidiary of TransCanada Corporation which owns and operates the 23,570-kilometre Alberta System. The Alberta System gathers natural gas for use within the province and delivers it to provincial boundary points for connection with export pipelines.

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With more than 50 years' experience, TransCanada is a leader in the responsible development and reliable operation of North American energy infrastructure including natural gas pipelines, power generation, gas storage facilities, and projects related to oil pipelines and LNG facilities. TransCanada's network of wholly owned pipelines extends more than 59,000 kilometres (36,500 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 355 billion cubic feet of storage capacity. A growing independent power producer, TransCanada owns, or has interests in, over 10,900 megawatts of power generation in Canada and the United States. TransCanada's common shares trade on the Toronto and New York stock exchanges under the symbol TRP.

Note: All financial figures are in Canadian dollars unless noted otherwise.

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Forward-Looking Information:

ATCO Ltd.

Certain statements contained in this news release may constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "expect", "may", "will", "intend", "should", and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in the forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of regulatory decisions, competitive factors in the industries in which the Corporation operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Corporation.

The forward-looking statements contained in this news release represent the Corporation's expectations as of the date hereof, and are subject to change after such date. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

TransCanada Corporation:

This news release may contain certain information that is forward looking and is subject to important risks and uncertainties. The words "anticipate", "expect", "may", "should", "estimate", "project", "outlook", "forecast" or other similar words are used to identify such forward looking information. All forward-looking statements reflect TransCanada's beliefs and assumptions based on information available at the time the statements were made. Actual results or events may differ from those predicted in these forward-looking statements. 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 operating performance of the Company's pipeline and energy assets, the availability and price of energy commodities, regulatory processes and decisions, changes in environmental and other laws and regulations, competitive factors in the pipeline and energy industry sectors, construction and completion of capital projects, labour, equipment and material costs, access to capital markets, interest and currency exchange rates, technological developments and the current economic conditions in North America. By its nature, such forward looking information is subject to various risks and uncertainties, which could cause TransCanada's actual results and experience to differ materially from the anticipated results or expectations expressed. Additional information on these and other factors is available in the reports filed by TransCanada with Canadian securities regulators and with the U.S. Securities and Exchange Commission. Readers are cautioned not to place undue reliance on this forward looking information, which is given as of the date it is expressed in this news release or otherwise, and to not use future-oriented information or financial outlooks for anything other than their intended purpose. TransCanada undertakes no obligation to update publicly or revise any forward looking information, whether as a result of new information, future events or otherwise, except as required by law.
