



TC PipeLines, LP

NewsRelease

TC PipeLines, LP Reports Earnings Per Share of \$0.58 Per Unit for 2000 Fourth Quarter

Calgary, Alberta – January 26, 2001 – (Nasdaq NM: TCLPZ) – TC PipeLines, LP (the Partnership) today announced 2000 fourth quarter net income of US\$10.4 million or US\$0.58 per unit. This represents an increase of US\$1.7 million or US\$0.09 per unit from 1999 fourth quarter net income. For the year ended December 31, 2000, the Partnership reported net income of US\$37.2 million or US\$2.08 per unit compared to US\$20.2 million or US\$1.13 per unit for the period May 28, 1999 (commencement of operations) to December 31, 1999.

“TC PipeLines has had a successful year,” said Ron Turner, president and chief executive officer of TC PipeLines GP, Inc., general partner of TC PipeLines, LP. “Our earnings are on target with our expectations.”

The Partnership’s 30% interest in Northern Border Pipeline Company contributed equity income of US\$10.4 million in the fourth quarter of 2000, a US\$1.3 million increase from the same period last year. US\$0.6 million of this increase is due to lower property tax expense, resulting from several favorable decisions regarding property tax assessments. The remainder of the quarter over quarter increase is due, primarily, to the Federal Energy Regulatory Commission’s December 13, 2000 approval of Northern Border Pipeline’s rate settlement agreement. The settlement has resolved certain issues for which Northern Border Pipeline had previously recorded regulatory reserves. Accordingly, Northern Border Pipeline has adjusted those reserves in the fourth quarter of 2000, further increasing equity income to TC PipeLines by US\$0.7 million.

For the year ended December 31, 2000, the Partnership reported equity income from Northern Border Pipeline in the amount of US\$38.1 million, compared to US\$20.9 million for the period starting on May 28, 1999 (the date the Partnership acquired its 30% interest in Northern Border Pipeline) and ending on December 31, 1999.

The Partnership’s 2000 fourth quarter net income also reflects US\$0.7 million of equity income from its 49% interest in Tuscarora Gas Transmission Company, which was acquired on September 1, 2000. For the period September 1 to December 31, 2000, the Partnership has reported equity income from Tuscarora of US\$0.9 million.

During the fourth quarter of 2000, the Partnership incurred general and administrative expenses of US\$0.3 million, which is consistent with the same period last year. For the year ended December 31, 2000, the Partnership incurred US\$1.3 million of general and administrative expenses, compared to US\$0.7 million for the period May 28 to December 31, 1999.

The Partnership also incurred US\$0.4 million in financial charges for the fourth quarter of 2000, which includes interest expense on the Partnership's revolving credit facility. On September 1, 2000, the Partnership drew US\$24.5 million from the revolving credit facility to fund a portion of the acquisition of a 49% interest in Tuscarora. For the year ended December 31, 2000, the Partnership has incurred financial charges of US\$0.5 million. At December 31, 2000, the Partnership had US\$21.5 million outstanding under the revolving credit facility.

"We are pleased with the performances of both Northern Border Pipeline and Tuscarora," said Turner. "The expansion of Northern Border's pipeline system, referred to as Project 2000, will add to its revenues when placed into service in the fourth quarter of 2001."

"The completion of Tuscarora's Hungry Valley lateral is imminent," continued Turner, referring to the 16-mile pipeline extension that will serve as Tuscarora's second city-gate connection into Reno, Nevada. "We expect this expansion to add 8% to 10% to Tuscarora's revenues on an annualized basis." On December 19, 2000, Tuscarora sold, in a private transaction, US\$8 million of its Series B Notes, the proceeds of which were used to fund the Hungry Valley lateral expansion. The notes mature in 2010, bear interest at 7.99% per annum, and are non-recourse to TC PipeLines.

On January 19, 2001, the board of directors of the general partner announced the declaration of the Partnership's 2000 fourth quarter cash distribution in the amount of \$0.475 per unit. This distribution is payable on February 14, 2001 to unitholders of record on January 31, 2001.

The Partnership plans to hold a conference call this morning at 9:00 a.m. (eastern). During this call, TC PipeLines, LP's senior executives will review the Partnership's 2000 fourth quarter results and discuss the Partnership's outlook for 2001. Those interested in listening to the call can dial 1-800-273-9672. A replay of the conference call will also be available from noon (eastern) on January 26 until February 2, 2001 by dialing 1-800-408-3053 then entering passcode 672621.

A live web cast of the conference call will also be available through the Partnership's website at www.tcpipelineslp.com in the "News Room" section, under "Presentations". An audio replay of the call will be maintained on the website until February 2, 2001.

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, where it interconnects with facilities of PG&E Gas Transmission – Northwest, 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 / Kurt Kadatz (403) 267-3309

Limited Partner and
Analyst Inquiries: Theresa Jang (403) 920-2050
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”.

TC PipeLines, LP Financial Highlights

(in thousands except per unit amounts)	Fourth Quarter (unaudited)		Year to Date	May 28 ^[1] –
	2000	1999	2000	December 31, 1999
Equity Income from Investment in Northern Border Pipeline Company ^[2]	10,384	9,055	38,119	20,923
Equity Income from Investment in Tuscarora Gas Transmission Company ^[3]	717	-	943	-
General and Administrative Expenses	(319)	(316)	(1,337)	(699)
Financial Charges and Other	(415)	-	(501)	-
Net Income	10,367	8,739	37,224	20,224
Net Income per Unit ^[4]	\$ 0.58	\$ 0.49	\$ 2.08	\$ 1.13

^[1] Commencement of operations.

^[2] TC PipeLines has held a 30% general partner interest in Northern Border Pipeline Company since May 28, 1999. Summarized operating and financial information of Northern Border Pipeline for the three months and years ended December 31, 1999 and 2000 is as follows:

Northern Border Pipeline Company	Fourth Quarter (unaudited)		Year to Date	
	2000	1999	2000	1999
<u>Operating Results</u>				
Gas Delivered (MMcf)	216,638	211,136	852,674	834,833
Average Throughput (MMcf/d)	2,430	2,358	2,400	2,353
Transportation Units (million dekatherm miles per day)				
Firm Transportation	2,266	2,285	2,276	2,289
Interruptible Transportation	40	10	19	6
<u>Financial Results (in millions)</u>				
Operating Revenue	79.2	77.8	311.0	298.3
Operating Expenses				
Operations and Maintenance	11.6	10.9	41.5	38.7
Depreciation and Amortization	13.7	13.1	57.3	51.9
Taxes other than Income	6.3	8.4	28.0	30.3
Total Operating Expenses	31.6	32.4	126.8	120.9
Operating Income	47.6	45.4	184.2	177.4
Interest Expense, Net	(16.1)	(15.9)	(65.2)	(60.2)
Other Income	3.1	0.7	8.1	1.4
Net Income	34.6	30.2	127.1	118.6
<u>Capital Expenditures (in millions)</u>				
Maintenance	4.3	4.1	8.1	13.7
Growth	4.1	8.0	7.4	88.0

^[3] TC PipeLines has held a 49% general partner interest in Tuscarora Gas Transmission Company since September 1, 2000. Summarized operating and financial information of Tuscarora for the three months and year ended December 31, 2000 is as follows:

<u>Tuscarora Gas Transmission Company</u>	Fourth Quarter (unaudited)	Year to Date
	2000	2000
<u>Operating Results</u>		
Gas Delivered (Dekatherms)	9,466,215	25,897,684
Average Throughput (Dekatherms/d)	102,893	70,953
<u>Financial Results</u> (in millions)		
Operating Revenue	4.9	19.4
Operating Expenses		
Operations, Maintenance & Administrative	0.4	1.5
Depreciation and Amortization	1.1	4.4
Taxes other than Income	0.2	0.9
Total Operating Expenses	1.7	6.8
Operating Income	3.2	12.6
Interest Expense, Net	(1.5)	(6.0)
Other Income	-	0.2
Net Income	1.7	6.8
<u>Capital Expenditures</u> (in millions)		
Maintenance	0.1	0.2
Growth	3.4	6.0

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