



April 20, 2009

British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
Nova Scotia Securities Commission  
New Brunswick Securities Commission  
Office of the Attorney General, Prince Edward Island  
Securities Commission of Newfoundland and Labrador  
Registrar of Securities, Government of Yukon  
Registrar of Securities, Department of Justice, Government of the Northwest Territories  
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

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c/o Anne-Marie Beaudoin, Directrice du secrétariat  
Autorité des marchés financiers  
via e-mail to: [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

c/o John Stevenson, Secretary  
Ontario Securities Commission  
Via e-mail to: [jstevenson@osc.gov.on.ca](mailto:jstevenson@osc.gov.on.ca)

**Re: Proposed Repeal and Replacement of National Policy 58-201 *Corporate Governance Guidelines*, National Instrument 58-101 *Disclosure of Corporate Governance Practices* and National Instrument 52-110 and Companion Policy 52-110CP *Audit Committees*.**

Dear Sirs and Mesdames:

In response to the Notice and Request for Comment dated December 19, 2008 of the Canadian Securities Administrators (the "CSA") and relating to the proposed repeal and replacement of National Policy 58-201 – *Corporate Governance Guidelines*, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Instrument 52-110 and Companion Policy 52-110CP – *Audit Committees* (the "**Proposed Rules**"), we are pleased to provide the following comments.

**A. Specific Requests for Comments**

We reserve our comments on the majority of the specific request for comments on the Proposed Rules, and wish to comment only on question number 4.

4. ***Is the level of disclosure required under each of the principles appropriate both from an issuer's and an investor's point of view? Specifically, do you think the disclosure in respect of Principles 6, 7 and 9 provides useful information to investors?***

We are generally in favour of Principles 6, 7 and 9 of the Proposed Rules. However, with respect to the prescribed disclosure in the proposed NI 58-101 for Principle 6, we think it is inappropriate to require an issuer to disclose the circumstances surrounding the appointment of any *ad hoc* conflicts committee, including the listing of the names of its members and the purpose of its appointment, as well as identifying any consultants or advisors to the committee. There are circumstances where the inclusion of such information could violate confidentiality obligations and be unfairly prejudicial to an issuer's best interests, such as where the issuer has contemplated a transaction which was not completed, or in the event of litigation. In any event, we do not feel that such disclosure would provide useful information to investors. A more general statement regarding the standard practices of the issuer in the event of a potential or anticipated conflict would be as informative and less burdensome on the issuer.

Similarly, while we agree with the commentary and examples in Principle 9 of the Proposed Rules, we feel that much of the information that is relevant and outlined for disclosure in the proposed NI 58-101 is more appropriately disclosed in other sections of the proxy circular or in the form of proxy. In terms of the shareholder voting process, we agree that permitting electronic voting, publicizing the voting process and allowing electronic access to the annual meeting are beneficial practices for shareholders. However, we feel that the corporate governance section is not the most appropriate place to include disclosure of these practices, or the most useful for shareholders. These items are typically included in a discussion of voting process elsewhere in the circular and in the form of proxy. In addition, the explanation of how directors are elected would be better included within the description of matters to be acted upon at the meeting.

In summary, we support informative corporate governance disclosure and initiatives to make such disclosure more useful. However, we would note for your consideration that a principles-based approach to corporate governance disclosure may make it more difficult for investors to perform comparative evaluations of issuers as there will no longer be bright-line tests to facilitate such comparisons. Further, we would favour amendments to the Proposed Rules that would prevent any duplication of information and unnecessary addition of potentially harmful information. Finally, we would suggest that a change to the new structure may impose an economic burden on issuers, and that it may be appropriate to delay the implementation of any new structure until such time as the economic situation improves.

We hope you will find the above comments helpful and look forward to your response. If you have any questions or concerns, please contact the undersigned at (403) 920-7685.

Regards,

(signed) "*Donald J. DeGrandis*"

Donald J. DeGrandis, Corporate Secretary