

**Code of Business Ethics for Directors
TC Pipelines, LP (the "Partnership")**

By: TC PipeLines GP, Inc. (the "General Partner" or the "Corporation")

Directors have a duty to manage or direct the management of, the business and affairs of the Corporation and, as the general partner of the Partnership, the business and affairs of the Partnership. In carrying out this duty the Corporation expects directors to act honestly and in good faith with a view to the best interests of the Corporation. To this end, the Board of Directors has committed itself to maintaining a high standard of corporate governance which incorporates as its basis principles of good conduct and high ethical behaviour.

To discharge their duties the Directors have adopted the following principles for business conduct and ethical behaviour.

Fundamental Principles

A. Compliance with Law

The Directors shall conduct all their business and affairs in full compliance with applicable laws, rules and regulations and shall encourage and promote such behaviours for themselves, officers and employees of the Corporation.

B. Conflicts of Interest

Directors shall conduct their business and affairs in a manner that ensures their private or personal interests do not interfere or appear to interfere, with the interests of the Corporation including conflicts relative to personal, financial or other gain. Should conflicts arise, or be perceived to arise, directors shall immediately make full disclosure in an appropriate manner and the disclosing Director shall not participate in any decision or action in which there is a real or apparent conflict.

C. Fair Dealing

The Corporation adheres to a policy of fair dealing in all its undertakings. Directors shall endeavour to deal fairly with the Corporation's security holders, customers, suppliers, competitors and employees. Taking unfair advantage through manipulation, concealment, abuse of privilege, misrepresentation and other unfair dealing practices is unacceptable.

D. Confidentiality and Insider Trading

Directors shall maintain the confidentiality of information entrusted to them except in circumstances where disclosure is authorized or legally mandated. Confidential information shall not be used for personal gain and Directors shall adhere to the Partnership's Insider Trading Policy.

E. Corporate Opportunities

Directors owe a duty to advance the Corporation's legitimate interests whenever an opportunity arises and are prohibited from:

- a) Taking personal advantage of opportunities discovered through the use of corporate assets, property, information or their position;
- b) Using or deploying corporate assets, property, information or their position for personal gain; and
- c) Competing with the Corporation.

F. Incident Reporting

Directors are encouraged to promote ethical behaviour in all things they do and to ensure a healthy ethical workplace. Violations of laws, rules, regulations or this Code of Business Conduct and Ethics are to be reported to the appropriate officer or to the TransCanada Ethics Help-Line.

The Directors on behalf of the Corporation will not allow any retaliation by officers or leaders in respect of reports made in good faith by any employee.

G. Waivers

Directors whose conduct or actions has failed to meet or whose future conduct or actions may not meet the principles and standards set out in this Code of Business Conduct and Ethics must report such failure or anticipated failure immediately to the Board of Directors. Such report shall contain a request for a waiver of such conduct and be filed with the Chairman of the Board of Directors for review and determination by the Board. Any determination of the Board of Directors that a waiver be granted to a Director or executive officer shall be reported promptly to the public Unitholders of the Partnership.

H. Annual Review

Annually, the Corporation expects each Director to review this Code of Business Conduct and Ethics and to satisfy themselves that they have adhered to the stated principles and standards or if they have failed to do so to ensure such non-compliance has been reported to the Chairman of the Board of Directors.

I. Enforcement

Failure to comply with the provisions of this Code of Business Conduct and Ethics will result in the Board of Directors of the Corporation taking immediate and appropriate action including recommending to the shareholders of the Corporation the immediate removal of such Director from the Board.