

TC PIPELINES LP
Form 8-K
July 03, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **July 2, 2013**

TC PipeLines, LP

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-26091
(Commission File
Number)

52-2135448
(IRS Employer
Identification No.)

13710 FNB Parkway
Omaha, NE
(Address of principal executive offices)

68154-5200
(Zip Code)

Registrant's telephone number, including area code **(877) 290-2772**

Not Applicable

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(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 **Entry into a Material Definitive Agreement.**

On July 1, 2013, TC PipeLines, LP (the Partnership) entered into a Term Loan Agreement (the Credit Agreement) among the Partnership, the banks and other financial institutions parties thereto (the Lenders) and SunTrust Bank (SunTrust), as administrative agent. The Credit Agreement includes a \$500 million term loan credit facility (the Term Loan Facility). On July 2, 2013, the Partnership borrowed \$500 million in term loans (the Term Loans) under the Term Loan Facility to pay a portion of the purchase price of the acquisition from subsidiaries of TransCanada Corporation of an additional 45 percent interest in each of Gas Transmission Northwest LLC and Bison Pipeline LLC for a total transaction value of \$1.05 billion, subject to certain closing adjustments for working capital (the Acquisition).

The Term Loan Facility has a term of five years, and all amounts outstanding under the Term Loan Facility will be due and payable on July 1, 2018.

The outstanding principal amount of the Term Loans will bear interest based, at the Partnership's election, on the London interbank offered rate (LIBOR) or the base rate plus, in either case, an applicable margin. The base rate will equal the highest of (i) SunTrust's prime rate, (ii) 0.50% above the federal funds rate and (iii) 1.00% above one-month LIBOR. The applicable margin for the Term Loans is based on the Partnership's senior debt rating and ranges between 1.125% and 2.00% for LIBOR borrowings and 0.125% and 1.000% for base rate borrowings.

The Credit Agreement includes usual and customary covenants for credit facilities of this type, including covenants limiting subsidiary debt, investments, dividends, transactions with affiliates, liens, mergers, asset sales and material changes in the business of the Partnership or its subsidiaries. The Credit Agreement also requires the Partnership to maintain a leverage ratio of not more than 5.00 to 1.00 at the end of each fiscal quarter. If the Partnership consummates one or more permitted acquisitions, the maximum permitted leverage ratio will increase to 5.50 to 1.00 for the fiscal quarter in which the acquisition occurs and for the two subsequent fiscal quarters and will thereafter revert to 5.00 to 1.00.

In the event of a default by the Partnership under the Credit Agreement, including cross-defaults relating to specified other debt of the Partnership or its significant subsidiaries that exceeds 5% of the Partnership's consolidated net tangible assets, the Lenders may declare the amounts outstanding under the Credit Agreement, including all accrued interest and unpaid fees, due and payable immediately. In addition, the Lenders may enforce any rights and remedies created under the Credit Agreement or applicable law. For events of default relating to insolvency, bankruptcy or receivership, the amounts outstanding become due and payable immediately.

The administrative agent and certain Lenders under the Credit Agreement and their affiliates have in the past provided, and may in the future provide, investment banking, underwriting, lending, commercial banking and other advisory services to the Partnership. These parties have received, and may in the future receive, customary compensation from the Partnership for such services.

The foregoing description of the Credit Agreement does not purport to be complete and is qualified in its entirety by the Credit Agreement, which is attached hereto as Exhibit 10.1 and incorporated by reference.

Item 2.03 **Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

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The information set forth in Item 1.01 is incorporated herein by reference.

Item 9.01

Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.

- 10.1 Term Loan Agreement, dated as of July 1, 2013, by and among the Partnership, the Lenders, and SunTrust Bank, as administrative agent for the Lenders.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TC PipeLines, LP

By:
its general partner

TC PipeLines GP, Inc.,

Dated: July 3, 2013

By:

/s/ Annie C. Belecki
Annie C. Belecki
Secretary

EXHIBIT INDEX

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