



TC PipeLines, LP

NewsRelease

TC PipeLines, LP Completes Acquisition, Increases Distribution to Unitholders

Calgary, Alberta – September 5, 2000 – (Nasdaq NM: TCLPZ) – TC PipeLines, LP (the Partnership) today announced it has completed its previously announced acquisition of a 49% interest in Tuscarora Gas Transmission Company (Tuscarora) for a purchase price of US\$28 million from a subsidiary of TransCanada PipeLines Limited. The Partnership funded the purchase with a combination of cash on hand and debt drawn from its credit facility with Bank One, NA. The Partnership entered into the three-year credit facility on August 22, 2000 and is able to borrow up to an aggregate principal amount of US\$30 million.

Also today, the board of directors of TC PipeLines GP, Inc., the general partner of TC PipeLines, LP, announced an increase in the Partnership's quarterly distribution from \$0.45 to \$0.475 per unit for the third quarter of 2000. The third quarter distribution is payable on November 14, 2000 to unitholders of record as of October 31, 2000, the timing of which is consistent with the Partnership's customary distribution schedule. "The distribution increase reflects the continued solid performance of Northern Border Pipeline Company, of which the Partnership owns a 30% general partner interest, and our expectation of increasing available cash to be generated by Tuscarora," said Garry Mihaichuk, president and chief executive officer of the general partner.

Tuscarora is a Nevada general partnership which owns a 229-mile, 20-inch interstate pipeline system that transports natural gas from Malin, Oregon, where it interconnects with facilities of PG&E Gas Transmission – Northwest, to the Reno, Nevada area. The Tuscarora pipeline system was placed into service in December 1995. It has demonstrated steady growth since that time, achieving 37% of the northern Nevada area market share by 1999. The Tuscarora pipeline system has a current capacity of 111 million cubic feet per day (MMcf/d) and has firm service contracts for over 97% of this capacity. The average term of these contracts is over 15 years. Tuscarora's revenues are earned from customers based on their contracted volume, regardless of the actual volume of gas transported.

"The Tuscarora pipeline system is strategically located to serve the northern Nevada market, which has been experiencing strong energy demand growth due to its expanding economy and increasing population," Mr. Mihaichuk said. "We believe that Tuscarora is

well positioned to capture this future natural gas demand growth and is, therefore, a good fit with TC PipeLines' growth strategy." The Tuscarora pipeline system currently has no compressor facilities and can economically expand through the addition of compression to an estimated capacity of 240 MMcf/d.

TC PipeLines, LP is a publicly held limited partnership. It owns a 30% interest in Northern Border Pipeline Company, a Texas general partnership, and a 49% interest in Tuscarora Gas Transmission Company, a Nevada general partnership. 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. Tuscarora owns a 229-mile United States interstate pipeline system that transports natural gas from Oregon to northern Nevada. 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.

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

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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 to differ materially from the anticipated results. Such risks and uncertainties include, but are not limited to: 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**

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

(1) Millions of cubic feet per day

(2) Billions of cubic feet