



TC PipeLines, LP

NewsRelease

TC PipeLines Announces Proposed Expansion of Tuscarora Pipeline System

Calgary, Alberta – April 12, 2001 – (Nasdaq NM: TCLPZ) – TC PipeLines, LP today announced that Tuscarora Gas Transmission Company, of which TC PipeLines holds a 49% interest, has filed an application with the Federal Energy Regulatory Commission to expand its pipeline system to meet new service requests. If approved, the expansion would begin commercial operations in late 2002. The proposed expansion consists of three compressor stations and a 14-mile pipeline extension from the current terminus of the Tuscarora pipeline system near Reno, Nevada, to Wadsworth, Nevada. The capital cost of the project is approximately \$60 million.

When constructed, capacity on Tuscarora's expanded pipeline system will increase from approximately 124 million cubic feet per day to approximately 220 million cubic feet per day. The Tuscarora expansion is supported by long-term, firm transportation contracts that are contingent upon completion of the expansion, ranging from ten to fifteen years, for the full expansion volume. These contracts are required to meet new power generation loads, as well as growth in existing local distribution company markets.

“The contracts that underpin this project demonstrate that there is a growing demand for natural gas in the markets served by Tuscarora and that Tuscarora is well positioned to capture that growth,” said Ron Turner, President and Chief Executive Officer of TC PipeLines GP, Inc., general partner of TC PipeLines. “When placed into service, we expect the Tuscarora expansion to result in accretive cash flows to TC PipeLines on a per unit basis.”

Tuscarora is a Nevada general partnership that owns a 229-mile United States interstate pipeline system that transports natural gas from Oregon, where it interconnects with the facilities of PG&E National Energy Group, Gas Transmission Northwest, to the northern Nevada market. The Tuscarora pipeline system was constructed in 1995 and currently has a throughput capacity of approximately 124 million cubic feet of natural gas per day.

TC PipeLines, LP is a publicly held limited partnership. In addition to the Partnership's 49% ownership interest in Tuscarora, it owns a 30% interest in Northern Border Pipeline Company, a Texas 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. 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 Stock Market and trade under the symbol "TCLPZ". For more information about TC PipeLines, LP, visit the Partnership's website at www.tcpipelineslp.com.

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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' 2000 Report on Form 10-K under the heading "Forward Looking Information".