



Investor Meeting

September 2010

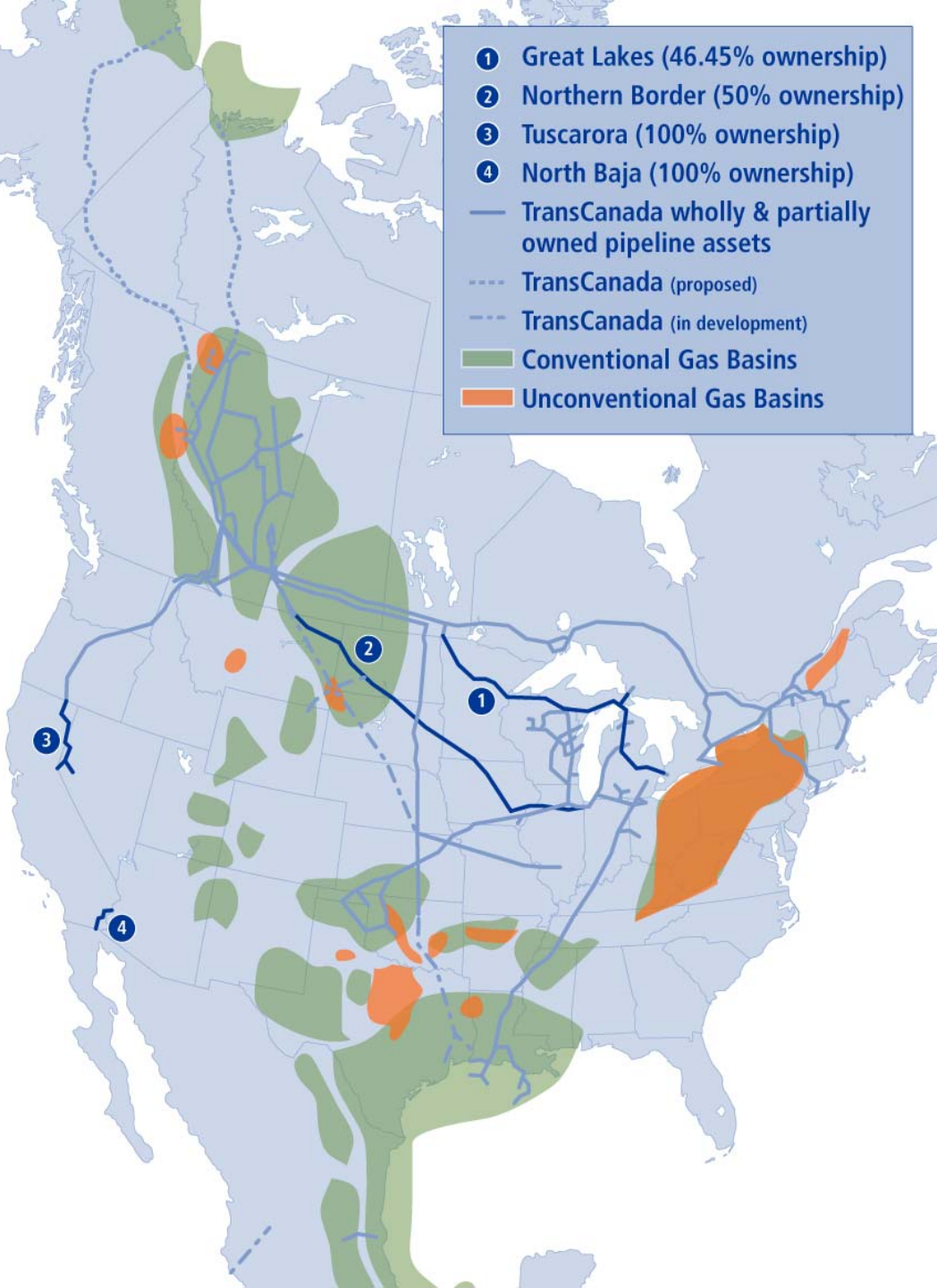
Forward Looking Information



This presentation may include forward-looking statements regarding future events and the future financial performance of TC PipeLines, LP. Words such as “believes,” “expects,” “intends,” “forecasts,” “projects,” and similar expressions identify forward-looking statements. All forward-looking statements are based on the Partnership’s current beliefs as well as assumptions made by and information currently available to the Partnership. These statements reflect the Partnership’s current views with respect to future events. The Partnership assumes no obligation to update any such forward-looking statement to reflect events or circumstances occurring after the date hereof. Important factors that could cause actual results to materially differ from the Partnership's current expectations include our ability to identify, negotiate and finance potential business opportunities, market conditions, and other risks inherent in an investment in us as discussed in the Partnership’s filings with the Securities and Exchange Commission, including the Partnership’s Annual Report on Form 10-K for the year ended December 31, 2009 and the Partnership’s Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2010.

TC PipeLines, LP (TCLP) A Great Business

- ① Great Lakes (46.45% ownership)
- ② Northern Border (50% ownership)
- ③ Tuscarora (100% ownership)
- ④ North Baja (100% ownership)
- TransCanada wholly & partially owned pipeline assets
- - - TransCanada (proposed)
- - - TransCanada (in development)
- Conventional Gas Basins
- Unconventional Gas Basins



- Proven Track Record
- Essential Infrastructure
 - Great Lakes – 2.4 Bcf/d
 - Northern Border – 2.4 Bcf/d
 - Tuscarora – 230 MMcf/d
 - North Baja – 600 MMcf/d
- Serves Key Markets
- Connects Key Supply Basin

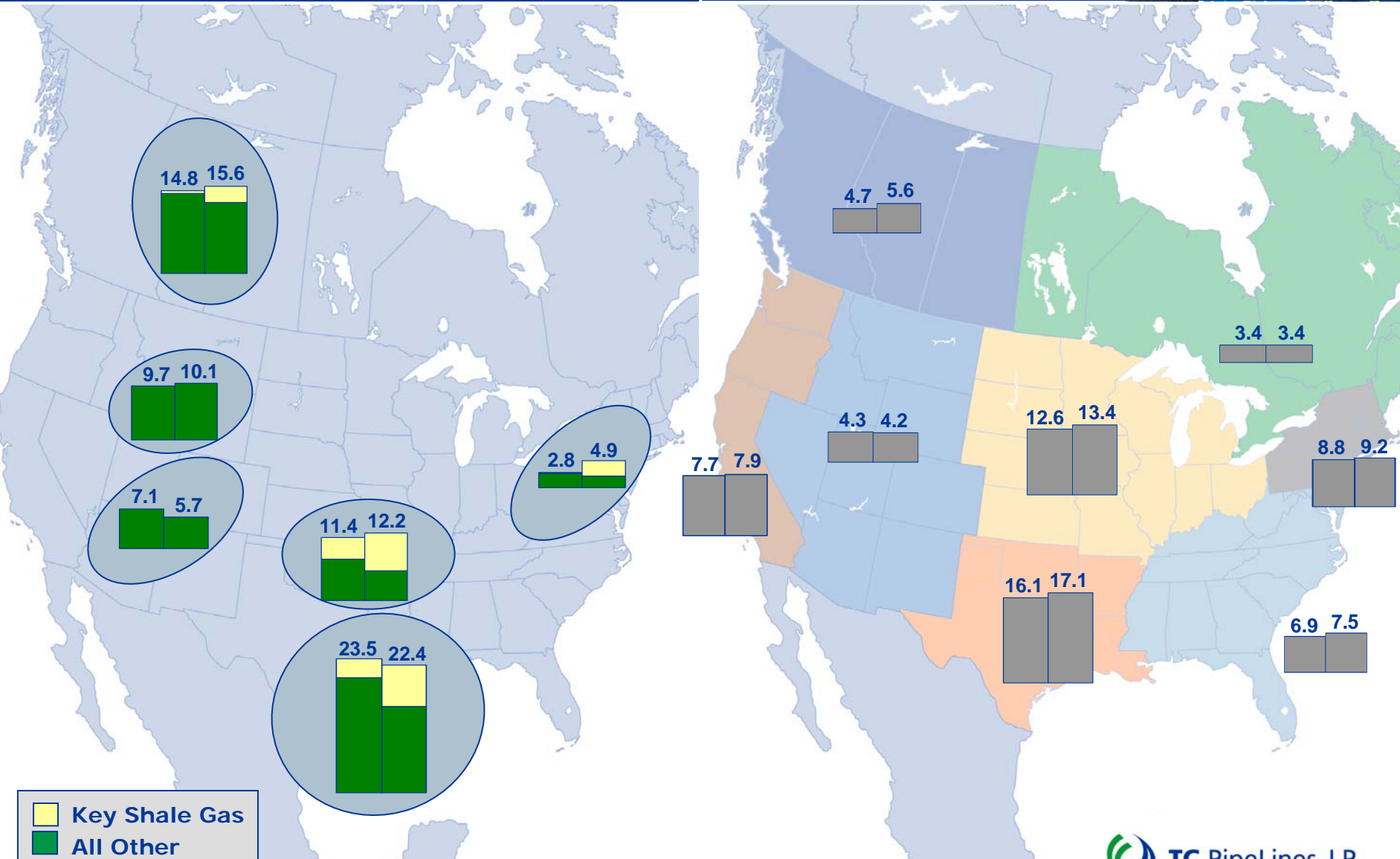
New Gas Required Annually to Replace Declining Production Rates in North America



- Average daily production in U.S. and Canada ~ 70 Bcf/d
- Annual decline rate ~ 20%
- Annual decline volume that needs to be replaced each year:
 - $70 \text{ Bcf/d} \times 20\% \sim 14.0 \text{ Bcf/d}$
- Over five years a total of 70 Bcf/d of new deliverability has to be brought on-stream to maintain production at current rates

Regional Gas Supply (Bcf/d) 2009/2015

Regional End Use Demand (Bcf/d) 2009/2015

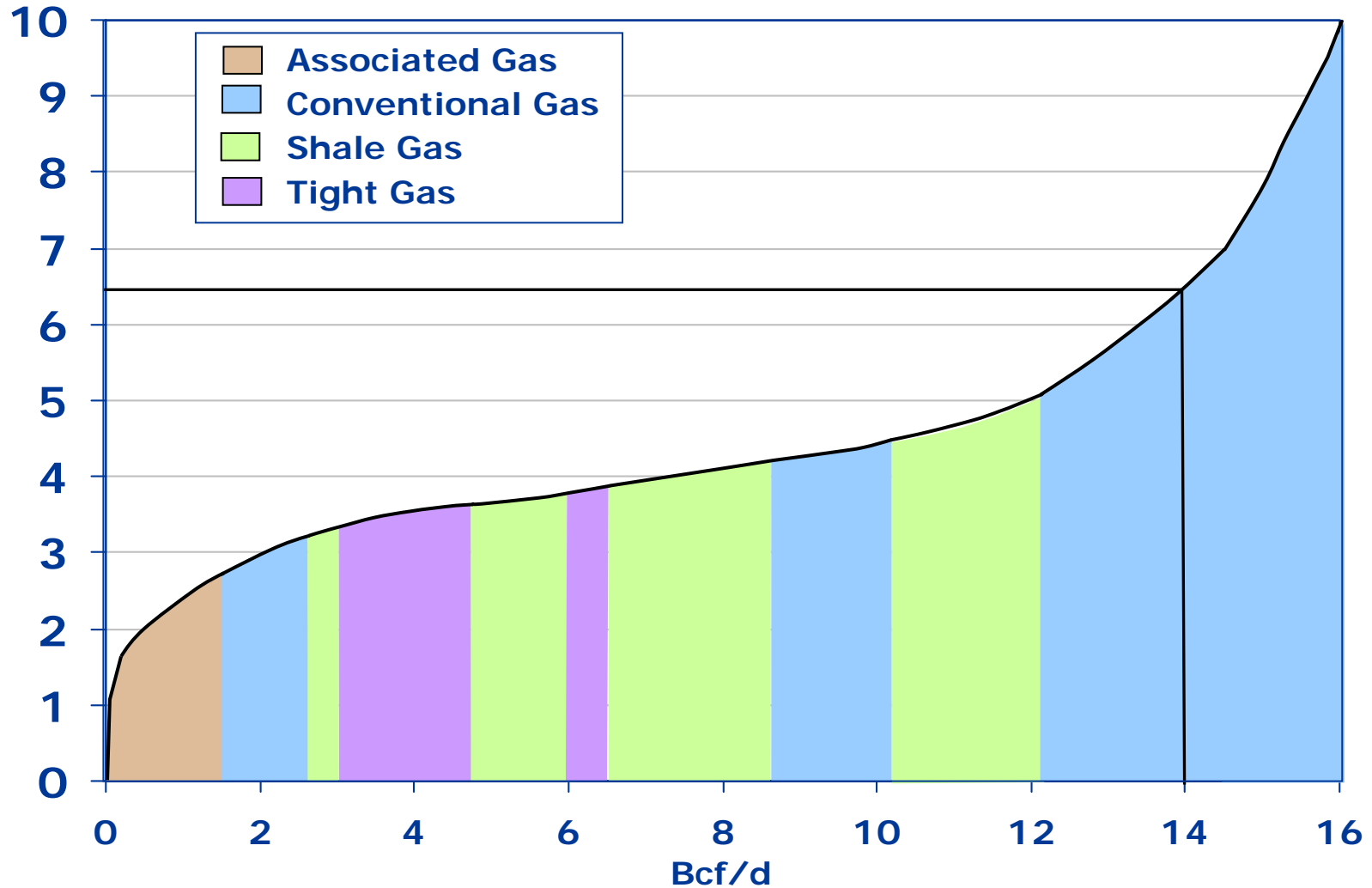


Source: TransCanada

Representative Full Cycle Cost of New Gas Added to Replace Decline in US and Canada

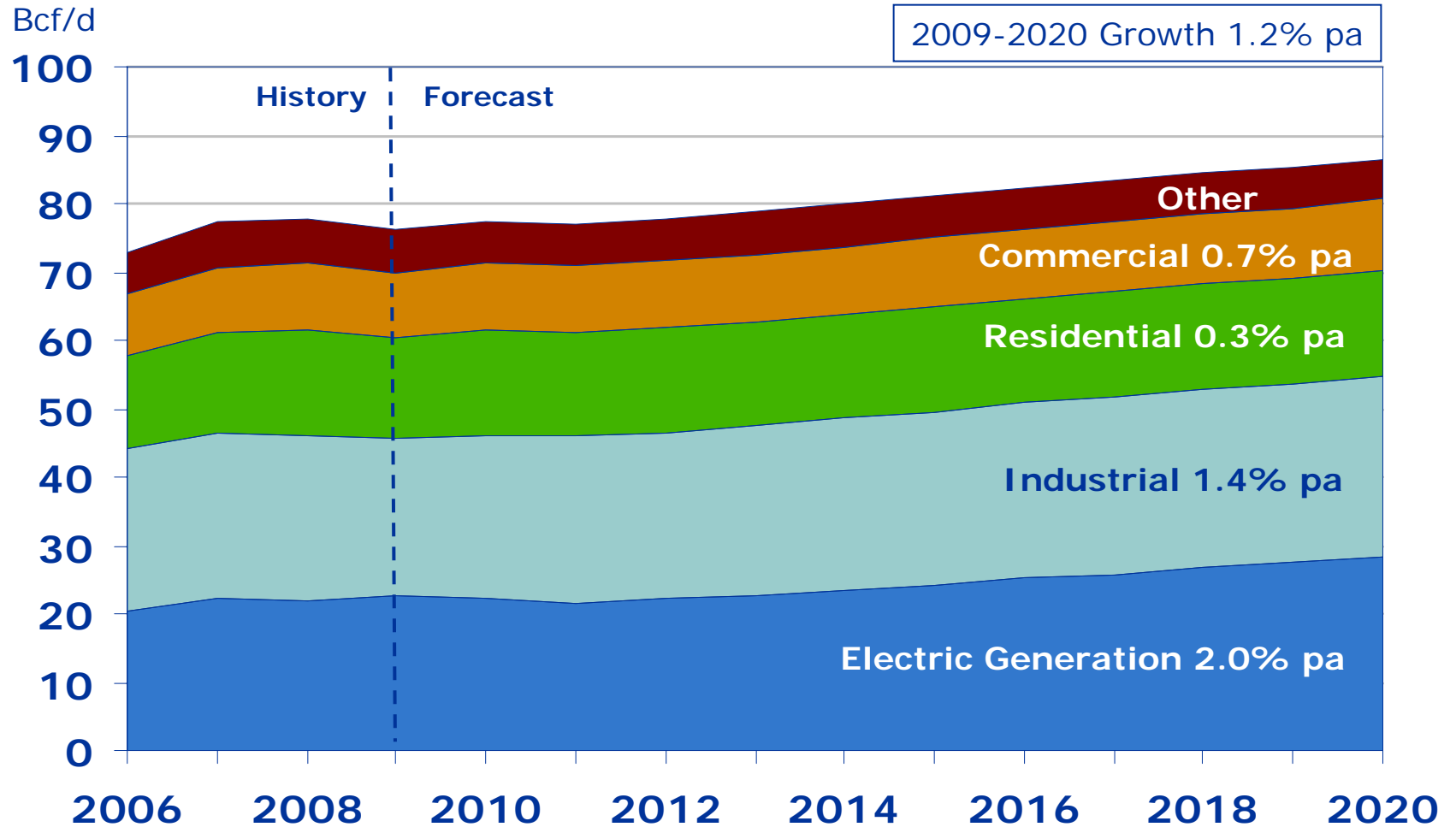


\$US/Mcf

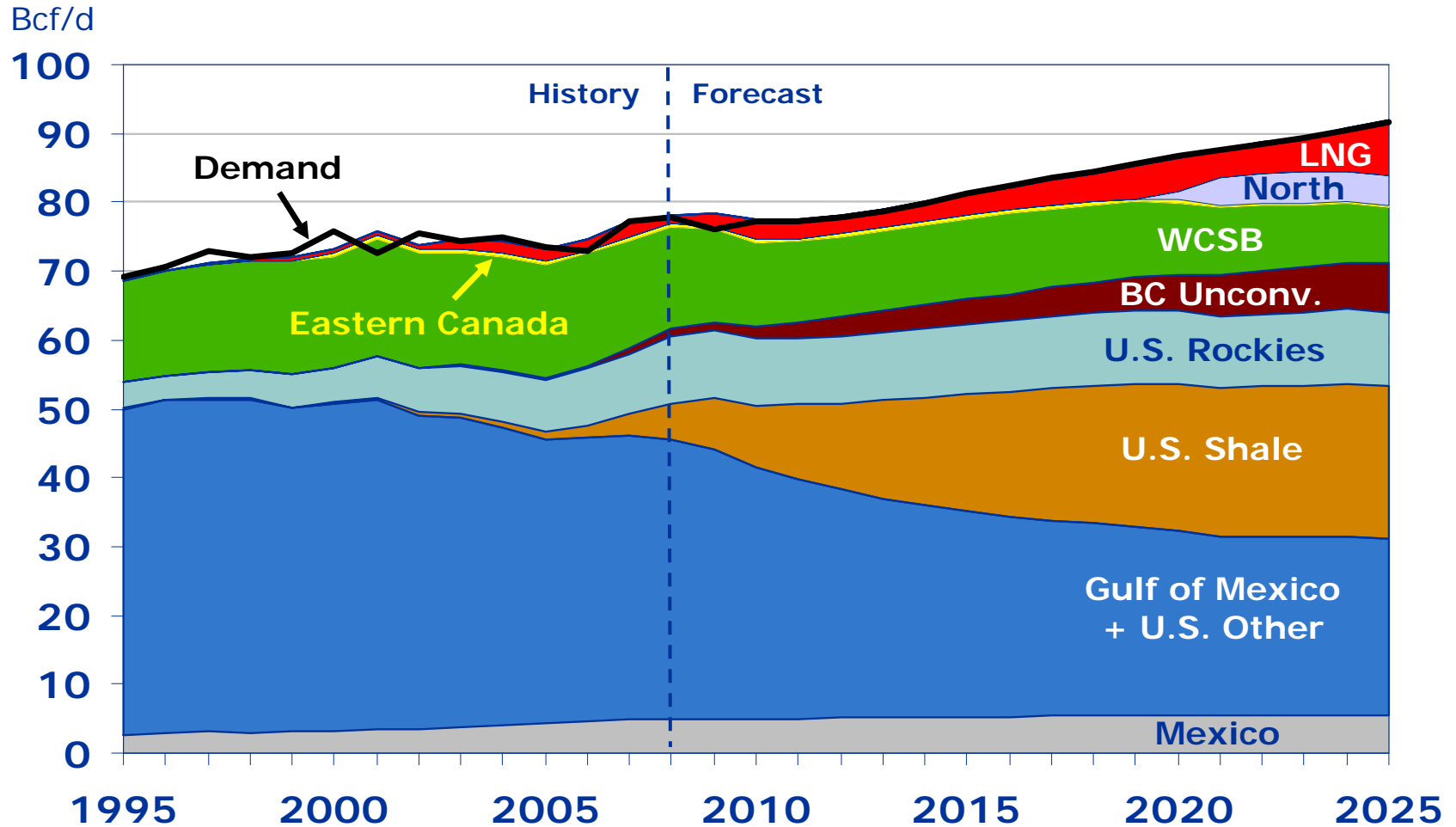


Source: Various sources, prepared by TransCanada

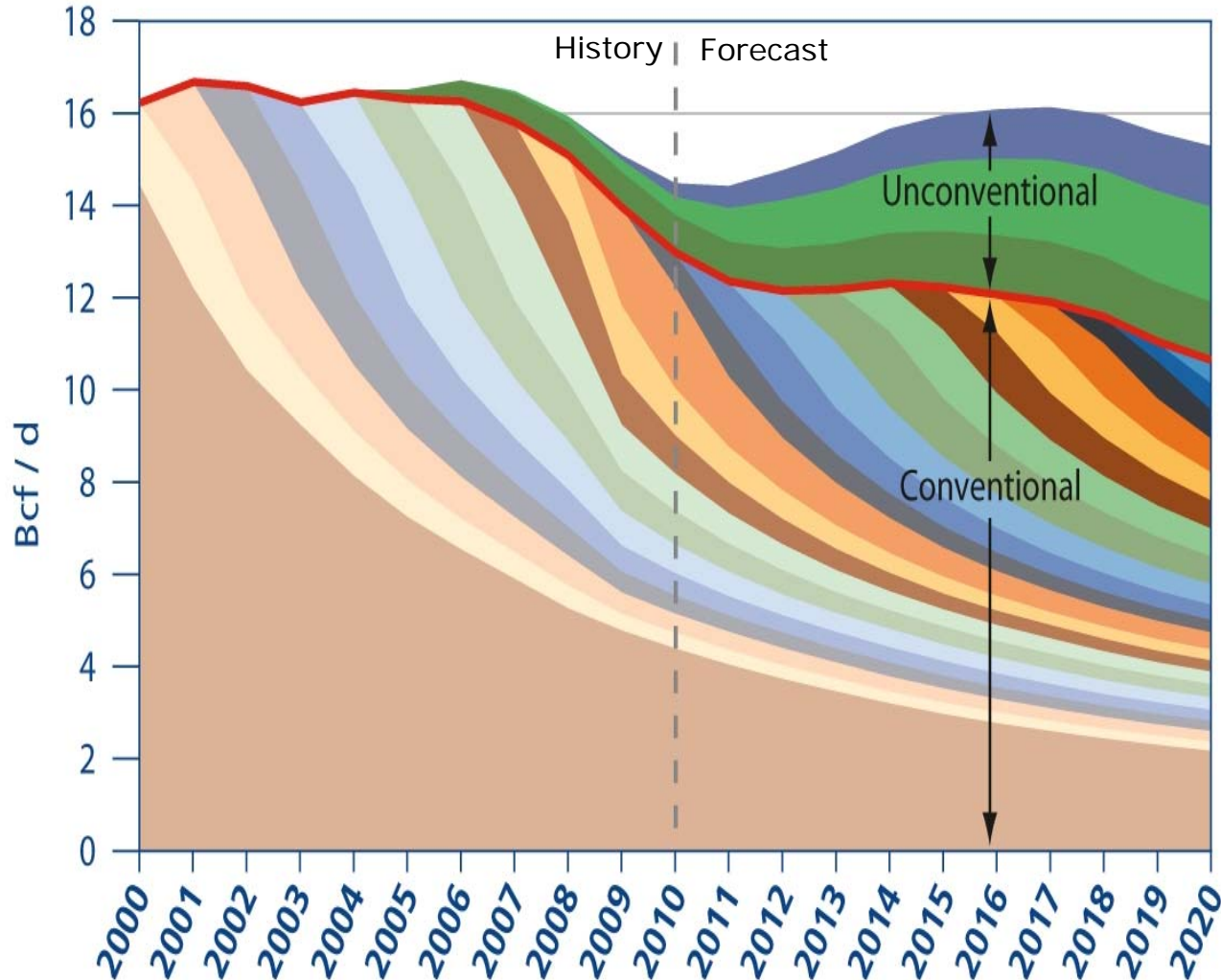
Canada, U.S. and Mexico Natural Gas Demand



North American Supply/Demand Balance



WCSB – Replacement History and Outlook



WCSB Recovering

Emerging Unconventional

- Horn River/Montney shale
- Coalbed methane
- Deep basin tight gas

Royalty Structure Changes

- B.C. and AB government incentives
- Competitiveness review

Positive Leading Indicators

- Land sales
- Upstream capital programs and production growth targets
- Declining cost structures

Diversifying Supply



- **North Baja** (Acquired July 2009)
 - Interconnects with U.S. supply and LNG-sourced natural gas
 - Bi-directional flows
- **Bison Interconnect**
 - U.S. Rockies Supply
 - Approx. 0.4 Bcf/d, expandable to 1.0 Bcf/d
- **Tuscarora**
 - U.S Rockies supply via Ruby Pipeline
- **Gas Storage Interconnections**
 - Michigan
 - ANR
 - Total regional storage ~ 650 Bcf



Essential Infrastructure



Tuscarora and North Baja

- Unique geographic locations / markets
- Serve power generation load
- Long-term contracts of ~10.5 years (Tuscarora) and ~16.5 years (North Baja)

Great Lakes and Northern Border

- Essential infrastructure
- Serve key markets
- Demand pull vs supply push
- Competitive cost per mile compared to new build
- Contracts trending shorter term
 - not indicative of demand for services
 - continue to serve key markets
- Longer-term, FERC regulated

Great Lakes FERC Section 5 Settlement

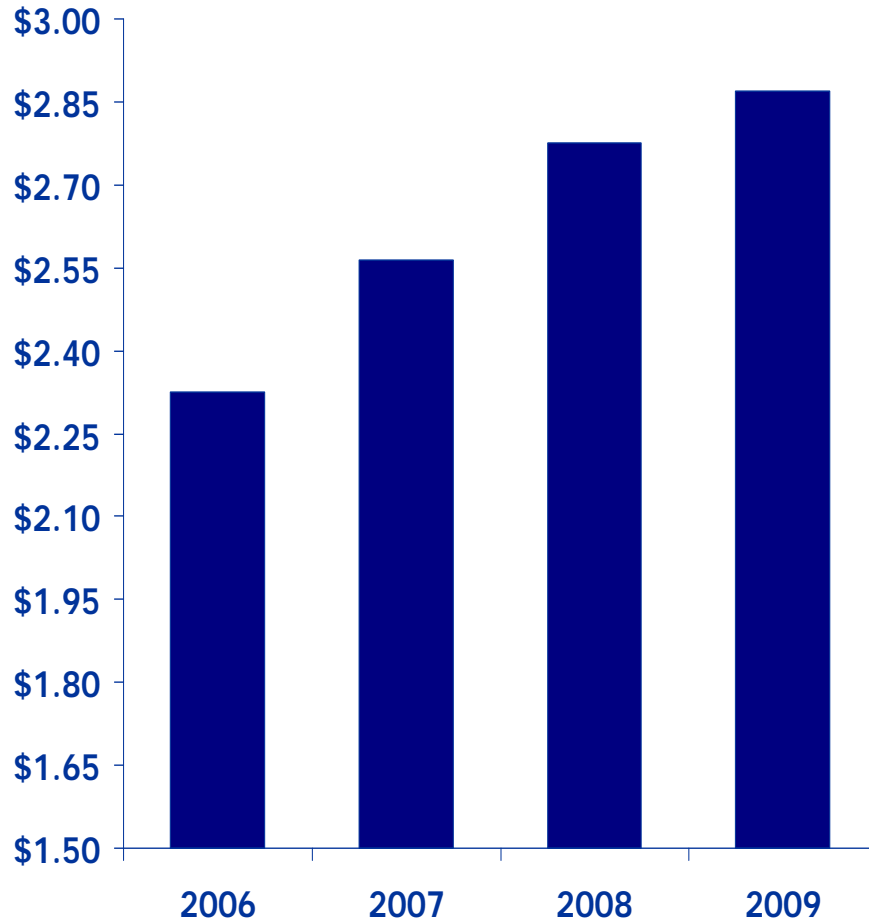


- **For TC PipeLines**
 - Settlement not material to earnings or cash flows
 - Removes uncertainty of proceeding
- **Reservation rates reduced by 8%**
 - Long-haul reservation rate reduced from \$0.338 to \$0.311 per dekatherm
 - Various short-haul firm paths have similar reductions
- **Depreciation will decrease from 2.75 to 1.48 per cent per annum**
- **Revenue sharing provision**
 - Includes both firm and interruptible revenues, in excess of \$500 million during the period between Nov 1, 2010 and Oct 31, 2012
 - Share fifty per cent of qualifying revenues with qualifying shippers
- **Retroactive to May 1, 2010**
- **Rates will remain in effect through at least Nov 30, 2011**
- **Includes two waiting periods or moratoria**
 - Great Lakes cannot file a Section 4 general rate case prior to Jun 1, 2011, new rates cannot be effective under such a Section 4 case prior to Dec 1, 2011
 - Participants / customers cannot file a Section 5 rate case until Nov 1, 2012
- **Requires Great Lakes to file a Section 4 rate case no later than Nov 1, 2013**

Stable and Growing Cash Distributions



Cash Distributions Paid Per Unit



• Track Record

- Growing cash distributions
- Solid coverage ratios
- Since July 2006
 - increased 8 times, 27%
 - CAGR of 7.3%

• Current Yield ~ 6.8%

• Positioned for Growth

- Amended incentive distribution rights
- Liquidity and financial flexibility
 - issued \$190 million equity late 2009
 - \$250 million credit facility
 - filed new shelf registration
 - allows for unlimited equity / debt
- Potential drop-down opportunities
- Third party acquisitions
- Organic

Investment Highlights



- **History of Providing Stable and Growing Cash Distributions**
 - Acquisition based growth and organic expansions
 - Solid cash distribution coverage ratio
 - Among lowest ratios of GP cash take as a percentage of total cash distributions
- **Strong Stewardship from Sponsor TransCanada**
 - Owns 38.2%
 - Operates TCLP's assets
 - Connecting unconventional gas plays offering diversification of gas supply
 - Potential drop-downs to TCLP
- **Growth Opportunities**
 - Acquisitions from TransCanada / Third party acquisitions / Organic
- **Investments in Low-Risk Energy Infrastructure Assets**



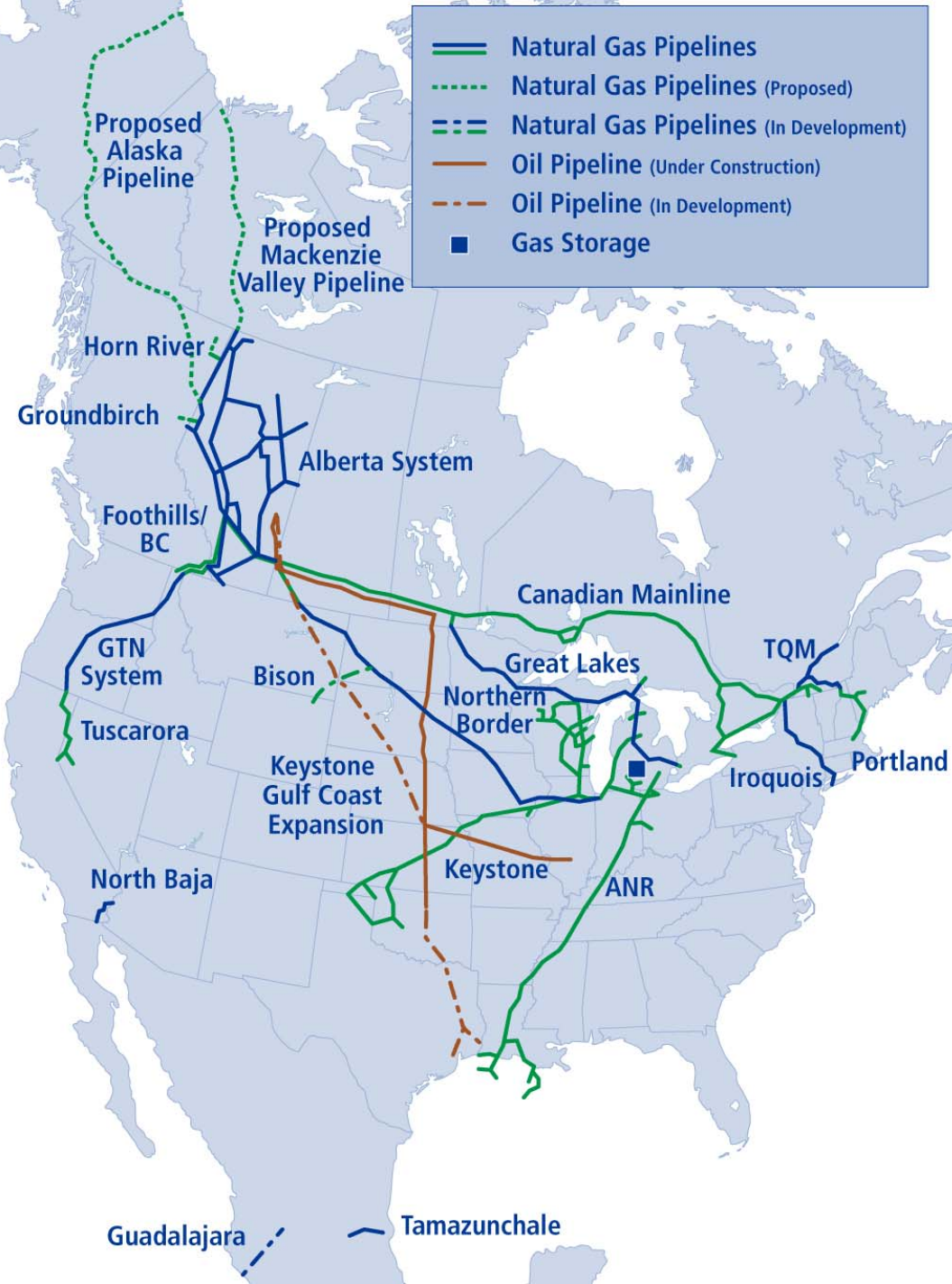
Appendices

North Baja Pipeline



- Acquired July 2009 from TransCanada for \$270 million
- LTM EBITDA \$28.2 million
- 80 miles, FERC 30/36-inch pipe
- Part of a 220-mile system
- Strategically positioned between gas supply and end-user markets
- Bi-directional flow allows for supply/end-user flexibility
- Capacity 600 MMcf/d
- Long-term contracts to 2026
- Future expansions
 - Yuma lateral (completed 2010)
 - Power generation
 - Costa Azul LNG

TransCanada's Pipeline Assets



North America's Largest Natural Gas Pipeline Network

- 37,000 miles of wholly-owned pipelines
- Additional 5,500 miles of partially-owned pipelines
- Average daily gas volume of approximately 14 Bcf/d
- 250 Bcf of regulated natural gas storage capacity
- Unparalleled connections from traditional and emerging basins to key markets

Premier North American Oil Pipeline

- Keystone 1.1 million Bbl/d
- Connects growing Western Canadian supplies to key U.S. markets

TransCanada Connecting New WCSB Supply

Connecting B.C. Shale

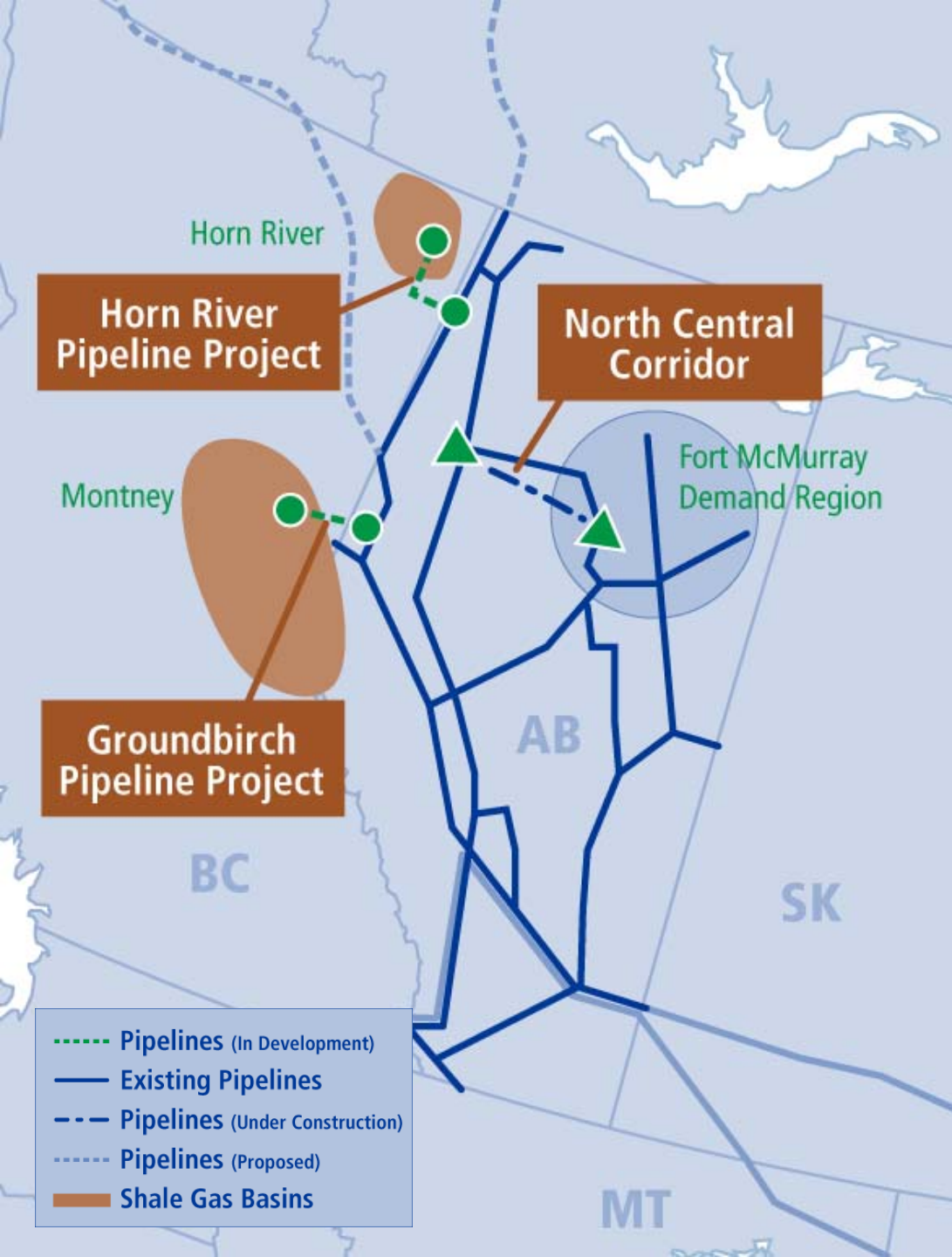
- Diversifies supply
- Improves prospects for Northern Border and Great Lakes

Groundbirch Pipeline Project

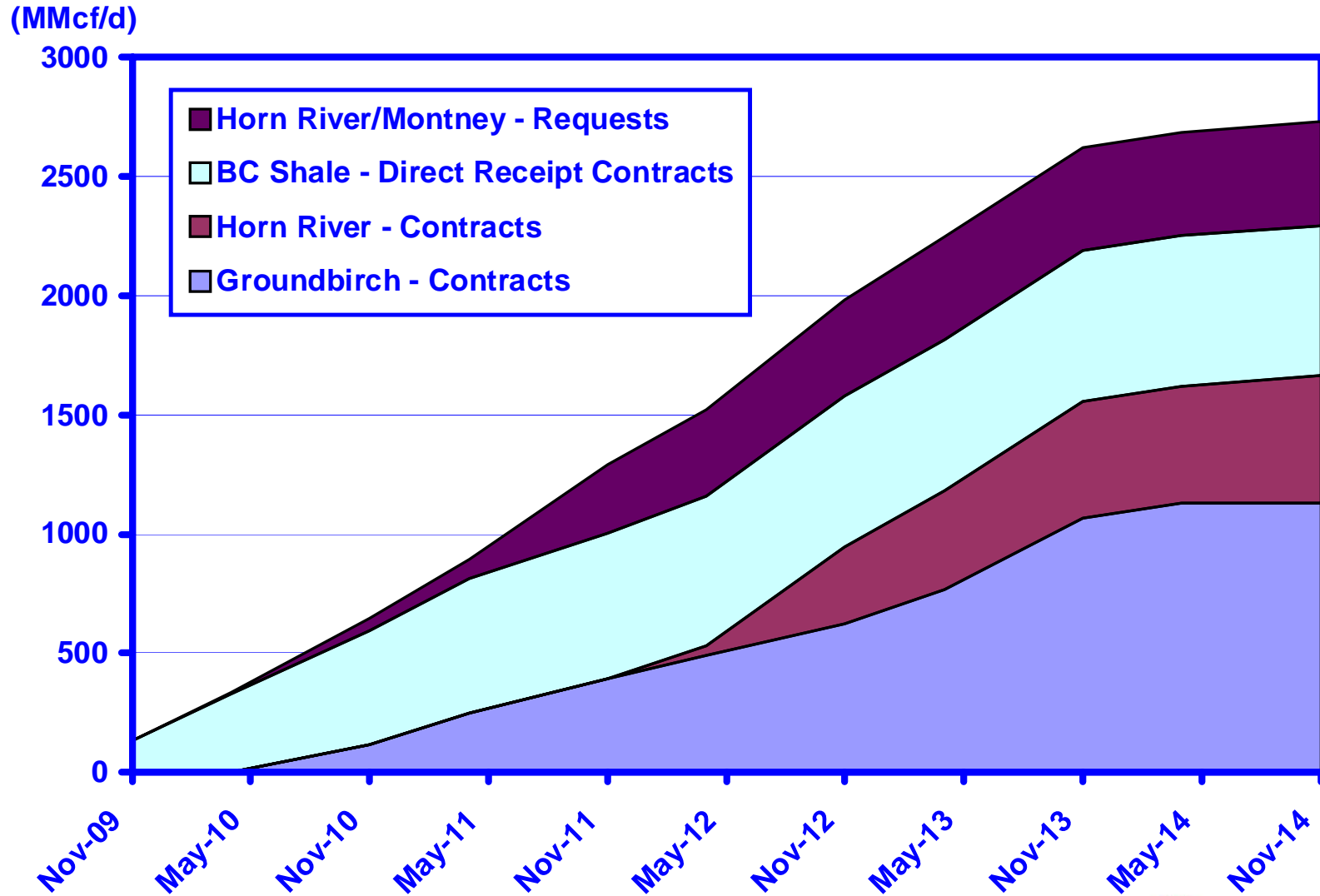
- Commitments for 1.1 Bcf/d by 2014
- 50-mile, 36-inch pipe
- Expected in-service Q4 2010
- NEB approval received Q1 2010

Horn River Pipeline Project

- Commitments for 0.5 Bcf/d by 2014
- 95-mile combination of new 30-inch pipe and existing pipe
- Expected in-service Q2 2012



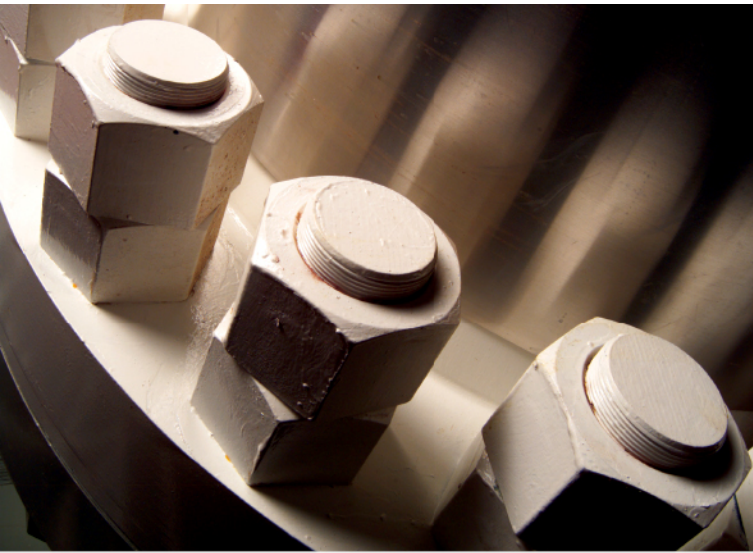
WCSB – TransCanada Connecting New BC Shale



Ultimate Potential of the WCSB



	Cumulative Production TCF	Remaining Potential TCF	Ultimate Potential TCF
WCSB Conventional	168	109	277
WCSB CBM	0.7	56	56
Montney Shale Hybrid	0.1	30 - 50	30 – 50
Horn River Shale	negligible	40 – 100	40 – 100
WCSB Total	168.8	235 – 315	403 – 483



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