tax in fourth quarter 2008 and 2007, respectively, resulting from changes in fair value of proprietary natural gas storage inventory and natural gas forward purchase and sale contracts. In addition, comparable earnings in fourth quarter 2007 excluded the $14 million gain on sale of land and $30 million of favourable income tax adjustments.

Western Power's operating income of $106 million in fourth quarter 2008 increased $48 million compared to $58 million in fourth quarter 2007 primarily due to increased margins from the Alberta power portfolio, which resulted from higher overall realized power prices and market heat rates on both contracted and uncontracted volumes of power sold in Alberta. The market heat rate is determined by dividing the average price of power per MWh by the average price of natural gas per GJ for a given period.

Eastern Power's operating income of $73 million in fourth quarter 2008 increased $7 million compared to $66 million in fourth quarter 2007. The increase was due to higher realized prices on sales to commercial and industrial customers in New England, the positive impact of the stronger U.S. dollar in fourth quarter 2008 and incremental earnings from the Carleton wind farm, which went into service in November 2008. On December 31, 2008, Ravenswood fulfilled its obligation under a tolling agreement with Hess Corporation that was in place at the time of acquisition. In 2009, TransCanada's marketing operation will manage marketing of the Ravenswood plant output in a manner consistent with its other U.S. Northeast portfolio of assets.

TransCanada's combined operating income of $50 million from its investment in Bruce Power increased $7 million in fourth quarter 2008 compared to fourth quarter 2007 primarily due to higher revenues resulting from higher realized prices. TransCanada's proportionate share of operating loss in Bruce A increased $1 million to $6 million in fourth quarter 2008 compared to fourth quarter 2007 as a result of lower revenues due to decreased output, partially offset by higher contract prices and lower operating costs. TransCanada's proportionate share of operating income in Bruce B increased $8 million to $61 million in fourth quarter 2008 compared to fourth quarter 2007 primarily due to higher realized prices achieved during fourth quarter 2008, as well as increased output. The increase in realized prices was due to higher contract prices on a larger proportion of volumes sold under contract in the three months ended December 31, 2008 compared to the same period in 2007.

Natural Gas Storage operating income of $40 million in fourth quarter 2008 decreased $17 million compared to $57 million in fourth quarter 2007. The decrease was due to lower realized seasonal natural gas price spreads at the Edson facility compared to the same period in 2007. Operating income in fourth quarter 2008 included net unrealized gains of $7 million for changes in the fair value of proprietary natural gas inventory in storage and natural gas forward purchase and sale contracts compared to net unrealized gains of $15 million for the same period in 2007.

Corporate's net expenses for the three months ended December 31, 2008 were $86 million compared to net income of $17 million for the same period in 2007. Excluding the $26 million of favourable income tax adjustments in fourth quarter 2007, Corporate's comparable expenses increased $77 million in fourth quarter 2008 compared to fourth quarter 2007. The increase in comparable expenses in fourth quarter 2008 was primarily due to net unrealized losses of $39 million after tax from changes in the fair value of derivatives, which are used to manage the Company's exposure to rising interest rate rates but do not qualify as hedges for accounting purposes. In addition, higher financial charges resulting from financing the Ravenswood acquisition and higher losses from the change in fair value of derivatives used to manage the Company's exposure to foreign exchange rate fluctuations were partially offset by increased capitalization of interest to finance a larger capital spending program.

SHARE INFORMATION

At February 23, 2009, TransCanada had 619 million issued and outstanding common shares. In addition, there were 8 million outstanding options to purchase common shares, of which 7 million were exercisable as at February 23, 2009.

OTHER INFORMATION

Additional information relating to TransCanada, including the Company's Annual Information Form and other continuous disclosure documents, is available on SEDAR at www.sedar.com under TransCanada Corporation.

Other selected consolidated financial information for 2000 to 2008 is found under the heading "Nine Year Financial Highlights" in the Supplementary Information section of the Company's Annual Report.