

TRANSCANADA PIPELINES LTD  
Form SUPPL  
October 10, 2018

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Filed pursuant to General Instruction II.L of Form F-10  
File No. 333-221898

**The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these notes and are not soliciting an offer to buy these notes in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED OCTOBER 10, 2018**

**PRELIMINARY PROSPECTUS SUPPLEMENT**  
(To Prospectus dated December 8, 2017)

## **TransCanada PipeLines Limited**

**U.S.\$                      % Senior Notes Due 2029**

**Interest payable                      and**

**Issue price:                      %**

**U.S.\$                      % Senior Notes Due 2049**

**Interest payable                      and**

**Issue price:                      %**

We are offering U.S.\$                      aggregate principal amount of                      % Senior Notes due 2029 (the "2029 Notes") and U.S.\$                      aggregate principal amount of                      % Senior Notes due 2049 (the "2049 Notes" and together with the 2029 Notes, the "notes"). Interest on the notes will accrue from                      , 2018. We may redeem some or all of the notes at any time at the applicable redemption prices described under "Description of the Notes Optional Redemption" in this prospectus supplement. The 2029 Notes and 2049 Notes will mature on                      , 2029 and                      , 2049, respectively. The effective yield on the 2029 Notes and 2049 Notes if held to maturity will be                      % and                      %, respectively. **The notes will be issued in United States dollars.**

**Investing in the notes involves risk. See "Risk Factors" on page S-6 of this prospectus supplement and page 26 of the accompanying prospectus.**

**Under applicable Canadian securities legislation, we may be considered to be a connected issuer of J.P. Morgan Securities LLC and Deutsche Bank Securities Inc., each of which is a subsidiary or affiliate of one of our lenders to which we are currently indebted. See "Underwriting" in this prospectus supplement.**

**We are permitted, as a Canadian issuer under the multijurisdictional disclosure system adopted by the United States ("U.S."), to prepare this prospectus supplement and the accompanying prospectus in accordance with Canadian disclosure requirements. You should be aware that such requirements are different from those of the U.S. Our financial statements have been prepared in accordance**

with U.S. generally accepted accounting principles, which is referred to as "U.S. GAAP".

Owning the notes may have tax consequences for you both in the U.S. and Canada. This prospectus supplement and the accompanying prospectus may not describe these tax consequences fully. You should read the tax discussion under "Certain Income Tax Considerations" in this prospectus supplement.

Your ability to enforce civil liabilities under the U.S. federal securities laws may be affected adversely by the fact that we are incorporated or organized under the laws of Canada, some or all of our officers and directors may be residents of Canada, some or all of the experts named in this prospectus supplement or the accompanying prospectus may be residents of Canada and a substantial portion of our assets and all or a substantial portion of the assets of those officers, directors and experts may be located outside of the U.S.

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Price to Public	Underwriting Commission	Proceeds
Per 2029 Note	%	%	%
Total	U.S.\$	U.S.\$	U.S.\$
Per 2049 Note	%	%	%
Total	U.S.\$	U.S.\$	U.S.\$

The public offering prices set forth above do not include accrued interest, if any.

There is no market through which these notes may be sold and purchasers may not be able to resell notes purchased under the prospectus supplement and the accompanying prospectus. This may affect the pricing of the notes in the secondary market, the transparency and availability of trading prices, the liquidity of the notes, and the extent of issuer regulation. See "Risk Factors" in this prospectus supplement and the accompanying prospectus.

The underwriters, as principals, conditionally offer these notes, subject to prior sale, if, as and when issued by us and accepted by the underwriters in accordance with the conditions contained in the underwriting agreement referred to under "Underwriting" in this prospectus supplement.

In connection with the offering, in order to facilitate the offering of the notes, the underwriters are permitted to engage in transactions that stabilize, maintain or otherwise affect the market prices of the notes. The underwriters are not required to engage in these activities and may end any of these activities at any time. After the initial public offering of the notes, the public offering prices may be changed. Thus, the prices paid for notes may vary from purchaser to purchaser and may vary during the period of distribution. The compensation realized by the underwriters will be either increased or decreased by the amount that the aggregate prices paid by purchasers of the notes differs from the gross proceeds paid to us by the underwriters. See "Underwriting".

We expect to deliver the notes to investors through the book-entry delivery system of The Depository Trust Company and its direct and indirect participants, including Euroclear Bank NV/SA and Clearstream Banking, S.A., Luxembourg, against payment in New York, New York on or about October , 2018.

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*Joint Book-Running Managers*

**J.P. Morgan**

**Deutsche Bank Securities**

The date of this prospectus supplement is October , 2018.

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**IMPORTANT NOTICE ABOUT INFORMATION IN THIS  
PROSPECTUS SUPPLEMENT AND ACCOMPANYING PROSPECTUS**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the notes we are offering. The second part, the base shelf prospectus, gives more general information, some of which may not apply to the notes we are offering. The accompanying base shelf prospectus, dated December 8, 2017, is referred to as the "prospectus" in this prospectus supplement. Except on the cover page and in the "Description of the Notes," and unless the context otherwise requires, all references in this prospectus supplement to "we", "us", "our", "TCPL" or the "Corporation" refer to TransCanada PipeLines Limited and its subsidiaries, partnership interests and joint venture investments.

**If the description of the notes varies between this prospectus supplement and the prospectus, you should rely on the information in this prospectus supplement. You should rely only on the information contained in this prospectus supplement, the accompanying prospectus or incorporated by reference therein and any term sheets we authorize and use in connection with the offering of the notes. We have not, and the underwriters have not, authorized any person to provide you with different information. If any person other than us provides you with different or inconsistent information you should not rely on it. We and the underwriters are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference therein is accurate only as of their respective dates. Our business, properties, financial condition, results of operations and prospects may have changed since those dates.**

**EXCHANGE RATE DATA**

We publish our consolidated financial statements in Canadian dollars. In this prospectus supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars and references to "Cdn.\$" or "\$" are to Canadian dollars and references to "U.S.\$" are to U.S. dollars.

The following table sets forth: (a) for the periods ended prior to April 1, 2017, the period-end noon exchange rate, the average noon exchange rate and the high and low noon exchange rates of one U.S. dollar in exchange for Canadian dollars as reported by the Bank of Canada; and (b) for the periods ended subsequent to March 31, 2017, the period end daily average exchange rate and, the daily average exchange rate and the high and low daily exchange rates of one U.S. dollar in exchange for Canadian dollars as reported by the Bank of Canada. On October 9, 2018, the daily exchange rate posted by the Bank of Canada was Cdn.\$1.2965 per U.S.\$1.00.

	Six Months Ended		Year Ended December 31,		
	June 30,		2017	2016	2015
	2018	2017			
High	1.3310	1.3743	1.3743	1.4589	1.3990
Low	1.2288	1.2977	1.2128	1.2544	1.1728
Average(1)	1.2781	1.3343	1.2986	1.3231	1.2907
Period end	1.3168	1.2977	1.2545	1.3427	1.3840

(1) The average of the exchange rates on the last day of each month during the applicable period.

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**FORWARD-LOOKING INFORMATION**

This prospectus supplement and the prospectus and the documents incorporated by reference therein include "forward-looking information" and "forward-looking statements" (collectively, "forward looking information") within the meaning of securities laws, including the "safe harbor" provisions of the Securities Act (Alberta), the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the United States Securities Act of 1933, as amended (the "Securities Act"). The words "anticipate", "expect", "believe", "may", "will", "should", "estimate", "project", "outlook", "forecast", "intend", "target", "plan" or other similar words are used to identify such forward-looking information. Forward-looking information in this prospectus supplement, in the prospectus and in the documents incorporated by reference therein is intended to provide potential investors with information regarding us, including management's assessment of our future plans and financial outlook. Forward-looking information in this prospectus supplement includes statements under the headings "Use of Proceeds" and "Underwriting". Forward-looking information in the prospectus and the documents incorporated by reference therein may include, but is not limited to, statements regarding:

planned changes in our business;

our financial and operational performance, including the performance of our subsidiaries;

expectations or projections about strategies and goals for growth and expansion;

expected cash flows and future financing options available to us;

expected dividend growth;

expected costs for planned projects, including projects under construction, permitting and in development;

expected schedules for planned projects (including anticipated construction and completion dates);

expected regulatory processes and outcomes, including the expected impact of recent FERC policy changes (the "2018 FERC Actions");

expected outcomes with respect to legal proceedings, including arbitration and insurance claims;

expected capital expenditures and contractual obligations;

expected operating and financial results;

expected impact of future accounting changes, commitments and contingent liabilities;

expected impact of the recently enacted H.R. 1, the Tax Cuts and Jobs Act in the United States, relating to, among other things, tax reform ("U.S. Tax Reform"); and

expected industry, market and economic conditions.

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This forward-looking information reflects our beliefs and assumptions based on information available to us at the time the information was stated and, as such, is not a guarantee of future performance. By its nature, forward-looking information is subject to various assumptions, risks and uncertainties which could cause our actual results and achievements to differ materially from the anticipated results or expectations expressed or implied in such statements.

Key assumptions on which our forward-looking information is based include, but are not limited to, assumptions about:

continued wind-down of our U.S. Northeast power marketing business;

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inflation rates and commodity prices;

nature and scope of hedging activities;

regulatory decisions and outcomes, including those related to the 2018 FERC Actions;

interest, tax and foreign exchange rates, including the impact of U.S. Tax Reform;

planned and unplanned outages and the use of our pipeline and energy assets;

integrity and reliability of our assets;

access to capital markets; and

anticipated construction costs, schedules and completion dates.

The risks and uncertainties that could cause actual results or events to differ materially from current expectations include, but are not limited to:

our ability to successfully implement our strategic priorities and whether they will yield the expected benefits;

the operating performance of our pipeline and energy assets;

amount of capacity sold and rates achieved in our pipeline businesses;

the availability and price of energy commodities;

the amount of capacity payments and revenues from our energy business;

regulatory decisions and outcomes, including those related to the 2018 FERC Actions;

outcomes of legal proceedings, including arbitration and insurance claims;

performance and credit risk of our counterparties;

changes in market commodity prices;

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changes in the regulatory environment;

changes in the political environment;

changes in environmental and other laws and regulations;

competitive factors in the pipeline and energy sectors;

construction and completion of capital projects;

costs for labour, equipment and materials;

access to capital markets, including the economic benefit of asset drop downs to TC PipeLines, LP;

interest, tax and foreign exchange rates, including the impact of U.S. Tax Reform;

weather;

cyber security;

technological developments; and

economic conditions in North America as well as globally.

Additional information on these and other factors is discussed in the prospectus and the documents incorporated by reference therein including in the 2017 MD&A (as defined herein) under the headings "Natural Gas Pipelines Business Risks", "Liquids Pipelines Business Risks",



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"Energy Business Risks" and "Other Information Risks and Risk Management", and in the Annual Information Form (as defined herein) under the heading "Risk Factors", as may be modified or superseded by other subsequently filed documents that are also incorporated or deemed to be incorporated by reference in the prospectus.

Readers are cautioned against placing undue reliance on forward-looking information, which is given as of the date it is expressed in this prospectus supplement or otherwise, and not to use future oriented information or financial outlooks for anything other than their intended purpose. We undertake no obligation to publicly update or revise any forward-looking information in this prospectus supplement or otherwise, whether as a result of new information, future events or otherwise, except as required by law.

**WHERE YOU CAN FIND MORE INFORMATION**

We have filed with the SEC, under the Securities Act, a registration statement on Form F-10 and an amendment thereto relating to the notes. This prospectus supplement and the prospectus, which constitute a part of the registration statement, do not contain all of the information contained in the registration statement, certain items of which are contained in the exhibits to the registration statement as permitted by the rules and regulations of the SEC. Statements included or incorporated by reference in the prospectus about the contents of any contract, agreement or other document referred to are not necessarily complete, and in each instance, prospective investors should refer to the exhibits for a complete description of the matter involved. Each such statement is qualified in its entirety by such reference.

We file annual and quarterly financial information, material change reports, business acquisition reports and other material with the Alberta Securities Commission and with the SEC. Under the multijurisdictional disclosure system adopted by the U.S., documents and other information that we file with the SEC may be prepared in accordance with the disclosure requirements of Canada, which are different from those of the U.S. Prospective investors may read and download any public document that we have filed with the Alberta Securities Commission on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com). Prospective investors may read and copy any document we have filed with the SEC at the SEC's public reference room in Washington D.C., and may also obtain copies of those documents from the public reference room of the SEC at 100 F Street, N.E., Washington, D.C. 20549 by paying a fee. Additionally, prospective investors may read and download the documents we have filed on the SEC's Electronic Data Gathering and Retrieval ("EDGAR") system web site at [www.sec.gov](http://www.sec.gov).

**DOCUMENTS INCORPORATED BY REFERENCE**

This prospectus supplement is deemed, as of the date hereof, to be incorporated by reference into the prospectus only for the purposes of the offering of the notes offered hereunder. Other documents are also incorporated or deemed to be incorporated by reference into the prospectus and reference should be made to the prospectus for full details.

The following documents, which were filed by us with the Alberta Securities Commission and with the SEC, are incorporated by reference into the prospectus:

- (a) annual information form for the year ended December 31, 2017 dated March 12, 2018 (the "Annual Information Form");
- (b) audited comparative consolidated financial statements as at December 31, 2017 and 2016 and for each of the years in the three-year period ended December 31, 2017, the notes thereto, and the auditors' report thereon;

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- (c) management's discussion and analysis of financial condition and results of operations as at and for the year ended December 31, 2017 (the "2017 MD&A");
- (d) unaudited interim comparative condensed consolidated financial statements as at June 30, 2018 and for the three and six-month periods ended June 30, 2018 and 2017 and the notes thereto; and
- (e) management's discussion and analysis of financial condition and results of operations as at and for the three- and six-months ended June 30, 2018 and 2017 (the "Interim MD&A" and together with the 2017 MD&A, the "MD&A").

Any documents of the type referred to above, including all annual information forms, all information circulars, all annual and interim financial statements and management's discussion and analysis relating thereto, all material change reports (excluding confidential material change reports), press releases containing financial information for financial periods more recent than the most recent annual or interim financial statements, and any business acquisition reports, as well as all prospectus supplements disclosing additional or updated information subsequently filed by us with the Alberta Securities Commission after the date of this prospectus supplement and prior to the termination of the offering of notes hereunder shall be deemed to be incorporated by reference into the prospectus. These documents will be available through the internet on SEDAR, which can be accessed at [www.sedar.com](http://www.sedar.com). In addition, any similar documents filed by us with the SEC in our periodic reports on Form 6-K or annual report on Form 40-F, and any other documents filed with or furnished to the SEC pursuant to Section 13(a), 13(c) or 15(d) of the Exchange Act, in each case after the date of this prospectus supplement and prior to the termination of the offering of notes hereunder, shall be deemed to be incorporated by reference into the registration statement of which this prospectus supplement forms a part, if and to the extent expressly provided in such reports. Our periodic reports on Form 6-K and our annual reports on Form 40-F are available on EDGAR at [www.sec.gov](http://www.sec.gov).

**Any statement contained in the prospectus, this prospectus supplement or in a document incorporated or deemed to be incorporated by reference in the prospectus shall be deemed to be modified or superseded, for the purposes of the prospectus and this prospectus supplement, to the extent that a statement contained in the prospectus, herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in the prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the prospectus or this prospectus supplement, except as so modified or superseded.**

## **RISK FACTORS**

*Before making an investment decision, investors should carefully consider the risks and uncertainties described under the heading "Risk Factors" in the accompanying prospectus and in our Annual Information Form and MD&A incorporated by reference in the prospectus. These risks and uncertainties are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations or an investment in the notes. If any such risks actually occur, an investment in the notes or our business, financial condition and operating results could be materially harmed.*

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**TRANSCANADA PIPELINES LIMITED**

TCPL operates in three core businesses Natural Gas Pipelines, Liquids Pipelines and Energy which are comprised of the following segments: Canadian Natural Gas Pipelines, U.S. Natural Gas Pipelines, Mexico Natural Gas Pipelines, Liquids Pipelines and Energy. We also have a non-operational Corporate segment consisting of corporate and administrative functions that provide governance and other support to our operational business segments.

TCPL's principal subsidiaries as of December 31, 2017 are indicated in the diagram under the heading "TransCanada PipeLines Limited Intercorporate Relationships" in the Annual Information Form. All of the outstanding common shares of TCPL are owned by TransCanada Corporation ("TCC").

**Consolidated Capitalization**

Other than (i) the issuance of \$200,000,000 aggregate principal amount of 3.39% medium term note debentures due 2028 and \$800,000,000 aggregate principal amount of 4.18% medium term note debentures due 2048, on July 3, 2018 (collectively, the "July Debentures"), and (ii) the issuance of 3,585,657 common shares of TCPL to TCC for aggregate gross proceeds of \$207 million on July 31, 2018, there have been no material changes in the share and loan capital of the Corporation, on a consolidated basis, since June 30, 2018.

**Enforcement of Judgments Obtained in Canada Against Directors Residing Outside of Canada**

Each of Stéphan Crétier, Randy Limbacher, John E. Lowe, Paula R. Reynolds, Mary Pat Salomone and Thierry Vandal who are directors of the Corporation, reside outside of Canada and have appointed the Corporation, having its registered office and principal executive office at 450 1st Street S.W., Calgary, Alberta, Canada T2T 5H1, as agent for service of process in Canada.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

**RECENT DEVELOPMENTS**

On October 2, 2018, TransCanada announced that it will proceed with construction of the Coastal GasLink pipeline project after a decision to sanction the LNG Canada natural gas liquefaction facility in Kitimat, British Columbia was announced by the joint venture participants of LNG Canada, a consortium comprised of Shell, PETRONAS, PetroChina, Mitsubishi Corporation and KOGAS. The pipeline will have an initial capacity of approximately 2.1 billion cubic feet per day (Bcf/day) with the potential for expansion of up to approximately 5 Bcf/day. Construction activities are expected to begin in early 2019 with a planned in-service date in 2023.

On October 5, 2018, TransCanada announced that it placed the Western Build of its WB XPress ("WBX") project into service. The Western Build of WBX is designed to move approximately 760 million cubic feet of natural gas per day to a delivery point on Tennessee Gas Pipeline's Broad Run System for transportation to the Gulf Coast.

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Except as otherwise indicated, the following tables set forth selected consolidated financial data as at the dates or for the periods indicated prepared in accordance with U.S. GAAP. The financial data should be read in conjunction with our consolidated financial statements and the related notes and MD&A included in the documents described under "Documents Incorporated by Reference" in this prospectus supplement. Historical results are not necessarily indicative of the results that may be expected for any future period.

	<b>Six Months Ended June 30</b>		<b>Year Ended December 31,</b>	
	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>(unaudited)</b>		<b>(audited)</b>	
	<b>(millions of dollars)</b>			
<b>Consolidated Statement of Income Data:</b>				
Revenues	\$ 6,619	\$ 6,637	\$ 13,449	\$ 12,547
Income from Equity Investments	345	371	773	514
Operating and Other Expenses				
Plant operating costs and other	1,696	2,033	3,906	3,861
Commodity purchases resold	921	1,090	2,382	2,172
Property taxes	302	315	569	555
Depreciation and amortization	1,105	1,033	2,055	1,939
Goodwill and other asset impairment charges			1,257	1,388
(Gain)/Loss on Assets Held for Sale/Sold		(498)	(631)	833
	4,024	3,973	9,538	10,748
Financial charges	944	725	1,447	1,391
Income before income taxes	1,996	2,310	3,237	922
Income taxes expense/(recovery)	261	584	(107)	349
Net income	1,735	1,726	3,344	573
Net income attributable to non-controlling interests	170	145	238	252
Net income attributable to controlling interests and to common shares	\$ 1,565	\$ 1,581	\$ 3,106	\$ 321