

TRANSCANADA CORP
Form 40-F
February 15, 2018

U.S. Securities and Exchange Commission
Washington, D.C. 20549
Form 40-F

.. REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT
OF 1934

OR
ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the fiscal year ended December 31, 2017 Commission File Number 1-31690

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 (if applicable))

Not Applicable

(I.R.S. Employer Identification Number (if applicable))

TransCanada Tower, 450 - 1 Street S.W.

Calgary, Alberta, Canada, T2P 5H1

(403) 920-2000

(Address and telephone number of Registrant's principal executive offices)

TransCanada PipeLine USA Ltd., 700 Louisiana Street, Suite 700

Houston, Texas, 77002-2700; (832) 320-5201

(Name, address (including zip code) and telephone number (including area code)

of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
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Common Shares (including Rights under Shareholder Rights Plan)	New York Stock Exchange
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Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual information form ☒ Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual report.

At December 31, 2017, 881,375,600 common shares;

9,498,423 Cumulative Redeemable First Preferred Shares, Series 1;

12,501,577 Cumulative Redeemable First Preferred Shares, Series 2;

8,533,405 Cumulative Redeemable First Preferred Shares, Series 3;

5,466,595 Cumulative Redeemable First Preferred Shares, Series 4;

12,714,261 Cumulative Redeemable First Preferred Shares, Series 5;

1,285,739 Cumulative Redeemable First Preferred Shares Series 6;

24,000,000 Cumulative Redeemable First Preferred Shares Series 7;

18,000,000 Cumulative Redeemable First Preferred Shares Series 9;

10,000,000 Cumulative Redeemable First Preferred Shares, Series 11;

20,000,000 Cumulative Redeemable First Preferred Shares, Series 13; and

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40,000,000 Cumulative Redeemable First Preferred Shares, Series 15
were issued and outstanding.

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the file number assigned to the Registrant in connection with such Rule. Yes ☐ 82-_____ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†]The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

The documents (or portions thereof) forming part of this Form 40-F are incorporated by reference into the following registration statements under the Securities Act of 1933, as amended:

FormRegistration No.

S-8 333-5916
S-8 333-8470
S-8 333-9130
S-8 333-151736
S-8 333-184074
F-3 33-13564
F-3 333-6132
F-10 333-151781
F-10 333-161929
F-10 333-208585
F-10 333-214971
F-10 333-218711

**AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AND
MANAGEMENT'S DISCUSSION & ANALYSIS**

Except sections specifically referenced below which shall be deemed incorporated by reference herein and filed, no other portion of the TransCanada Corporation 2017 Management's discussion and analysis and audited consolidated financial statements to shareholders, except as otherwise specifically incorporated by reference in the TransCanada Corporation Annual information form, shall be deemed filed with the U.S. Securities and Exchange Commission (the "Commission") as part of this report under the Exchange Act.

A. Audited Annual Financial Statements

For audited consolidated financial statements, including the auditors' report, see pages 109 through 184 of the TransCanada Corporation 2017 Management's discussion and analysis and audited consolidated financial statements to shareholders included herein.

B. Management's Discussion and Analysis

For management's discussion and analysis, see pages 5 through 108 of the TransCanada Corporation 2017 Management's discussion and analysis and audited consolidated financial statements to shareholders included herein under the heading "Management's discussion and analysis".

C. Management's Report on Internal Control Over Financial Reporting

For management's report on internal control over financial reporting, see "Management's Report on Internal Control over Financial Reporting" that accompanies the audited consolidated financial statements on page 109 of the TransCanada Corporation 2017 Management's discussion and analysis and audited consolidated financial statements to shareholders included herein.

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

For information on disclosure controls and procedures and management's annual report on internal control over financial reporting, see "Other information - Controls and Procedures" in Management's discussion and analysis on page 90 of the TransCanada Corporation 2017 Management's discussion and analysis and audited consolidated financial statements to shareholders.

AUDIT COMMITTEE FINANCIAL EXPERT

The Registrant's board of directors has determined that it has at least one audit committee financial expert serving on its Audit committee. Mr. John E. Lowe, Mr. Kevin E. Benson and Mr. Thierry Vandal have been designated audit committee financial experts and are independent, as that term is defined by the New York Stock Exchange's listing standards applicable to the Registrant. The Commission has indicated that the designation of Mr. Lowe, Mr. Benson and Mr. Vandal as audit committee financial experts does not make Mr. Lowe, Mr. Benson or Mr. Vandal "experts" for any purpose, impose any duties, obligations or liability on Mr. Lowe, Mr. Benson or Mr. Vandal that are greater than those imposed on members of the Audit committee and Board of Directors who do not carry this designation or affect the duties, obligations or liability of any other member of the Audit committee.

CODE OF ETHICS

The Registrant has adopted a code of business ethics ("Code") for its directors, officers, employees and contractors. In 2017, the Code was amended to reflect the safety value change, amend provisions relating to accepting gifts, invitations, and entertainment from suppliers, and amend provisions related to personal relationship disclosure. The Registrant's Code is available on its website at www.transcanada.com. No waivers have been granted from any provision of the Code during the 2017 fiscal year.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

For information on principal accountant fees and services, see "Audit committee - Pre-approval Policies and Procedures" and "Audit committee - External Auditor Service Fees" on page 36 of the TransCanada Corporation Annual information form.

OFF-BALANCE SHEET ARRANGEMENTS

The Registrant has no off-balance sheet arrangements, as defined in this Form, other than the guarantees and commitments described in Note 27 of the Notes to the audited consolidated financial statements attached to this Form 40-F and incorporated herein by reference.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

For information on tabular disclosure of contractual obligations, see "Contractual obligations" in Management's discussion and analysis on page 79 of the TransCanada Corporation 2017 Management's discussion and analysis and audited consolidated financial statements to shareholders.

IDENTIFICATION OF THE AUDIT COMMITTEE

The Registrant has a separately-designated standing Audit committee. The members of the Audit committee as of February 14, 2018 (unless otherwise indicated) are:

J.E. Lowe

K.E. Benson

D.H. Burney (retiring April 27, 2018)

Chair: S. Crétier

Members: I. Samarasekera

D.M.G. Stewart

T. Vandal (as of November 8, 2017)

FORWARD-LOOKING INFORMATION

We disclose forward-looking information to help current and potential investors understand management's assessment of our future plans and financial outlook, and our future prospects overall.

Statements that are forward-looking are based on certain assumptions and on what we know and expect today and generally include words like anticipate, expect, believe, may, will, should, estimate or other similar words.

Forward-looking statements in this document include information about the following, among other things:

- 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
- expected outcomes with respect to legal proceedings, including arbitration and insurance claims
- expected capital expenditures and contractual obligations
- expected operating and financial results
- the expected impact of future accounting changes, commitments and contingent liabilities
- the expected impact of H.R. 1, the Tax Cuts and Jobs Act (U.S. Tax Reform)
- expected industry, market and economic conditions.

Forward-looking statements do not guarantee future performance. Actual events and results could be significantly different because of assumptions, risks or uncertainties related to our business or events that happen after the date of this document.

Our forward-looking information is based on the following key assumptions, and subject to the following risks and uncertainties:

Assumptions

- planned wind-down of our U.S. Northeast power marketing business
 - inflation rates and commodity prices
 - nature and scope of hedging
 - regulatory decisions and outcomes
 - 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
 - anticipated construction costs, schedules and completion dates.
-

Risks and uncertainties

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
outcomes of legal proceedings, including arbitration and insurance claims
performance and credit risk of our counterparties
changes in market commodity prices
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
interest, tax and foreign exchange rates, including the impact of U.S. Tax Reform
weather
cyber security
technological developments
economic conditions in North America as well as globally.

You can read more about these factors and others in reports we have filed with Canadian securities regulators and the Commission.

As actual results could vary significantly from the forward-looking information, you should not put undue reliance on forward-looking information and should not use future-oriented information or financial outlooks for anything other than their intended purpose. We do not update our forward-looking statements due to new information or future events, unless we are required to by law.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized, in the City of Calgary, Province of Alberta, Canada.

TRANSCANADA CORPORATION

Per: /s/ DONALD R. MARCHAND

DONALD R. MARCHAND

Executive Vice-President and Chief Financial Officer

Date: February 15, 2018

DOCUMENTS FILED AS PART OF THIS REPORT
EXHIBITS

- 13.1 TransCanada Corporation Annual information form for the year ended December 31, 2017.
- 13.2 Management's discussion and analysis (included on pages 5 through 108 of the TransCanada Corporation 2017 Management's discussion and analysis and audited consolidated financial statements to shareholders).
- 13.3 2017 Audited consolidated financial statements (included on pages 109 through 184 of the TransCanada Corporation 2017 Management's discussion and analysis and audited consolidated financial statements to shareholders), including the auditors' report thereon and the Report of Independent Registered Public Accounting Firm on the effectiveness of TransCanada's internal control over financial reporting as of December 31, 2017.
- 23.1 Consent of KPMG LLP, Chartered Professional Accountants, Independent Registered Public Accounting Firm.
- 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of Chief Executive Officer regarding Periodic Report containing Financial Statements.
- 32.2 Certification of Chief Financial Officer regarding Periodic Report containing Financial Statements.
- 99.1 A copy of the Registrant's Code of Business Ethics Policy as amended (filed with the Securities and Exchange Commission as part of a Form 6-K report on February 2, 2018 and incorporated by reference herein).
- 101.INS XBRL Instance Document.
- 101.SCH XBRL Taxonomy Extension Schema Document.
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.DEF XBRL Taxonomy Definition Linkbase Document.
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.