



TC PipeLines, LP

NewsRelease

TC PipeLines, LP Reports Third Quarter Earnings

Calgary, Alberta – October 25, 2000 – (Nasdaq NM: TCLPZ) – TC PipeLines, LP (the Partnership) today announced third quarter net income of US\$10.0 million or US\$0.56 per unit. This represents a 17% increase in earnings compared to 1999 third quarter earnings of US\$8.5 million or US\$0.48 per unit. For the nine months ended September 30, 2000, TC PipeLines reported net income of US\$26.9 million or US\$1.50 per unit. This compares to US\$11.5 million of net income or US\$0.64 per unit for the period of May 28, 1999, the date of the Partnership’s initial public offering, to September 30, 1999.

“We are very pleased with the Partnership’s third quarter earnings,” said Garry Mihaichuk, president and chief executive officer of TC PipeLines GP, Inc., general partner of TC PipeLines, LP. “These earnings reflect two significant accomplishments in the third quarter; the Tuscarora acquisition and the filing of Northern Border Pipeline’s rate settlement.”

On September 1, 2000, the Partnership completed its acquisition of a 49% general partner interest in Tuscarora Gas Transmission Company (Tuscarora). Equity income generated from both Tuscarora and the Partnership’s 30% general partner interest in Northern Border Pipeline Company (Northern Border Pipeline) have contributed to the increase in TC PipeLines’ quarterly earnings. This is consistent with the Partnership’s strategy to grow through acquisitions and optimization of existing assets.

For the three and nine months ended September 30, 2000, equity income from Tuscarora amounted to US\$0.2 million, reflecting activity for the one month that the Partnership has held its general partner interest.

Equity income from Northern Border Pipeline amounted to US\$10.3 million for the three months ended September 30, 2000, US\$1.6 million higher than the same period last year. On September 26, 2000, Northern Border Pipeline filed a rate settlement agreement with the Federal Energy Regulatory Commission. Northern Border Pipeline’s net income for the third quarter of 2000 reflects the provisions of the settlement agreement, resulting in an incremental US\$0.6 million of equity income for TC PipeLines. The settlement agreement also brings closure to several issues for which Northern Border Pipeline had previously recorded regulatory reserves. As a result, certain of these reserves have been

brought into income in the third quarter of 2000, resulting in increased equity income to TC PipeLines of approximately US\$0.8 million.

For the nine months ended September 30, 2000, the Partnership recorded equity income from Northern Border Pipeline in the amount of US\$27.7 million. The Partnership has held its interest in Northern Border Pipeline since May 28, 1999.

On September 5, 2000, the board of directors of TC PipeLines GP, Inc. announced an increase in the Partnership's quarterly distribution from US\$0.45 per unit to US\$0.475 per unit for the third quarter. This distribution is payable on November 14, 2000, to unitholders of record as of October 31, 2000.

TC PipeLines, LP plans to hold a conference call with investment analysts today at 2:00 p.m. (eastern). During this call, TC PipeLines, LP's senior executives will review the Partnership's 2000 third quarter results. Those interested in listening to the call can dial 1-800-478-9326. A replay of the conference call will also be available from 4:00 p.m. (eastern) today until Wednesday, November 1, 2000 by dialing 1-800-408-3053 then entering passcode 574676.

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.

- 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 which could cause TC PipeLines' actual results and experience 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' 1999 Report on Form 10-K under the heading "Forward-Looking Information".

Attachment

TC PipeLines, LP Financial Highlights

(unaudited; thousands of U.S. dollars except per unit amounts)

	Three months ended September 30,		Nine months ended September 30,	May 28 ^[1] – September 30,
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Equity income				
Northern Border Pipeline [2]	10,288	8,738	27,735	11,868
Tuscarora [3]	226	-	226	-
Financial charges and other	86	-	86	-
Net income	9,980	8,499	26,857	11,485
Net income per unit [4]	\$0.56	\$0.48	\$1.50	\$0.64
Units outstanding (thousands)	17,500	17,500	17,500	17,500

[1] Commencement of operations.

[2] TC PipeLines acquired its 30% general partner interest in Northern Border Pipeline on May 28, 1999. Summarized operating and financial information of Northern Border Pipeline for the three and nine months ended September 30, 2000 and 1999 is as follows:

Northern Border Pipeline Company
Operating and Financial Highlights
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Operating Results:				
Gas Delivered (MMcf)	212,670	211,761	636,036	623,697
Average Throughput (MMcf/d)	2,377	2,370	2,391	2,351
Financial Results (millions of U.S. dollars):				
Operating Revenue	\$78.3	\$73.9	\$231.8	\$220.6
Depreciation and Amortization	\$14.3	\$13.1	\$43.6	\$38.8
Interest Expense	\$16.4	\$15.4	\$49.1	\$44.4
Net Income	\$34.3	\$29.1	\$92.4	\$88.4

[3] TC PipeLines acquired its 49% general partner interest in Tuscarora on September 1, 2000.

[4] Net income per unit is computed by dividing net income, after deduction of the general partner's allocation, by the number of common and subordinated units outstanding.