

TRANSCANADA CORP
Form F-10
March 17, 2016

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As filed with the Securities and Exchange Commission on March 17, 2016

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-10

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

TRANSCANADA CORPORATION

(Exact name of Registrant as specified in its charter)

Canada (Province or other jurisdiction of incorporation or organization)	4922; 4923; 4924; 5172 (Primary Standard Industrial Classification Code Number)	Not Applicable (I.R.S. Employer Identification Number)
TransCanada Tower, 450 First Street S.W., Calgary, Alberta, Canada, T2P 5H1, (403) 920-2000 (Address and telephone number of Registrant's principal executive offices)		

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Approximate date of commencement of proposed sale of the securities to the public:

As soon as practicable after this Registration Statement is declared effective.

Province of Alberta, Canada

(Principal jurisdiction regulating this offering)

It is proposed that this filing shall become effective (check appropriate box):

- A. upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).
- B. at some future date (check appropriate box below):
1. pursuant to Rule 467(b) on _____ at _____ (designate a time not sooner than seven calendar days after filing).
 2. pursuant to Rule 467(b) on _____ at _____ (designate a time seven calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on _____.
 3. pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the Registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto.
 4. after the filing of the next amendment to this Form (if preliminary material is being filed).

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box:

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered⁽¹⁾⁽²⁾⁽³⁾	Proposed maximum offering price per Security	Proposed maximum aggregate offering price⁽²⁾	Amount of registration fee
Subscription Receipts				
Common Shares ⁽⁴⁾⁽⁵⁾				
Total	U.S.\$3,338,127,318	100%	U.S.\$3,338,127,318	U.S.\$336,149

- (1) In U.S. dollars or the equivalent thereof in foreign denominated currencies or currency units.
- (2) Estimated solely for purposes of calculating the registration fee. There are being registered under this Registration Statement such indeterminate number of subscription receipts of the Registrant as shall have an aggregate initial offering price not to exceed U.S.\$3,338,127,318.
- (3) Based upon a proposed maximum offering price of Cdn\$4,410,000,000 at an exchange rate of Cdn\$1.3211 per U.S.\$1.00, the noon buying rate in New York City on March 11, 2016 for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York.
- (4) Includes associated common share purchase rights. The value, if any, attributable to the rights is reflected in the market price of the common shares.
- (5) Represents common shares issuable upon conversion of subscription receipts for which no additional consideration will be paid.

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The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registration Statement shall become effective as provided in Rule 467 under the Securities Act of 1933, as amended, or on such date as the Commission, acting pursuant to Section 8(a) of the Act, may determine.

PART I

**INFORMATION REQUIRED TO BE
DELIVERED TO OFFEREES OR PURCHASERS**

I-1

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the United States Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

SUBJECT TO COMPLETION, DATED MARCH 17, 2016

TRANSCANADA CORPORATION

§

Subscription Receipts each representing the right to receive one Common Share

TransCanada Corporation ("TransCanada" or the "Corporation") is hereby qualifying the distribution (the "Offering") of subscription receipts ("Subscription Receipts"), each of which will entitle the holder thereof to receive (i) automatically upon the closing of the Acquisition (as defined herein), without any further action on the part of the holder thereof and without payment of additional consideration, one common share ("Common Share") of the Corporation, and (ii) Dividend Equivalent Payments (as defined herein). See "Details of the Offering" and "Plan of Distribution".

The gross proceeds from the sale of the Subscription Receipts (the "Escrowed Funds") will, from the Offering Closing Date until the earlier of the delivery of the Escrow Release Notice (as defined herein) and the Termination Time (as defined herein), be held in escrow by Computershare Trust Company of Canada, as escrow agent (the "Escrow Agent") and invested pursuant to the terms of the Subscription Receipt Agreement (as defined herein) in interest-bearing deposits with banks and other financial institutions with issuer credit ratings from S&P (as defined herein) of at least A, provided that Dividend Equivalent Payments may be made from the Escrowed Funds and the interest credited or received thereon from time to time, as described herein.

We are permitted, as a Canadian issuer under a multijurisdictional disclosure system adopted by the United States ("U.S."), to prepare this 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 Subscription Receipts and the Common Shares issuable upon exchange of the Subscription Receipts may have tax consequences for you both in Canada and the U.S. This prospectus may not describe these tax consequences fully. You should read the tax discussion under "Certain Canadian Income Tax Considerations" and "Certain U.S. Federal Income Tax Considerations" in this prospectus.

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 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. Any representation to the contrary is a criminal offense.

Price: \$ per Subscription Receipt

	Price to the Public	Underwriters' Fee ⁽¹⁾	Net Proceeds to the Corporation ⁽²⁾
Per Subscription Receipt	\$	\$	\$
Total	\$	\$	\$

- (1) The fee payable to the Underwriters (as defined herein) is payable as to 50% on the Offering Closing Date and 50% upon the closing of the Acquisition. In the event the Escrowed Funds are refunded to purchasers following the Termination Time, the fee payable to the Underwriters will consist solely of the amount payable on the Offering Closing Date.
- (2) Before deducting the estimated expenses of the Offering of approximately \$3 million and excluding any interest that may be earned on the Escrowed Funds. The expenses of the Offering and the Underwriters' fee will be paid from the general funds of the Corporation.
- (3) The Corporation has granted to the Underwriters an option (the "Over-Allotment Option"), exercisable at any time up to 30 days following the Offering Closing Date, to purchase up to an additional Subscription Receipts at the Offering price. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters' fee and the net proceeds to the Corporation, before expenses of the Offering, will be \$, \$ and \$, respectively. The expenses of the Offering and the Underwriters' fee will be paid from the general funds of the Corporation. See "Plan of Distribution". The distribution of the Subscription Receipts that may be issued on the exercise of the Over-Allotment Option is also qualified under this prospectus. A purchaser who acquires any of the Subscription Receipts forming part of the Underwriters' over-allocation position acquires these securities under this short form prospectus (the "prospectus"), regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

Underwriters' Position	Maximum Size or Number of Subscription Receipts Available	Exercise Period	Exercise Price
Over-Allotment Option		Up to 30 days following the closing time for the Offering	\$

On March 17, 2016, TransCanada PipeLines Limited ("TCPL"), TransCanada PipeLine USA Ltd. ("TransCanada Holdco") and Taurus Merger Sub Inc. ("Merger Sub"), all direct or indirect wholly-owned subsidiaries of the Corporation, and the Corporation (for the limited purposes of providing representation and warranties, pursuing regulatory approvals and obtaining the financing for the Acquisition), entered into an agreement and plan of merger (the "Merger Agreement") with Columbia Pipeline Group Inc. ("Columbia"), pursuant to which TCPL, indirectly through TransCanada Holdco and Merger Sub, agreed to acquire Columbia through a merger of Merger Sub with and into Columbia (the "Acquisition") for a purchase price of approximately U.S.\$10.25 billion (the "Purchase Price") in cash, which will be funded in part, directly or indirectly, from the net proceeds of the Offering. The Purchase Price together with approximately U.S.\$2.75 billion of assumed debt constitutes a total transaction value of approximately U.S.\$13 billion. See "Acquisition of Columbia".

The outstanding Common Shares are listed on the Toronto Stock Exchange (the "TSX") and the New York Stock Exchange (the "NYSE") under the symbol "TRP". On March 16, 2016, the closing prices of the Common Shares on such exchanges were \$ and U.S.\$, respectively. **There is no market through which the Subscription Receipts may be sold and purchasers may not be able to resell Subscription Receipts purchased under this prospectus. This may affect the pricing of the Subscription Receipts in the secondary market, the transparency and availability of trading prices, the liquidity of the Subscription Receipts and the extent of issuer regulation. See "Risk Factors".**

It is currently anticipated that the closing date of the Offering (the "Offering Closing Date") will be on or about April 1, 2016, or such later date as the Corporation and the Underwriters may agree but in any event not later than April , 2016. See "Details of the Offering".

Each Subscription Receipt will be automatically exchanged for one Common Share, without any further action required on the part of the holder of the Subscription Receipt and without payment of additional consideration, upon the closing of the Acquisition (the "Acquisition Closing Date"), which is expected to occur shortly after the later of the expiration or termination of the applicable waiting period in connection with the Acquisition under the *United States Hart-Scott-Rodino Antitrust Improvements Act of 1976* ("HSR Act"), receipt of Columbia Stockholder

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Approval (as defined herein), receipt of CFIUS Clearance (as defined herein) and the satisfaction or waiver of other customary closing conditions, provided that all such conditions are satisfied or waived on or prior to September 17, 2016 (the "Acquisition Outside Date"), subject to any extensions of the Acquisition Outside Date in accordance with the terms of the Merger Agreement. See "Acquisition of Columbia Merger Agreement".

While the Subscription Receipts remain outstanding, holders thereof will be entitled to receive payments per Subscription Receipt equal to the per Common Share cash dividends, if any, actually paid or payable to holders of Common Shares in respect of all record dates for such dividends occurring from the Offering Closing Date to, but excluding, the last day on which the Subscription Receipts remain outstanding, to be paid to holders of Subscription Receipts concurrently with the payment date of each such dividend on the Corporation's outstanding Common Shares, paid first out of any interest credited or received on the Escrowed Funds and then out of the Escrowed Funds (any such payment, a "Dividend Equivalent Payment"). Notwithstanding the foregoing, holders of Subscription Receipts of record at the close on April 15, 2016 will be entitled to a Dividend Equivalent Payment in respect of the \$0.565 per Common Share dividend payable by TransCanada on April 29, 2016 to Common Share holders of record at the close on March 31, 2016 even though the Subscription Receipt

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holders were not holders of record on the record date for such Common Share dividend. Any Dividend Equivalent Payments will be made net of any applicable withholding taxes.

In the event that the Termination Time occurs after a dividend has been declared on the Common Shares but before the record date for such dividend, holders of Subscription Receipts will receive, as part of the Termination Payment (as defined herein), a pro rata Dividend Equivalent Payment in respect of such dividend declared on the Common Shares based on the ratio of the time between (i) the date of the prior Dividend Equivalent Payment (or, if none, the Offering Closing Date) and the Termination Time to (ii) the date of the prior Dividend Equivalent Payment (or, if none, the prior payment date for dividends on the Common Shares) and the dividend payment date for the dividend so declared. If the Termination Time occurs on a record date or following a record date but on or prior to the payment date, holders will be entitled to receive the full Dividend Equivalent Payment. See "Details of the Offering".

After the Acquisition Closing Date, the former holders of Subscription Receipts will be entitled, as holders of Common Shares, to receive any dividends if, as and when declared by the board of directors of the Corporation from time to time, and to vote and to all other rights available to holders of Common Shares. See "Description of Share Capital - Common Shares".

Provided that the Escrow Release Notice is provided to the Escrow Agent on or prior to the Termination Time, the remaining Escrowed Funds (together with any remaining interest credited or received thereon), less any amounts required to satisfy any unpaid Dividend Equivalent Payments, will be released by the Escrow Agent to or as directed by the Corporation and will be used, directly or indirectly, to pay a portion of the Purchase Price or to repay a portion of the indebtedness incurred to finance a portion of the Purchase Price. See "Use of Proceeds".

If the Escrow Release Notice is not delivered on or prior to 5:00 p.m. (Calgary time) on March 17, 2017 (the "Outside Date"), or if the Merger Agreement is terminated or the Corporation advises the Underwriters or announces to the public that TCPL does not intend to proceed with the Acquisition at any earlier time (such termination, advising or announcement being a "Termination Event", and the earlier of (i) 5:00 p.m. (Calgary time) on the Outside Date without the Escrow Release Notice having been delivered, and (ii) the occurrence of a Termination Event being the "Termination Time"), the Escrow Agent will pay to each holder of Subscription Receipts, commencing on the third business day following the Termination Time, the Termination Payment. The Termination Payment will be made from the balance of the Escrowed Funds at the Termination Time, including from remaining interest credited or received on the Escrowed Funds, provided that if the balance of the Escrowed Funds, together with any such interest, is insufficient to cover the full amount of the Termination Payment, under the Subscription Receipt Agreement, TransCanada will be required to pay to the Escrow Agent as agent on behalf of holders of Subscription Receipts the deficiency, if any, between the amount of Escrowed Funds, together with any such interest, at the Termination Time and the aggregate of the Termination Payments due to the holders of Subscription Receipts. See "Details of the Offering".

RBC Dominion Securities Inc. and TD Securities Inc. (collectively, the "Underwriters"), as principals, conditionally offer the Subscription Receipts, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution", and subject to the approval of certain legal matters relating to Canadian law on behalf of the Corporation by Blake, Cassels & Graydon LLP and on behalf of the Underwriters by Norton Rose Fulbright Canada LLP and certain legal matters relating to United States law on behalf of the Corporation by Mayer Brown LLP and on behalf of the Underwriters by Paul, Weiss, Rifkind, Wharton & Garrison LLP.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. Book entry only certificates representing the Subscription Receipts will be issued in registered form to CDS Clearing and Depository Services Inc. ("CDS") or its nominee and will be deposited with CDS on the Offering Closing Date. A purchaser of Subscription Receipts will receive only a customer confirmation from a registered dealer which is a CDS participant and from or through which the Subscription Receipts are purchased. See "Depository Services".

Subject to applicable laws, the Underwriters may, in connection with the Offering, over-allot or effect transactions which stabilize or maintain the market price of the Subscription Receipts at levels other than those which might otherwise prevail on the open market. The Underwriters propose to offer the Subscription Receipts initially at the offering price specified above. After a reasonable effort has been made to sell all of the Subscription Receipts at the price specified, the Underwriters may reduce the selling price to investors from time to time in order to sell any of the Subscription Receipts remaining unsold. Any such reduction will not affect the proceeds received by the Corporation. See "**Plan of Distribution**".

Investing in the Subscription Receipts and the Common Shares issuable upon the exchange thereof involves certain risks. See "Risk Factors".

Each of RBC Dominion Securities Inc. and TD Securities Inc. is a subsidiary or an affiliate of a lender to the Corporation or its subsidiaries and to which the Corporation or its affiliates is currently or will be indebted. See "Acquisition of Columbia - Financing of the Acquisition". Consequently, the Corporation may be considered a connected issuer of the Underwriters for the purposes of securities regulations in certain provinces and territories of Canada. The proceeds from the Offering may be used to reduce the Corporation's indebtedness to such lenders incurred in connection with the Acquisition. See "Relationship Between the Corporation and the Underwriters", "Use of Proceeds" and "Plan of Distribution - Conflicts of Interest".

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The Corporation's head office and registered office is located at 450 - 1st Street S.W., Calgary, Alberta, Canada, T2P 5H1.

Messrs. Lowe and Richels and Mses. Reynolds and Salomone are directors of the Corporation who reside outside of Canada and each of these directors has appointed the Corporation as agent for service of process at 450 - 1st Street, S.W., Calgary, Alberta, Canada T2P 5H1. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person who resides outside of Canada, even if the party has appointed an agent for service of process.

The date of this Prospectus is _____, 2016.

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SUMMARY

The following information is a summary only and is to be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this prospectus and in the documents incorporated by reference herein.

TransCanada

We operate our business in three segments: Natural Gas Pipelines, Liquids Pipelines and Energy. Natural Gas Pipelines and Liquids Pipelines are principally comprised of our respective natural gas and oil pipelines in Canada, the U.S. and Mexico as well as our regulated natural gas storage operations in the U.S. Energy includes our power operations and the non-regulated natural gas storage business in Canada. See "The Corporation".

The Acquisition

On March 17, 2016, the Corporation announced that the Corporation, TCPL, TransCanada Holdco and Merger Sub had entered into an agreement to acquire Columbia through a merger of Merger Sub with and into Columbia for a Purchase Price of approximately U.S.\$10.25 billion, which, together with approximately U.S.\$2.75 billion of assumed debt, constitutes a total transaction value of approximately U.S.\$13 billion. The Acquisition is expected to close shortly after the later of the expiration or termination of the applicable waiting period in connection with the Acquisition under the HSR Act, receipt of Columbia Stockholder Approval, the receipt of CFIUS Clearance and the satisfaction or waiver of other customary closing conditions, provided that this date occurs on or prior to the Acquisition Outside Date, subject to any extensions of the Acquisition Outside Date in accordance with the terms of the Merger Agreement. See "Acquisition of Columbia Merger Agreement".

Columbia

Columbia owns approximately 15,000 miles (24,140 kilometres ("km")) of strategically located interstate natural gas pipelines extending from New York to the Gulf of Mexico and one of the U.S.'s largest underground natural gas storage systems, with approximately 296 billion cubic feet ("Bcf") of working gas capacity, as well as related gathering and processing assets. For the year ended December 31, 2015, 94.6% of Columbia's revenue, excluding revenues generated from cost recovery under certain regulatory tracker mechanisms, was generated under firm revenue contracts. See "Columbia".

Acquisition Rationale

Columbia's assets include one of the largest interstate natural gas pipeline systems in the United States, providing transportation, storage and related services to a variety of customers in the U.S. Northeast, Midwest, Mid-Atlantic and Gulf Coast regions. This extensive, competitively-positioned, growing network of regulated natural gas pipeline and storage assets in the Marcellus and Utica shale gas regions complements TransCanada's existing North American footprint (see "Columbia Description of Columbia's Business"). According to the U.S. Energy Information Administration, production in the Marcellus and Utica shale regions grew from approximately 2.7 Bcf/day of natural gas in 2010 to approximately 19.6 Bcf/day in 2015, and, according to IHS CERA, natural gas production in these regions is anticipated to grow to above 30 Bcf/day by the end of 2020. Combined, the 91,000 km (56,900 mile) natural gas pipeline system connects North America's fastest-growing supply basins to markets across the continent. The combination will result in 664 Bcf of storage capacity, including Columbia's system capacity of 296 Bcf. It will also leave TransCanada well positioned to transport North America's natural gas supply to liquefied natural gas terminals for export to international markets.

TransCanada views this acquisition as a major part of a series of planned business changes, including the planned monetization of its U.S. Northeast merchant power business and of a minority interest in its Mexican natural gas pipeline business (as described under "Financing of the Acquisition") that, taken with the

Acquisition will significantly transform the Corporation's business and position it to generate significant growth, while maintaining its financial strength and flexibility. The highlights of this Acquisition include:

Creates one of North America's largest regulated natural gas transmission businesses linking the continent's fastest growing natural gas supply basins to its most attractive markets

Results in a combined \$23 billion portfolio of secured, near-term growth projects

Expected to be accretive to earnings per share in first full year of ownership and thereafter as the combined \$23 billion of near-term commercially secured projects enter service

Increases 2015 adjusted pro-forma EBITDA from regulated and long-term contracted assets to approximately 92 per cent

Planned monetization of U.S. Northeast merchant power assets would further enhance stability and predictability of revenue streams

Supports and may augment targeted 8 to 10 per cent expected annual dividend growth through 2020

Funding program designed to be consistent with current financial profile

Targeted annual cost, revenue and financing benefits of approximately U.S.\$250 million

See "Acquisition of Columbia Acquisition Rationale" and "Non-GAAP Financial Measures".

Financing the Acquisition

The Purchase Price and the expenses related to the Acquisition will be financed at the closing of the Acquisition, directly or indirectly, with a combination of some or all of the following: (i) net proceeds of the Offering, (ii) amounts drawn under the Acquisition Credit Facilities (as defined herein), and (iii) existing cash on hand and other sources available to the Corporation, including the planned monetization of the Corporation's U.S. Northeast merchant power assets and of a minority interest in its Mexican natural gas pipeline business. See "Acquisition of Columbia Financing the Acquisition" and "Consolidated Capitalization".

Selected Historical and *Pro Forma* Financial Information

The following tables set forth certain selected historical consolidated financial information as at December 31, 2015 and 2014 and selected unaudited *pro forma* condensed consolidated financial information for the year ended December 31, 2015.

The historical financial information has been derived from, and should be read in conjunction with our audited consolidated financial statements as at December 31, 2015 and 2014 and for each of the years in the three-year period ended December 31, 2015, which were prepared in accordance with U.S. GAAP, copies of which have been incorporated by reference in this prospectus and have been filed on our SEDAR profile at www.sedar.com, and the audited consolidated and combined financial statements of Columbia as of and for the years ended December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015, which were prepared in accordance with U.S. GAAP and which are attached to this prospectus in Annex A.

The *pro forma* financial information has been derived from and should be read in conjunction with our unaudited *pro forma* condensed consolidated statement of income for the year ended December 31, 2015 and our unaudited *pro forma* condensed consolidated balance sheet as at December 31, 2015 which are attached to this prospectus in Annex A, reflecting in each case the Acquisition and certain other assumptions relating thereto, as described therein which are attached to this prospectus as Annex A. *Pro forma* adjustments assume that the Purchase Price

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and acquisition costs will be financed through proceeds from the sale of Subscription Receipts in the Offering, amounts drawn under the Acquisition Credit Facilities, and existing cash on hand and other sources available to the Corporation. The Acquisition Credit Facilities are intended to be repaid through the planned monetization of the Corporation's U.S. Northeast merchant power assets and of a minority interest in its Mexican natural gas pipeline business. The impact of this expected repayment is not included in the unaudited *pro forma* financial information. Such unaudited *pro forma* financial information has been derived from and should be read in conjunction with the Corporation's and Columbia's respective audited historical financial statements.

Historical and Unaudited *Pro Forma* Income Statement Items

	Year ended December 31,				
	2015	2014	2015	2014	2015
	TransCanada		Columbia		<i>Pro Forma</i> ⁽¹⁾
	(\$ millions, except		(U.S.\$ millions, except		(\$ millions, except
	per share amounts)		per share amounts)		per share
					amounts)
Revenues	11,300	10,185	1,335	1,348	13,009
Income from equity investments	440	522	61	47	518
Operating and other expenses					
Plant operating costs and other	3,250	2,973	705	752	4,152
Commodity purchases resold	2,237	1,836			2,237
Property taxes	517	473	75	67	613
Depreciation and amortization	1,765	1,611	140	119	1,958
Asset impairment charges	3,745				3,745
Loss/(Gain) on assets held for sale/sold	125	(117)	(53)	(35)	57
	11,639	6,776	867	903	12,762
Financial Charges	1,207	1,107	68	53	
(Loss)/income before income taxes	(1,106)	2,824	461	439	
Income tax expense	34	831	153	170	
(Loss)/income from Discontinued Operations net of taxes			(1)	(1)	(1)
Net (loss)/income	(1,140)	1,993	307	268	
Net income attributable to non-controlling interests	6	153	40		57
Net (loss)/income attributable to controlling interests	(1,146)	1,840	267	268	
Preferred share dividends	94	97			94
Net (loss)/income attributable to common shares	(1,240)	1,743	267	268	
EBITDA ⁽²⁾	1,866	5,542	668	610	2,722
Adjusted EBITDA ⁽²⁾	5,611				6,467

(1) Amounts relating to Columbia have been converted from U.S. dollars at the average exchange rate in effect during the reporting period. The incremental interest expense is a result of interest on the Acquisition Credit Facilities used to partially finance the Acquisition. See note 3 to the accompanying unaudited *pro forma* financial statements, included in Annex A hereto.

(2) EBITDA and Adjusted EBITDA are non-GAAP measures. See "Non-GAAP Financial Measures" and "Selected Historical and *Pro Forma* Financial Information Reconciliation of Non-GAAP Measures".

Historical and Unaudited *Pro Forma* Balance Sheet Items

	As at December 31,				
	2015	2014	2015	2014	2015
	TransCanada		Columbia		<i>Pro Forma</i> ⁽¹⁾

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	(\$ millions)		(U.S.\$ millions)	(\$ millions)
Cash and cash equivalents	850	489	931	1
Total assets	64,483	58,525		