



TC PipeLines, LP

NewsRelease

TC PipeLines, LP Reports Earnings per Share of \$0.61 per unit for 2001 first quarter

Calgary, Alberta – April 25, 2001 – (Nasdaq NM: TCLPZ) – TC PipeLines, LP (the Partnership) today announced 2001 first quarter net income of US\$10.9 million or US\$0.61 per unit. This represents an increase of US\$2.6 million (31%) or US\$0.14 per unit over 2000 first quarter net income.

“The Partnership had an outstanding first quarter,” said Ron Turner, President and Chief Executive Officer of TC PipeLines GP, Inc., general partner of TC PipeLines, LP. “We are very pleased that first quarter earnings exceeded our expectations.”

The Partnership’s 30% interest in Northern Border Pipeline Company contributed equity income of US\$10.8 million in the first quarter of 2001, a US\$2.2 million or 25% increase from the same period last year. This increase is due, primarily, to lower taxes (other than income taxes) in the first quarter of 2001, as a result of Northern Border Pipeline’s successful management of ad valorem taxes. Lower debt balances and interest rates in the first quarter of 2001 also contributed to stronger earnings.

The Partnership’s 49% interest in Tuscarora Gas Transmission Company contributed equity income of US\$0.9 million. Equity income from Tuscarora includes two months of transportation revenues generated by the recently completed Hungry Valley Lateral. Tuscarora also benefited from lower than expected operating and maintenance expenses in the first quarter.

During the first quarter of 2001, the Partnership incurred general and administrative expenses of US\$0.4 million, which approximates the same period last year. The Partnership also incurred US\$0.4 million in financial charges for the first quarter of 2001, which is comprised primarily of interest expense under the Partnership’s revolving credit facility.

“Both Northern Border Pipeline and Tuscarora continue to demonstrate that they are focused on delivering value to the Partnership and our unitholders,” Turner said. “We expect to build on that value through the growth being experienced by both pipeline systems.” Northern Border Pipeline expects to complete Project 2000, its expansion and 34-mile extension into northern Indiana, by November 1, 2001 within its US\$94 million capital budget. Tuscarora recently filed an application with the Federal Energy Regulatory Commission that proposes to

expand and extend the Tuscarora pipeline system. If approved, the proposed US\$60 million expansion would, upon completion, almost double Tuscarora's current capacity of approximately 124 million cubic feet per day.

As previously announced, on April 19, 2001, the board of directors of the general partner declared the Partnership's 2001 first quarter cash distribution in the amount of US\$0.475 per unit. This distribution is payable on May 15, 2001 to unitholders of record on April 30, 2001.

The Partnership plans to hold a conference call this afternoon at 4:00 p.m. (eastern). During this call, TC PipeLines, LP's senior executives will review the Partnership's 2001 first quarter results and discuss the Partnership's outlook for the remainder of 2001. Those interested in listening to the call may dial 1-800-273-9672. A replay of the conference call will also be available from April 25 until May 2, 2001 by dialing 1-800-408-3053 then entering passcode 631158.

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 May 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 National Energy Group, 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 Stock Market and trade under the symbol "TCLPZ". For more information about TC PipeLines, LP, visit the Partnership's Internet site at www.tcpipelineslp.com.

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This news release includes forward-looking statements regarding future events and the future financial performance of TC PipeLines, LP. All forward-looking statements are based on the Partnership's beliefs as well as assumptions made by and information currently available to the Partnership. When used herein, words such as "believes", "expects", "intends", "forecasts", "projects", and similar expressions, identify forward-looking statements within the meaning of the Securities Litigation Reform Act. These statements reflect the Partnership's current views with respect to future events and are subject to various risks, uncertainties and assumptions including 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, and other risks discussed in detail in the Partnership's filings with the Securities and Exchange Commission, including the Partnership's Annual Report on Form 10-K for the year ended December 31, 2000. If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statement. Except as required by applicable securities laws, TC PipeLines, LP does not intend to update these forward-looking statements.

TC PipeLines, LP Financial Highlights

(in thousands except per unit amounts)	First Quarter (unaudited)	
	2001	2000
Equity Income from Investment in Northern Border Pipeline Company ^[1]	10,767	8,623
Equity Income from Investment in Tuscarora Gas Transmission Company ^[2]	911	-
General and Administrative Expenses	(357)	(279)
Financial Charges and Other	(358)	-
Net Income	10,963	8,344
Net Income per Unit ^[3]	\$0.61	\$0.47
Average Units Outstanding	17,500	17,500
Distributions Received from Equity Investments	9,420	9,262
Cash Flows from Operating Activities	8,416	8,895

^[1] TC PipeLines holds a 30% general partner interest in Northern Border Pipeline Company. Summarized operating and financial information of Northern Border Pipeline for the three months ended March 31, 2001 and 2000 is as follows:

Northern Border Pipeline Company

	First Quarter (unaudited)	
	2001	2000
<u>Operating Results</u>		
Gas Delivered (million cubic feet)	214,312	212,647
Average Throughput (million cubic feet per day)	2,456	2,410
Transportation Units (million dekatherm miles per day)		
Firm Transportation	2,277	2,311
Interruptible Transportation	73	8
<u>Financial Results</u> (in millions)		
Operating Revenue	77.0	76.2
Operating Expenses		
Operations and Maintenance	8.5	9.1
Depreciation and Amortization	14.5	14.8
Taxes other than Income	3.7	7.7
Total Operating Expenses	26.7	31.6
Operating Income	50.3	44.6
Interest Expense, Net	(15.0)	(16.3)
Other Income	0.6	0.4
Net Income	35.9	28.7
<u>Capital Expenditures</u> (in millions)		
Maintenance	0.8	-
Growth	3.8	0.4

^[2] 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 ended March 31, 2001 is as follows:

<u>Tuscarora Gas Transmission Company</u>	First Quarter (unaudited) 2001
<u>Operating Results</u>	
Gas Delivered (million cubic feet)	8,123
Average Throughput (million cubic feet per day)	90
 <u>Financial Results</u> (in millions)	
Operating Revenue	5.2
Operating Expenses	
Operations, Maintenance & Administrative	0.3
Depreciation and Amortization	1.1
Taxes other than Income	0.3
Total Operating Expenses	1.7
Operating Income	3.5
Interest Expense, Net	(1.5)
Other Income	0.1
Net Income	2.1
 <u>Capital Expenditures</u> (in millions)	
Maintenance	-
Growth	2.6

^[3] 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.