
NewsRelease

TC PipeLines, LP Announces Northern Border Sale of Bison Pipeline Project

Calgary, Alberta – **September 3, 2008** – (Nasdaq: TCLP) – TC PipeLines, LP (the Partnership) today announced Northern Border Pipeline Company (Northern Border) has sold its wholly owned subsidiary, Bison Pipeline LLC, to TransCanada Pipeline USA Ltd. (TransCanada).

The assets of Bison Pipeline LLC include executed precedent agreements, as well as regulatory, environmental and engineering activities completed to date on the Bison Pipeline Project (Bison Project). Project subscription that is subject to certain conditions currently stands at 405 million cubic feet per day (MMcf/d). Northern Border will retain the executed downstream contracts by shippers on the Bison Project for capacity from Port of Morgan, Montana, to Ventura, Iowa, on the Northern Border system.

As a part of the transaction, TransCanada has committed to proceed with constructing the Bison Project, pending the removal of contingencies, or combining it with the proposed Pathfinder Pipeline Project (Pathfinder Project).

The proposed 289-mile, 24-inch diameter Bison pipeline system would extend from natural gas gathering facilities located in the Powder River Basin supply area to a point of interconnection with the Northern Border system in Morton County, North Dakota. The initial capacity of the Bison Project is anticipated to be approximately 400 million cubic feet per day (MMcf/d). The projected in-service date is late 2010.

The proposed Pathfinder Project is an approximately 625-mile, 36-inch and 42-inch diameter interstate pipeline that would transport natural gas northeast from Meeker, Colorado through Montana to the Northern Border system in North Dakota for delivery into the Ventura and Chicago-area markets. The initial capacity is 1.2 billion cubic feet per day (Bcf/d), with an ultimate capacity of 2.0 Bcf/d. The anticipated Pathfinder Project in-service date is late 2010.

TC PipeLines, LP is a publicly traded limited partnership. TC PipeLines, LP has interests in more than 3,600 miles of federally regulated U.S. interstate natural gas pipelines, including Great Lakes Gas Transmission Limited Partnership (46.45 per cent ownership), Northern Border Pipeline Company (50 per cent ownership) and Tuscarora Gas Transmission Company (100 per cent ownership). Great Lakes is a 2,115-mile pipeline serving markets in Minnesota, Wisconsin, Michigan and eastern Canada. The 1,249-mile Northern Border Pipeline transports natural gas from the Montana-Saskatchewan border to markets in the midwestern United States. Tuscarora owns a 240-mile pipeline system that transports natural gas from Oregon where it interconnects to TransCanada's Gas Transmission Northwest System. TC PipeLines, LP is managed by its general partner, TC PipeLines GP, Inc., an indirect wholly owned subsidiary of TransCanada Corporation. TC PipeLines GP, Inc., also holds common units of TC PipeLines, LP. Common

