



TC PipeLines, LP

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NewsRelease

TC PipeLines, LP Announces 2003 Third Quarter Results

CALGARY, Alberta – October 24, 2003 – (Nasdaq: TCLP) – TC PipeLines, LP (the Partnership) today reported third quarter 2003 net income of \$12.0 million or \$0.65 per unit (all amounts in U.S. dollars) compared to \$12.5 million or \$0.68 per unit in third quarter 2002. For the nine months ended September 30, 2003, the Partnership reported net income of \$35.9 million or \$1.97 per unit compared to \$36.6 million or \$2.01 per unit for the same period last year.

The Partnership's third quarter 2003 cash generated from operations amounted to \$12.8 million, compared to third quarter 2002 cash generated from operations of \$13.4 million. For the nine months ended September 30, 2003, cash generated from operations amounted to \$37.2 million compared to \$38.6 million for the same period last year. The decrease in 2003 cash generated from operations reflects lower cash flows from Northern Border Pipeline Company, due to higher electricity costs as well as refunds paid by Northern Border Pipeline to its shippers for electricity costs that had been previously collected through company use gas provisions. The impact of this decrease was partially offset by increased cash flows from Tuscarora Gas Transmission Company resulting from the 2002 expansion.

"This has been another good quarter for the Partnership," said Ron Turner, President and Chief Executive Officer of the general partner, TC PipeLines GP, Inc. "We are pleased that our assets continue to generate the kind of stable and consistent cash flows our unitholders have come to expect from TC PipeLines." On October 21, 2003, the Partnership announced its third quarter cash distribution in the amount of \$0.55 per unit.

Financial Highlights (unaudited) (millions of U.S. dollars, except per unit amounts)	Three months ended		Nine months ended	
	September 30		September 30	
	2003	2002	2003	2002
Net Income	12.0	12.5	35.9	36.6
Per unit ⁽¹⁾	\$0.65	\$0.68	\$1.97	\$2.01
Cash Generated from Operations	12.8	13.4	37.2	38.6
Cash Distributions Paid	10.1	9.6	29.3	27.7
Cash Distributions Declared per Unit ⁽²⁾	\$0.55	\$0.525	\$1.625	\$1.550
Units Outstanding (millions)	17.5	17.5	17.5	17.5

⁽¹⁾ 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. The general partner's allocation is computed based upon the general partner's 2% interest plus an amount equal to incentive distributions.

⁽²⁾ The Partnership's 2003 third quarter cash distribution will be paid on November 14, 2003 to unitholders of record as of October 31, 2003.

Net Income

The Partnership reported third quarter 2003 net income of \$12.0 million or \$0.65 per unit compared to \$12.5 million or \$0.68 per unit in third quarter 2002.

Equity income from Northern Border Pipeline amounted to \$11.2 million in third quarter 2003 compared to \$11.8 million for third quarter 2002. Consistent with prior quarters, Northern Border Pipeline incurred higher expenses related to electricity costs in third quarter 2003 compared to the same period last year. This increase in expenses was partially offset by lower interest expense in third quarter 2003 compared to the same period last year primarily due to lower average interest rates.

Equity income from Tuscarora amounted to \$1.3 million in third quarter 2003 compared to \$1.2 million for third quarter 2002. The increase was primarily due to incremental revenues from Tuscarora's expansion facilities, partially offset by increased operations and maintenance expenses and depreciation expense related to the new facilities.

The Partnership's third quarter 2003 general and administrative expenses were \$0.5 million compared to \$0.4 million for third quarter 2002. Financial charges of less than \$0.1 million for third quarter 2003 were slightly lower than the same period last year primarily due to lower long-term debt balances.

Cash Flow

The Partnership reported third quarter cash generated from operations of \$12.8 million compared to \$13.4 million for third quarter 2002, reflecting a \$1.0 million decrease in the cash distribution from Northern Border Pipeline, partially offset by a \$0.5 million increase in the cash distribution from Tuscarora. In third quarter 2003, the Partnership received a cash distribution from Northern Border Pipeline amounting to \$11.6 million compared to \$12.6 million for third quarter 2002. The decrease is primarily due to higher electricity costs incurred by Northern Border Pipeline during third quarter 2003. The Partnership also received a cash distribution from Tuscarora in third quarter 2003 amounting to \$1.6 million compared to \$1.1 million for third quarter 2002. The increase reflects Tuscarora's incremental cash inflows from new transportation contracts, including those related to Tuscarora's expansion facilities.

During third quarter 2003, the Partnership paid an aggregate \$10.1 million of cash distributions to unitholders and its general partner, compared to \$9.6 million in third quarter 2002. This cash distribution, on a per unit basis, represents \$0.55 per unit in third quarter 2003, as compared to \$0.525 per unit in third quarter 2002, as well as the general partner interest including incentive distributions. Also, in third quarter 2003, the Partnership made a cash contribution of \$0.8 million to Tuscarora related to their expansion.

Conference Call

The Partnership will hold a conference call Friday, October 24, 2003 at 10:00 a.m. (eastern). During this call, TC PipeLines, LP's senior executives will review the Partnership's third quarter 2003 results and discuss general developments and issues concerning the Partnership. Those interested in listening to the call may dial (800) 273-9672. A replay of the conference call will also be available two hours after the conclusion of the call until midnight, October 31, 2003 by dialing (800) 408-3053 then entering passcode 1487818.

A live web cast of the conference call will also be available through the Partnership's Internet site at www.tcpipelineslp.com. An audio replay of the call will be maintained on the website.

TC PipeLines, LP owns a 30% general partner interest in Northern Border Pipeline Company and a 49% general partner interest in Tuscarora Gas Transmission Company. The remaining 70% general partner interest in Northern Border Pipeline is owned by Northern Border Partners, L.P., a publicly traded master limited partnership controlled by affiliates of Enron Corp. Northern Border Pipeline owns a 1,249-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 240-mile United States interstate pipeline system that transports natural gas from Oregon, where it interconnects with facilities of Gas Transmission Northwest Corporation, to northern Nevada. TC PipeLines, LP's general partner is a wholly owned subsidiary of TransCanada PipeLines Limited, which also holds a minority general partner interest in Northern Border Partners, L.P. Common units of TC PipeLines, LP are quoted on the Nasdaq Stock Market and trade under the symbol "TCLP". For more information about TC PipeLines, LP, visit the Partnership's Internet site at www.tcpipelineslp.com.

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Cautionary Statement Regarding Forward Looking Information

This news release includes forward-looking statements regarding future events and the future financial performance of TC PipeLines, LP. Words such as "believes", "expects", "intends", "forecasts", "projects", and similar expressions, identify forward-looking statements within the meaning of the Securities Litigation Reform Act. All forward-looking statements are based on the Partnership's current beliefs as well as assumptions made by and information currently available to the Partnership. These statements reflect the Partnership's current views with respect to future events. Important factors that could cause actual results to materially differ from the Partnership's current expectations include regulatory decisions, particularly those of the Federal Energy Regulatory Commission, majority control of the Northern Border Pipeline management committee by affiliates of Enron Corp., which has filed for bankruptcy protection, the failure of a shipper on either one of the Partnership's pipelines to perform its contractual obligations, cost of acquisitions, future demand for natural gas, overcapacity in the industry, and other risks inherent in the transportation of natural gas as discussed 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, 2002.

TC PipeLines, LP Financial Highlights

Statement of Income

(unaudited) (millions of U.S. dollars, except per unit amounts)	Three months ended September 30		Nine months ended September 30	
	2003	2002	2003	2002
Equity Income from Investment in Northern Border Pipeline Company ⁽¹⁾	11.2	11.8	33.5	34.6
Equity Income from Investment in Tuscarora Gas Transmission Company ⁽²⁾	1.3	1.2	3.8	3.3
General and Administrative Expenses	(0.5)	(0.4)	(1.3)	(1.1)
Financial Charges	-	(0.1)	(0.1)	(0.2)
Net Income	12.0	12.5	35.9	36.6
Net Income per Unit ⁽³⁾	\$0.65	\$0.68	\$1.97	\$2.01
Units Outstanding (millions)	17.5	17.5	17.5	17.5

Balance Sheet

(millions of U.S. dollars)	September 30, 2003 (unaudited)	December 31, 2002 (audited)
Assets		
Cash	4.2	6.4
Investment in Northern Border Pipeline Company ⁽¹⁾	242.1	242.9
Investment in Tuscarora Gas Transmission Company ⁽²⁾	39.9	36.7
	286.2	286.0
Liabilities and Partners' Equity		
Current Liabilities	0.6	0.6
Current Portion of Long-Term Debt	5.5	-
Long-Term Debt	-	11.5
Partners' Equity	280.1	273.9
	286.2	286.0

Cash Flow Information

(unaudited) (millions of U.S. dollars)	Three months ended September 30		Nine months ended September 30	
	2003	2002	2003	2002
Cash Generated from Operations				
Distributions Received from Equity Investments				
Northern Border Pipeline Company	11.6	12.6	33.9	36.6
Tuscarora Gas Transmission Company	1.6	1.1	4.7	3.3
Other	(0.4)	(0.3)	(1.4)	(1.3)
Cash Generated from Operations	12.8	13.4	37.2	38.6
Investment in Tuscarora Gas Transmission Company	(0.8)	(4.5)	(4.1)	(4.5)
Distributions Paid	(10.1)	(9.6)	(29.3)	(27.7)
Repayment of Long-Term Debt	-	-	(6.0)	(10.0)
Increase / (Decrease) In Cash	1.9	(0.7)	(2.2)	(3.6)

⁽¹⁾ Northern Border Pipeline Company

TC PipeLines, LP holds a 30% general partner interest in Northern Border Pipeline Company. Summarized operating and financial information of Northern Border Pipeline for the three and nine months ended September 30, 2003 and 2002 and as at September 30, 2003 and December 31, 2002 is as follows:

(unaudited)	Three months ended September 30		Nine months ended September 30	
	2003	2002	2003	2002
Operating Results				
Gas Delivered (million cubic feet)	213,369	212,487	634,517	625,094
Average Throughput (million cubic feet per day)	2,384	2,387	2,391	2,360
 Financial Results (millions of U.S. dollars)				
Operating Revenue	81.2	81.6	241.7	239.9
Operating Expenses				
Operations and Maintenance	11.0	7.5	30.3	21.9
Depreciation and Amortization	14.4	14.5	43.3	43.5
Taxes other than Income	7.7	7.7	22.5	20.7
Total Operating Expenses	33.1	29.7	96.1	86.1
Operating Income	48.1	51.9	145.6	153.8
Interest Expense, Net	(11.0)	(13.2)	(34.4)	(39.9)
Other Income	0.1	0.5	0.4	1.5
Net Income	37.2	39.2	111.6	115.4
 Capital Expenditures (millions of U.S. dollars)				
Maintenance	1.3	3.2	3.4	5.9
Growth	0.4	0.3	0.4	0.8
 Summary Balance Sheet Data (millions of U.S. dollars)				
	September 30, 2003 (unaudited)		December 31, 2002 (audited)	
Total Assets	1,684.5		1,740.0	
 Other Current Liabilities and				
Reserves and Deferred Credits	58.6		81.3	
Long-Term Debt (including current maturities)	818.8		848.9	
Partners' Capital	801.5		803.0	
Accumulated Other Comprehensive Income	5.6		6.8	
Total Liabilities and Partners' Equity	1,684.5		1,740.0	

⁽²⁾ **Tuscarora Gas Transmission Company**

TC PipeLines, LP holds a 49% general partner interest in Tuscarora Gas Transmission Company. Summarized operating and financial information of Tuscarora for the three and nine months ended September 30, 2003 and 2002 and as at September 30, 2003 and December 31, 2002 is as follows:

(unaudited)	Three months ended September 30		Nine months ended September 30	
	2003	2002	2003	2002
Operating Results				
Gas Delivered (million cubic feet)	5,517	2,871	14,401	14,086
Average Throughput (million cubic feet per day)	60	31	53	52
 Financial Results (millions of U.S. dollars)				
Operating Revenue	7.3	5.6	22.0	16.8
Operating Expenses				
Operations, Maintenance & Administrative	1.0	0.3	2.8	1.2
Depreciation and Amortization	1.6	1.2	4.8	3.5
Taxes other than Income	0.3	0.3	1.0	0.8
Total Operating Expenses	2.9	1.8	8.6	5.5
Operating Income	4.4	3.8	13.4	11.3
Interest Expense, Net	(1.6)	(1.3)	(4.9)	(4.4)
Other Income	-	0.2	-	0.5
Net Income	2.8	2.7	8.5	7.4
 Capital Expenditures (millions of U.S. dollars)				
Maintenance	-	-	-	0.2
Growth	0.3	15.1	0.9	25.4
 Summary Balance Sheet Data (millions of U.S. dollars)				
	September 30, 2003 (unaudited)		December 31, 2002 (audited)	
Total Assets	152.8		154.5	
 Other Current Liabilities and				
Reserves and Deferred Credits	3.3		9.9	
Long-Term Debt (including current maturities)	87.7		90.0	
Partners' Capital	61.8		54.2	
Accumulated Other Comprehensive Income	-		0.4	
Total Liabilities and Partners' Equity	152.8		154.5	

⁽³⁾ 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. The general partner's allocation is computed based upon the general partner's 2% interest plus an amount equal to incentive distributions.