



**TC PipeLines, LP**

---

# NewsRelease

## **TC PipeLines, LP to Purchase 49% Interest in Tuscarora Gas Transmission Company**

Calgary, Alberta – July 20, 2000 – (Nasdaq NM: TCLPZ) – The board of directors of TC PipeLines GP, Inc., the general partner of TC PipeLines, LP (the Partnership), today announced that, based on the recommendation of a committee comprised of its independent directors, it has approved the Partnership's acquisition of a 49% general partner interest in Tuscarora Gas Transmission Company (Tuscarora). The Partnership will acquire this asset from TransCanada PipeLines Limited (TransCanada) for a purchase price of US\$28 million in cash. The acquisition is expected to close in the third quarter of 2000, subject to customary closing conditions.

TransCanada, the parent company of TC PipeLines GP, Inc., through a wholly owned subsidiary, will retain a 1% general partner interest in Tuscarora. The remaining 50% interest is held by Sierra Pacific Resources of Reno, Nevada.

“We believe that Tuscarora is well positioned to serve growing natural gas demand in northern Nevada, which fits well with the Partnership's strategy of transporting natural gas to growing markets,” said Garry Mihaichuk, president and chief executive officer of the general partner. “This acquisition is expected to be accretive immediately on a per unit basis and by approximately five to ten cents per unit, annually, over the next three to five years.”

Tuscarora is a Nevada general partnership which owns a 229-mile interstate pipeline system that transports natural gas to the northern Nevada market. The Tuscarora pipeline system was constructed in 1995 and currently has a throughput capacity of approximately 111 million cubic feet (mmcf) of natural gas per day. Tuscarora is regulated by the Federal Energy Regulatory Commission and has firm service transportation contracts for over 97% of its capacity, including a contract for 95% of the capacity held by Sierra Pacific. The average term of Tuscarora's transportation contracts is over 15 years.

“Since the Tuscarora pipeline system was placed into service in 1995 it has developed a solid financial and operating track record,” said Mr. Mihaichuk. “Regarding near term growth, Tuscarora has filed an application to construct, own and operate a new 16-mile pipeline connection that will serve Sierra Pacific's growing gas requirements in Reno.”

Sierra Pacific has executed a natural gas transportation contract with Tuscarora for approximately 10 mmmcf per day to support this proposed project. This pipeline connection is expected to cost approximately US\$10 million. Tuscarora has requested expedited approval by the Federal Energy Regulatory Commission in order to meet its proposed November 1, 2000 in-service date.

The Partnership plans to finance this acquisition with a combination of cash on hand and debt. The Partnership expects to enter into a three-year credit facility with a third party lender under which the Partnership would be able to borrow up to an aggregate principal amount of US\$30 million.

TC PipeLines, LP plans to hold a conference call with investment analysts today at 3:00 p.m. (eastern). During this call, the Partnership's senior executives will review 2000 second quarter financial results and discuss the planned Tuscarora acquisition. Those interested in listening to the call can dial 1-800-273-9672. A replay of the conference call will also be available from 7:00 p.m. (eastern) today until Thursday, July 27, 2000, by dialing 1-800-408-3053 then entering passcode 499874.

TC PipeLines, LP is a publicly held limited partnership. It owns a 30% interest in Northern Border Pipeline Company, a Texas general partnership engaged in the business of transporting natural gas. Northern Border Pipeline owns a 1,214-mile United States interstate pipeline system that transports natural gas from the Montana-Saskatchewan border to markets in the midwestern United States. TC PipeLines, LP is managed by its general partner, TC PipeLines GP, Inc., a wholly owned subsidiary of TransCanada PipeLines Limited. Subsidiaries of TransCanada also hold common and subordinated units of the Partnership. Common units of TC PipeLines, LP are quoted on the Nasdaq National Market and trade under the symbol "TCLPZ". For more information about TC PipeLines, LP, visit the Partnership's Internet site at [www.tcpipelineslp.com](http://www.tcpipelineslp.com).

See fact sheet for information on Northern Border Pipeline and Tuscarora.

- 30 -

Media Inquiries: Glenn Herchak (403) 267-3309

Limited Partner and  
Analyst Inquiries: Theresa Jang (403) 290-7485  
Toll-free 1-877-290-2772

Certain statements in this news release are forward-looking and relate to, among other things, anticipated financial performance, business prospects and strategies. By their nature, such statements are subject to various risks and uncertainties that could cause TC PipeLines, LP's actual results and experience to differ materially from the anticipated results. Such risks and uncertainties include, but are not limited to: TC PipeLines, LP's success in completing the acquisition of a 49% interest in Tuscarora Gas Transmission Company, regulatory decisions, particularly those of the Federal Energy Regulatory Commission; cost of acquisitions; future demand for natural gas; overcapacity in the industry; and prevailing economic conditions, particularly conditions of the capital and equity markets. For further information on additional risks and uncertainties, you are advised to consult TC PipeLines, LP's 1999 Report on Form 10-K under the heading "Forward Looking Information."

**TC PipeLines, LP  
Asset Fact Sheet**

	<b>Northern Border Pipeline</b>	<b>Tuscarora</b>
<b>Commenced Operations</b>	1982	1995
<b>Originates near</b>	Port of Morgan, MT	Malin, OR
<b>Terminates near</b>	Manhattan, IL	Reno, NV
<b>Length</b>	1,214 miles	229 miles
<b>Number of Compressor Stations</b>	15	0
<b>Installed Horsepower</b>	476,500	0
<b>Receipt Capacity</b>	2,373 MMcfd <sup>(1)</sup>	111 MMcfd <sup>(1)</sup>
<b>Volume Delivered in 1999</b>	834.8 Bcf <sup>(2)</sup>	23.8 Bcf <sup>(2)</sup>

(1) Millions of cubic feet per day

(2) Billions of cubic feet