

TRANSCANADA PIPELINES LTD
Form SUPPL
February 28, 2012

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Files pursuant to General Instruction II.K. of Form F-9
File No. 333-177789

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 FEBRUARY 28, 2012

PRELIMINARY PROSPECTUS SUPPLEMENT
(To Prospectus dated November 14, 2011)

TransCanada PipeLines Limited

U.S.\$500,000,000

% Senior Notes Due 2015

***Interest payable* and**

Issue price: %

The notes will mature on , 2015. Interest will accrue on the notes from March , 2012. 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. **The effective yield on the notes if held to maturity will be %.** The notes will be issued in United States dollars.

Investing in the notes involves risk. See "Risk Factors" on page S-8 of this prospectus supplement and page 24 of the accompanying prospectus.

Under applicable Canadian securities legislation, we may be considered to be a connected issuer of Deutsche Bank Securities Inc. and HSBC Securities (USA) 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 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 herein or incorporated by reference in the prospectus have been prepared in accordance with Canadian generally accepted accounting principles as defined in Part V of the Canadian Institute of Chartered Accountant's Handbook ("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. Effective January 1, 2012, we adopted U.S. generally accepted accounting principles ("U.S. GAAP"). Information regarding the impact upon the Corporation's financial statements of significant differences between Canadian GAAP and U.S. GAAP is contained in a note to the Corporation's audited financial statements as at December 31, 2011 and 2010 and for each of the years in the three year period ended December 31, 2011.

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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 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.

Per Note	Price To Public	Underwriting Commission	Proceeds
	%	%	%
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 price 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 price 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 price 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 N.V./S.A. and Clearstream Banking, société anonyme, Luxembourg, against payment in New York, New York on or about March , 2012.

Joint Book-Running Managers

Deutsche Bank Securities

The date of this prospectus supplement is , 2012.

HSBC

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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 November 14, 2011, 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", 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 sheet 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 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 February 27, 2012, the inverse of the noon rate reported by the Bank of Canada was U.S.\$1.0017 per Cdn.\$1.00.

	Year Ended December 31,		
	2011	2010	2009
High	1.0583	1.0054	0.9716
Low	0.9430	0.9278	0.7692
Average(1)	1.0117	0.9713	0.8797
Period end	0.9833	1.0054	0.9555

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

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", "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 "TransCanada Pipelines Limited Recent Developments". Forward-looking information in the prospectus and the documents incorporated by reference therein may include, but is not limited to, statements regarding:

anticipated business prospects;

financial performance of us and our affiliates;

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

expected cash flows;

expected costs;

expected costs for projects under construction;

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;

expected capital expenditures;

expected operating and financial results; and

expected impact of future commitments and contingent liabilities.

This forward-looking information reflects our beliefs and assumptions based on information available 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:

inflation rates, commodity prices and capacity prices;

timing of debt issuances and hedging;

regulatory decisions and outcomes;

arbitration decisions and outcomes;

foreign exchange rates;

interest rates;

tax rates;

planned and unplanned outages and utilization of our pipeline and energy assets;

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asset reliability and integrity;

access to capital markets;

anticipated construction costs, schedules and completion dates; and

acquisitions and divestitures.

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 initiatives and whether such strategic initiatives will yield the expected benefits;

the operating performance of our pipeline and energy assets;

the availability and price of energy commodities;

amount of capacity payments and revenues from our energy business;

regulatory decisions and outcomes;

outcomes with respect to legal proceedings, including arbitration;

counterparty performance;

changes in environmental and other laws and regulations;

competitive factors in the pipeline and energy sectors;

construction and completion of capital projects;

labour, equipment and material costs;

access to capital markets;

interest and currency exchange rates;

weather;

technological developments; and

economic conditions in North America.

Additional information on these and other factors is discussed in the prospectus and the documents incorporated by reference therein including under "Risk Factors" in the Annual Information Form (as defined herein) and in the MD&A (as defined herein) under the headings "TCPL's Strategy", "Natural Gas Pipelines Opportunities and Developments", "Natural Gas Pipelines Business Risks", "Oil Pipelines Opportunities and Developments", "Oil Pipelines Business Risks", "Energy Opportunities and Developments", "Energy Business Risks" and "Risk Management and Financial Instruments", as may be modified or superseded by documents 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-9 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

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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. 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 on the SEC's Electronic Data Gathering and Retrieval ("EDGAR") system web site 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 Alberta Securities Commission and with the SEC, are incorporated by reference into the prospectus:

- (a) Audited comparative consolidated financial statements as at December 31, 2011 and 2010 and for each of the years in the three year period ended December 31, 2011, 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, 2011 (the "MD&A"); and
- (c) Annual Information Form for the year ended December 31, 2011 dated February 17, 2012 (the "Annual Information Form").

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 any offering 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. 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 any offering 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.

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 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. If any such risks actually occur, our business, financial condition and operating results could be materially harmed.

TRANSCANADA PIPELINES LIMITED

We operate primarily in three business segments: Natural Gas Pipelines, Oil Pipelines and Energy. The Natural Gas Pipelines segment is principally comprised of our natural gas pipelines in Canada, the U.S. and Mexico and our regulated natural gas storage business in the U.S. The Oil Pipelines segment consists of a wholly owned and operated crude oil pipeline extending from Hardisty, Alberta to markets 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 principal subsidiaries as of December 31, 2011 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 the Corporation are owned by TransCanada Corporation, our parent holding company. The Corporation's head and registered office are located at 450 1st Street S.W., Calgary, Alberta, Canada, T2P 5H1.

Recent Developments

Keystone XL

On February 27, 2012, we sent a letter to the U.S. Department of State (the "DOS") informing the DOS that we plan to file a Presidential Permit application (cross border permit) in the near future for the Keystone XL Project from the U.S./Canada border in Montana to Steele City, Nebraska. The application will be supplemented with an alternative route in Nebraska as soon as that route is selected.

We also informed the DOS that what had been the Cushing to U.S. Gulf Coast portion of the Keystone XL Project has its own independent value to the marketplace and will be constructed as a stand-alone Gulf Coast Project, not part of the Presidential Permit process. The approximate cost is U.S.\$2.3 billion and subject to regulatory approvals, we anticipate the Gulf Coast Project to be in service in mid to late 2013.

Tamazunchale Pipeline Extension

We announced on February 24, 2012 that we will build, own and operate the Tamazunchale Pipeline Extension in Mexico following the award of a 25-year natural gas transportation service contract by the Comisión Federal de Electricidad, Mexico's state-owned power company.

We expect to invest approximately U.S.\$500 million in the 235 kilometre (146 mile) pipeline and anticipate an in-service date in the first quarter of 2014. The project will have contracted capacity of 630 million cubic feet a day.

Bruce Power

Due to recent delays in the commissioning of the primary heat transfer system on the Bruce Power restart project, Bruce Power expects that commercial operations of Unit 2 will now extend into second quarter 2012.

Consolidated Capitalization

The only material change in our share and loan capital on a consolidated basis since December 31, 2011 is the issuance of approximately \$270 million of our common shares to TransCanada Corporation.

SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth selected consolidated financial data extracted from the annual consolidated financial statements as at the dates or for the periods indicated, incorporated by reference in the prospectus. 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.

	Year Ended December 31,		
	2011	2010	2009
(millions of dollars)			
Consolidated Statement of Earnings Data:			
Revenues	\$ 9,139	\$ 8,064	\$ 8,181
Operating and other expenses/(income)			
Plant operating costs and other	3,449	3,114	3,213
Commodity purchases resold	941	1,017	831
Other expenses Valuation provision for Mackenzie Gas Pipeline		146	
Depreciation and amortization	1,528	1,354	1,377
	5,918	5,631	5,421
Financial charges(1)	1,044	719	931
Income before income taxes and non-controlling interests	2,177	1,714	1,829
Income taxes	544	365	376
Non-controlling interests	107	93	74
Net income	1,526	1,256	1,379
Preferred share dividends	22	22	22
Net income attributable to common shares	\$ 1,504	\$ 1,234	\$ 1,357

(1) Includes interest expense and interest expense of joint ventures net of interest income.

	Year Ended December 31,		
	2011	2010	2009
(millions of dollars)			
Consolidated Cash Flow Data:			
Funds generated from operations(1)	\$ 3,572	\$ 3,279	\$ 3,044
Decrease/(increase) in operating working capital	282	(256)	(88)
Net cash provided by operations	\$ 3,854	\$ 3,023	\$ 2,956
Capital expenditures and acquisitions	\$ (3,274)	\$ (5,036)	\$ (6,319)
Dividends on common and preferred shares	(1,185)	(1,109)	(998)

(1)

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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. 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 by reference in the prospectus.

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	As at December 31,		
	2011	2010	2009
	(audited)		
	(millions of dollars)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 740	\$ 752	\$ 979
Total assets			
Natural Gas Pipelines	23,669	23,629	23,724
Oil Pipelines	9,439	8,501	5,784
Energy	14,276	12,966	12,477
Corporate	2,339	3,030	2,685
	\$ 49,723	\$ 48,126	\$ 44,670
Notes payable			
Current portion of long-term debt	935	894	478
Current portion of long-term debt of joint ventures	33	65	212
Long-term debt	17,632	17,028	16,186
Long-term debt of joint ventures	789	801	753
Junior subordinated notes	1,009	985	1,036
Preferred shares	389	389	389