

TRANSCANADA PIPELINES LTD
Form SUPPL
September 20, 2010

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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 SEPTEMBER 20, 2010

PRELIMINARY PROSPECTUS SUPPLEMENT
(To Prospectus dated December 17, 2009)

TransCanada PipeLines Limited

U.S.\$

% Senior Notes Due 2020

Interest payable *and*

Issue price: %

The notes will mature on _____, 2020. Interest will accrue on the notes from September _____, 2010. We may redeem some or all of the notes at any time at the redemption price described under "Description of the Notes Optional Redemption" in this prospectus supplement.

Investing in the notes involves risk. See "Risk Factors" on page S-7 of this prospectus supplement and page 20 of the accompanying prospectus.

Under applicable Canadian securities legislation, we may be considered to be a connected issuer of Citigroup Global Markets Inc. and J.P. Morgan Securities LLC, 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 a 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. The financial statements included or incorporated by reference herein have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and are subject to Canadian auditing and auditor independence standards, and as a result may not be comparable to financial statements of U.S. companies. Information regarding the impact upon the Corporation's financial statements of significant differences between Canadian GAAP and U.S. generally accepted accounting principles ("U.S. GAAP") is contained in the Corporation's audited related supplemental note entitled "Reconciliation to United States GAAP" as at December 31, 2009 and 2008 and for each of the years in the three year period ended December 31, 2009 and the unaudited related supplemental note entitled "Reconciliation to United States GAAP" as at June 30, 2010 and for the three and six month periods ended June 30, 2010 and 2009.

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.

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Your ability to enforce civil liabilities under the U.S. federal securities laws may be affected adversely because 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 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.

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.

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 N.V./S.A. and Clearstream Banking, société anonyme, Luxembourg, on or about September , 2010.

Joint Book-Running Managers

Citi

J.P. Morgan

The date of this prospectus supplement is September , 2010.

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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 17, 2009, is referred to as the "prospectus" in this prospectus supplement. References in this prospectus supplement to "we", "us", "our", or the "Corporation" refer to TransCanada PipeLines Limited and not to any of its parent or subsidiary companies.

If the description of the notes varies between this prospectus supplement and the prospectus, you should rely on the information in this prospectus supplement.

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 certain exchange rates based on the noon rate as reported by the Bank of Canada. Such rates are set forth as U.S. dollars per Cdn.\$1.00 and are the inverse of noon rates quoted by the Bank of Canada for Canadian dollars per U.S.\$1.00. On September 17, 2010, the inverse of the noon rate reported by the Bank of Canada was U.S.\$0.9680 per Cdn.\$1.00.

	Six Months Ended		Year Ended	
	June 30,		December 31,	
	2010	2009	2009	2008
High	1.0039	0.9236	0.9716	1.0289
Low	0.9278	0.7692	0.7692	0.7711
Average(1)	0.9673	0.8290	0.8833	0.9397
Period end	0.9429	0.8602	0.9555	0.8166

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

**SPECIAL NOTE
REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the prospectus and the documents incorporated by reference herein and therein include "forward-looking information" and "forward-looking statements" 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", "should", "estimate", "project", "outlook", "forecast" or other similar words are used to identify such forward-looking information. All forward-looking information and forward-looking statements are based on our 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 that could cause actual results or events to differ materially from current expectations include, among other things, our ability to successfully implement our strategic initiatives and whether such strategic initiatives will yield the expected benefits, the operating performance of our pipelines 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 pipelines 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 economic conditions in North America.

By its nature, forward-looking information is subject to various risks and uncertainties, including those discussed and incorporated by reference herein and in the prospectus and as described under "Risk Factors" in the Annual Information Form (as defined herein), which could cause our actual results and experience to differ materially from the anticipated results or expectations expressed. The material assumptions in making these forward-looking statements are disclosed in the 2009 MD&A (as defined herein), as may be modified or superseded by documents incorporated or deemed to be incorporated by reference herein, under the headings "TCPL's Strategy", "Pipelines Opportunities and Developments", "Pipelines Business Risks", "Energy Opportunities and Developments", "Energy Business Risks" and "Risk Management and Financial Instruments" and comparable sections in the Interim MD&A (as defined herein). In addition, we base forward-looking information and forward-looking statements on assumptions about future events, which may not prove to be accurate. In light of these risks, uncertainties and assumptions, prospective investors should not place undue reliance on forward-looking information and forward-looking statements and should be aware that the events described in the forward-looking statements set out in this prospectus supplement and the documents incorporated by reference in this prospectus supplement and the prospectus may not occur.

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 document or otherwise, and to not use future-oriented information or financial outlooks for anything other than their intended purpose. We undertake 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.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC, under the Securities Act, a registration statement on Form F-9 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 this prospectus supplement and the prospectus about the contents of any contract, agreement or other documents 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 securities commissions or similar regulatory authorities in each of the provinces and territories of Canada 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 securities commissions or similar regulatory authorities in each of the provinces and territories of Canada on the System for Electronic Document Analysis and Retrieval ("SEDAR") at 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 some of the documents we have filed with the SEC at 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 securities commission or similar authority in each of the provinces and territories of Canada and with the SEC, are specifically incorporated by reference into and form an integral part of this prospectus supplement and the prospectus:

- (a) Audited comparative consolidated financial statements as at December 31, 2009 and 2008 and for each of the years in the three year period ended December 31, 2009, the notes thereto, and the auditors' report thereon;
- (b) Management's discussion and analysis of financial condition and results of operations as at and for the year ended December 31, 2009, excluding the section entitled "Issuer Ratings" under the subheading "Liquidity and Capital Resources Cash Flow and Capital Resources" (the "2009 MD&A");
- (c) Audited related supplemental note entitled "Reconciliation to United States GAAP" as at December 31, 2009 and 2008 and for each of the years in the three year period ended December 31, 2009, the notes thereto, and the auditors' report thereon;
- (d) Annual Information Form for the year ended December 31, 2009 dated February 22, 2010, excluding the section entitled "Credit Ratings" (the "Annual Information Form");
- (e) Comments by Auditors for United States Readers on Canada-United States Reporting Differences, dated February 22, 2010;
- (f) Management's Report on Internal Control over Financial Reporting, dated February 22, 2010 and the auditors' report thereon;
- (g) Unaudited interim comparative consolidated financial statements as at June 30, 2010 and for the three and six month periods ended June 30, 2010 and 2009 and the notes thereto;

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- (h) Management's discussion and analysis of financial condition and results of operations as at and for the three and six month periods ended June 30, 2010 (the "Interim MD&A", and together with the 2009 MD&A, the "MD&A");
- (i) Unaudited related supplemental note entitled "Reconciliation to United States GAAP" as at June 30, 2010 and for the three and six month periods ended June 30, 2010 and 2009;
- (j) Material change report dated April 21, 2010 relating to the retirement of Harold N. Kvisle as our president and chief executive officer and succession of Russell K. Girling as president and chief executive officer effective June 30, 2010; and
- (k) Material change report dated June 23, 2010 relating to changes to our executive leadership team effective July 1, 2010.

Any documents of the type referred to above, including all annual information forms, all information circulars, all annual and interim financial statements (including all updated earnings coverage ratio information) 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, 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 any offering hereunder shall be deemed to be incorporated by reference into the prospectus and the prospectus supplement (except that any section entitled "Credit Ratings", "Issuer Ratings" or another similar caption shall not be deemed to be incorporated by reference into the prospectus and this prospectus supplement). These documents are available through the internet on SEDAR, which can be accessed at 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, shall be deemed to be incorporated by reference into this prospectus supplement and the registration statement of which this prospectus supplement forms a part, if and to the extent expressly provided in such reports, except that any section of any annual information form or management's discussion and analysis filed as a part of, or as an exhibit to, an annual report on Form 40-F and entitled "Credit Ratings", "Issuer Ratings" or another similar caption shall not be deemed to be incorporated by reference into the prospectus, this prospectus supplement and the registration statement of which they form a part. Our periodic reports on Form 6-K and our annual reports on Form 40-F are available on the SEC's web site at 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 or this prospectus supplement 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 herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein 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 purposes 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 below and under the heading "Risk Factors" in the accompanying prospectus and in our Annual Information Form for the year ended December 31, 2009, dated February 22, 2010 and incorporated by reference herein. 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. If any such risks actually occur, our business, financial condition and operating results could be materially harmed.

Risks related to the notes

There is no market through which the notes may be sold.

There is no market through which the notes may be sold and purchasers may not be able to resell notes purchased under this prospectus supplement and the prospectus. This may adversely 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.

Any lowering of the credit ratings on the notes would likely reduce their value.

Our credit ratings could be lowered in the future. Any lowering of the credit ratings on our notes would likely reduce the value in the secondary market of the notes offered by this prospectus supplement.

TRANSCANADA PIPELINES LIMITED

We operate primarily in two business segments: Pipelines and Energy. The Pipelines segment is principally comprised of our pipelines in Canada, the U.S. and Mexico and our regulated natural gas storage business in the U.S. The Energy segment includes our power operations in Canada and the U.S. and non-regulated natural gas storage business in Canada.

Our significant subsidiaries as of December 31, 2009 are listed under the heading "TransCanada PipeLines Limited Corporate Structure" in the Annual Information Form. The Corporation's registered office and head office are located at 450 - 1st Street S.W., Calgary, Alberta, Canada, T2P 5H1.

Recent Developments

In September 2010, we launched binding open seasons to obtain firm commitments from interested parties for each of the Cushing Marketlink Project, which would provide crude oil transportation service from Cushing, Oklahoma to Nederland, Texas, and the Bakken Marketlink Project, which would provide crude oil transportation service from Baker, Montana to Cushing, Oklahoma and to Nederland, Texas. The proposed Cushing Marketlink Project would involve construction of approximately U.S.\$70 million of facilities at Cushing, Oklahoma and the proposed Bakken Marketlink Project would involve construction of approximately U.S.\$140 million of required facilities. Both projects would utilize pipeline facilities that form part of our proposed Keystone Gulf Coast expansion project. Pending completion of successful open seasons for the respective projects, we expect to proceed with necessary regulatory applications for approvals to construct and operate the required facilities and to provide transportation service.

In addition, we intend to pursue regulatory approvals for approximately \$470 million in capacity capital projects for our Alberta pipeline system in 2011 and 2012 in order to meet incremental gas supply requirements of our customers. If approved, these capital projects will be constructed in northeastern British Columbia and northwestern Alberta as part of the existing Alberta pipeline system.

Consolidated Capitalization

Other than the effect of changes in foreign currency exchange rates on U.S. dollar denominated loans, the only other material change in our share and loan capital on a consolidated basis since June 30, 2010 is the issuance of approximately \$170 million of our common shares to TransCanada Corporation, our parent holding company.

SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth selected consolidated financial data as at the dates or for the periods indicated. Our consolidated financial statements have been prepared in accordance with Canadian 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.

	Six Months Ended June 30,		Year Ended December 31,	
	2010 (unaudited)	2009	2009	2008
(millions of dollars)				
Consolidated Statement of Earnings Data:				
Revenues	\$ 3,878	\$ 4,146	\$ 8,966	\$ 8,619
Operating and other expenses/(income)				
Plant operating costs and other	1,511	1,607	3,367	3,014
Commodity purchases resold	472	411	1,511	1,501
Other income			(49)	(38)
Calpine bankruptcy settlements				(279)
Writedown of Broadwater LNG project costs				41
Depreciation and amortization	684	691	1,377	1,247
	2,667	2,709	6,206	5,486
Financial charges(1)	417	539	931	992
Income before income taxes and non-controlling interests	794	898	1,829	2,141
Income taxes	159	209	376	591
Non-controlling interests	42	37	74	108
Net income	593	652	1,379	1,442
Preferred share dividends	11	11	22	22
Net income applicable to common shares	\$ 582	\$ 641	\$ 1,357	\$ 1,420

(1)

Includes interest expense, interest expense of joint ventures and interest income.

	Six Months Ended June 30,		Year Ended December 31,	
	2010 (unaudited)	2009	2009	2008
(millions of dollars)				
Consolidated Cash Flow Data:				
Funds generated from operations(1)	\$ 1,634	\$ 1,446	\$ 3,044	\$ 2,992
(Increase)/decrease in operating working capital	(200)	331	(88)	128
Net cash provided by operations	\$ 1,434	\$ 1,777	\$ 2,956	\$ 3,120
Capital expenditures and acquisitions(2)	\$ (2,268)	\$ (2,635)	\$ (6,319)	\$ (6,363)
Dividends on common and preferred shares	(546)	(468)	(998)	(817)

(1)

We use the measure "funds generated from operations". This measure does not have any standardized meaning in Canadian GAAP and is therefore not considered to be a Canadian GAAP measure. This measure may not be comparable to similar measures presented by other entities.

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This measure has been used to provide potential investors with additional information on our liquidity and our ability to generate funds to finance our operations.

Funds generated from operations are comprised of net cash provided by operations before changes in operating working capital. A reconciliation of funds generated from operations to net cash provided by operations is presented in the MD&A incorporated herein by reference.

(2)

Does not include proceeds from disposition of assets.

	As at June 30, 2010 (unaudited)	As at December 31, 2009 (audited)	As at December 31, 2008 (audited)
(millions of dollars)			
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 1,126	\$ 979	\$ 1,300
Total assets			
Pipelines	31,005	29,508	25,020
Energy	12,798	12,477	12,006
Corporate	2,759	2,685	3,709
Total assets	\$ 46,562	\$ 44,670	\$ 40,735
Notes payable	\$ 1,697	\$ 1,687	\$ 1,702
Current portion of long-term debt	587	478	786
Current portion of long-term debt of joint ventures	116	212	