



February 5, 2018

Technical Director
Financial Accounting Standards Board
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Norwalk, CT 06856-5116

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Dear Technical Director:

TransCanada Corporation (TransCanada) is pleased to submit its comments in response to the Invitation to Comment on the Exposure Draft on *Leases (Topic 842) – Targeted Improvements* issued by the Financial Accounting Standards Board (FASB).

TransCanada is a leader in the responsible development and reliable operation of North American energy infrastructure including natural gas and liquids pipelines, power generation and gas storage facilities. TransCanada operates one of the largest natural gas transmission that extends more than 91,500 kilometers (56,900 miles), tapping into virtually all major gas supply basins in North America. TransCanada is the continent's leading provider of gas storage and related services with 653 billion cubic feet of storage capacity. A large independent power producer, TransCanada owns or has interests in approximately 6,100 megawatts of power generation in Canada and the United States. TransCanada is also the developer and operator of one of North America's leading liquids pipeline systems that extends approximately 4,800 kilometers (3,000 miles) connecting growing continental oil supplies to key markets and refineries.

TransCanada supports the FASB's revisions to the optional transition method as part of FASB's initiative to reduce the cost and complexity of complying with the transition requirements in Topic 842. Our specific views are outlined below in our responses to questions contained in the Exposure Draft:

Transition - Comparative Reporting at Adoption

Question 1:

Would the proposed optional transition method to apply the new lease requirements through a cumulative-effect adjustment in the period of adoption reduce the costs and complexity associated with implementing Topic 842? If not, please explain why.

Yes, TransCanada believes that the optional transition method will reduce the cost and complexity associated with applying the new requirements under Topic 842. This proposed optional transition method will help to simplify the TransCanada's transition process in the following ways;

- TransCanada would not be required to review or track lease agreements that have completed or terminated prior to the date of adoption
- TransCanada would not be required to restate comparative periods for balance sheet and income statement impacts, and
- TransCanada would not be required to provide lease disclosures for comparative periods under ASC 842.

TransCanada does not believe that these simplifications will make the Company's financial statements any less informative for users. The Company believes that for decision making purposes, users would benefit from information on existing leases as of the date of adoption (i.e. requirements under existing lease guidance) and not from restated comparative financial statements and comparative disclosures given those would include impacts of any terminated or completed leases as of the date of adoption.

TransCanada also believes that this optional transition method will reduce the efforts for auditors reviewing implementation results and disclosures.

Question 2:

Is the proposed transition method, as written in the proposed Update, operable? If not, please explain why?

Yes, TransCanada believes that the proposed transition method is an operable transition alternative for the implementation of ASC 842.

Separating Components of a Contract

At this time, TransCanada continues its analysis on non-lease components within its existing lease contracts. As such, responses to questions 3-5 in the Exposure Draft have not been submitted.

TransCanada hopes these comments will be useful to the Board in their deliberations. If you have any questions or would like to discuss any of these matters, please do not hesitate to contact us.

Yours very truly,



G. Glenn Menuz, C.A.
TransCanada Corporation
Vice-President and Controller