



## TransCanada Corporation: Focus on New and Acquired Pipelines

### Description

**TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) is still keen on getting more pipelines up and running. After seeing the controversial Keystone XL pipeline rejected last year by the U.S. administration after seven years of various rounds of approvals, TransCanada turned to other sources to build or acquire the pipelines the company needs.

While a Trump win in the upcoming election may result in TransCanada dusting off the rejected Keystone plan, TransCanada isn't waiting until November to see those results. TransCanada has a number of other projects in various stages of completeness and just announced a new deal this week.

### TransCanada is taking over the Columbia Pipeline Partnership

Just this week, TransCanada made an offer of approximately US\$848 million in cash to purchase all of Houston-based **Columbia Pipeline Partners LP**. TransCanada already purchased the Columbia Pipeline Group in an earlier deal worth a reported US\$13 billion, which made the company the largest partner in the group.

This new deal will result in TransCanada purchasing whatever equity the company doesn't already own from that prior deal, effectively buying out all investors in the group.

While the deal is still subject to a variety of regulatory approvals and conditions, upon completion TransCanada will have a pipeline network that stretches from the Gulf of Mexico to New York and that incorporates three regulated U.S. natural gas markets.

### Energy East pipeline is costing money and taking more time

The Energy East pipeline is another TransCanada project that has been getting a fair amount of attention lately. The National Energy Board had been reviewing the proposed pipeline, but earlier this month all three members of the panel charged with presiding over hearings into the pipeline development stepped down, effectively leaving the review incomplete.

As frustrating as this is for TransCanada, it gets worse. The National Energy board has stated that the

review cost at least \$685,000 up to the point where the panel resigned. That figure is likely to increase as some of the hearings held have yet to be invoiced.

By way of comparison, the Edmonton to Burnaby Trans Mountain Expansion that was approved this past spring cost approximately \$1.83 million, but it is shorter and doesn't span as many provinces as the Energy East pipeline, which is likely to cost more upon completion.

Once a new panel is selected, the process could more than likely have to start afresh. The National Energy Board still hopes to have a decision on the pipeline project by March 2018.

### **Prince Rupert Gas Transmission (PRGT) project**

The PRGT is another pipeline project that TransCanada is working on. Upon completion it will span over 900 km of combined land and marine pipeline. The completed pipeline will connect the gas production facilities in northeastern B.C. with the proposed LNG liquefaction facility on Lelu Island.

TransCanada received final permits and regulatory approval for the project late last year, and construction of the pipeline is set to begin once Pacific NorthWest LNG makes an investment decision. TransCanada has stated that once construction begins, the project could last up to five years, creating thousands of jobs and providing millions in local tax revenue.

### **Conclusion**

Due to its focus on in-progress pipeline projects, TransCanada continues to represent a great opportunity to investors.

### **CATEGORY**

1. Energy Stocks
2. Investing

### **TICKERS GLOBAL**

1. NYSE:TRP (Tc Energy)
2. TSX:TRP (TC Energy Corporation)

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dafxentiou

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