



TC PipeLines, LP

Second Quarter 2011 Conference Call

July 27, 2011



Forward Looking Information



This presentation may include 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. 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. The Partnership assumes no obligation to update any such forward-looking statement to reflect events or circumstances occurring after the date hereof. Important factors that could cause actual results to materially differ from the Partnership's current expectations include our ability to identify, negotiate and finance potential business opportunities, market conditions, and other risks inherent in an investment in us 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, 2010 and the Partnership’s Quarterly Report on Form 10-Q for the quarters ended March 31, 2011 and June 30, 2011.

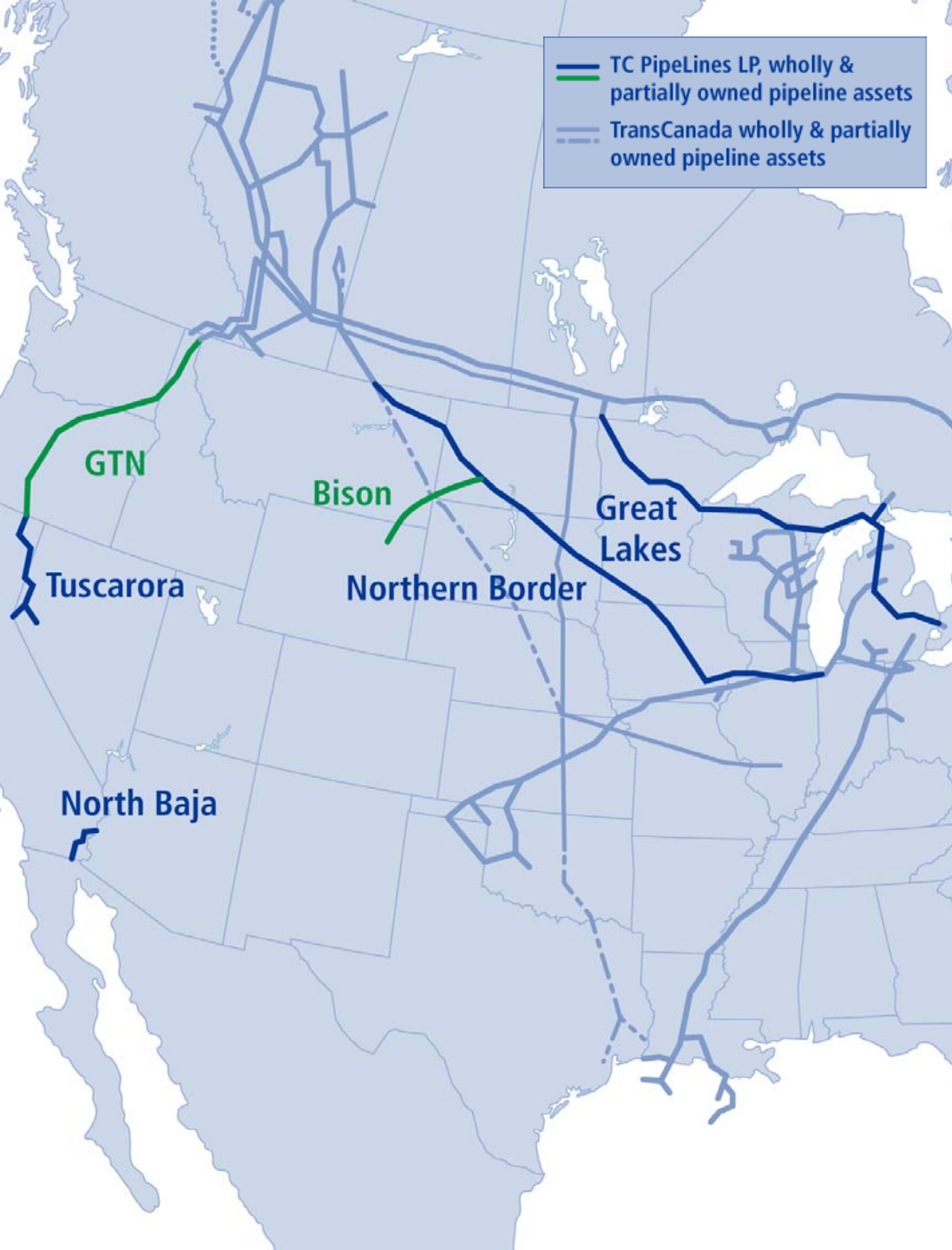


Recent Developments

Steve Becker, President



TC PipeLines, LP Overview



Natural Gas Pipelines

- Essential infrastructure
- Interests in 6 pipelines with 8.9 Bcf/d of capacity

Strong Industry Sponsor in TransCanada Corporation (NYSE:TRP)

- Owns general partner
- Owns 33% of partnership units
- Operates assets

Strong Financial Flexibility & Liquidity

Attractive 6.5% Yield Given Low-Risk Business Model*

* Based on July 26, 2011 closing price of \$47.49

Q2 2011 Financial Highlights



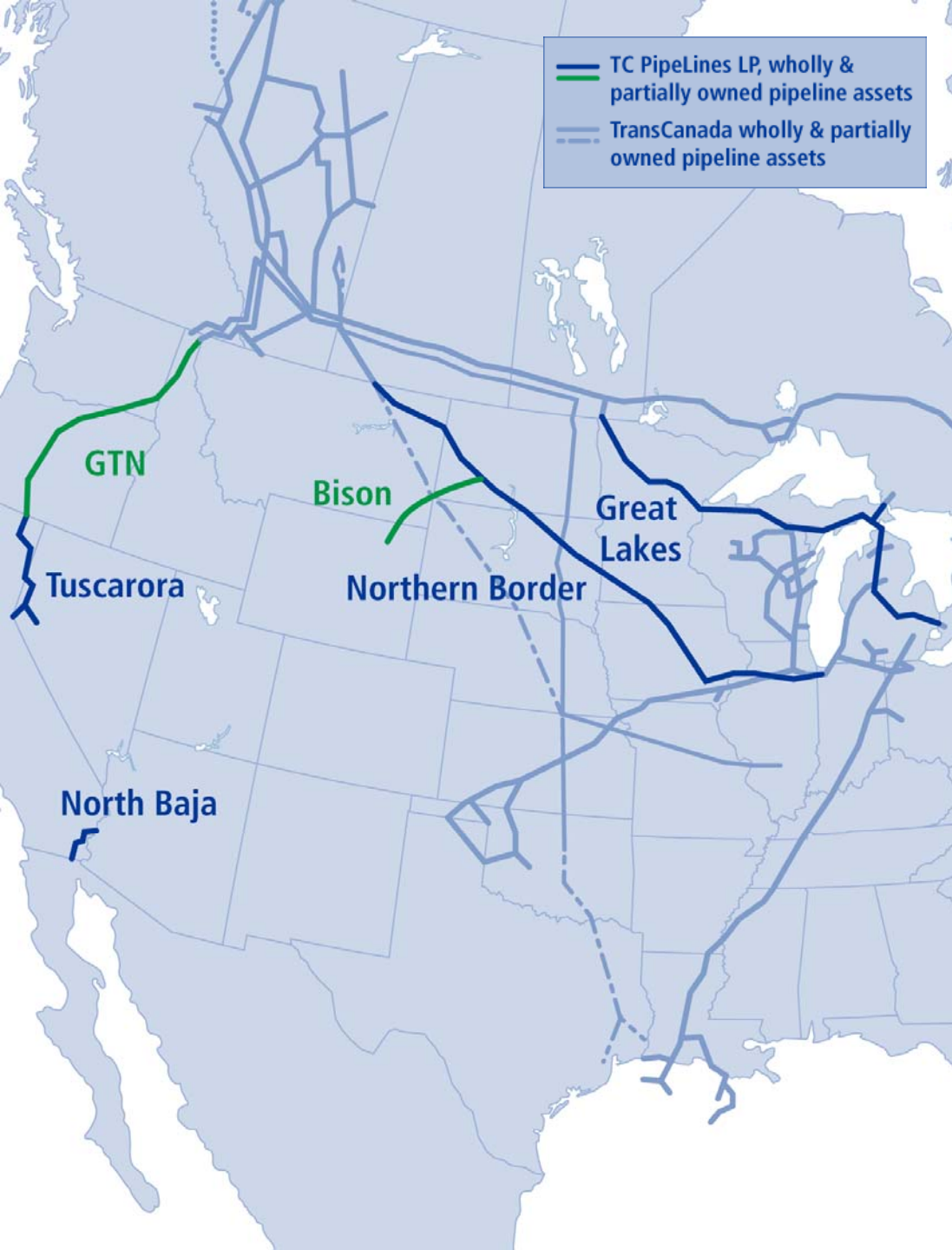
- **Partnership cash flows of \$47.7 million**
- **Cash distributions paid of \$35.4 million**
- **Net income of \$36.1 million or \$0.69 per unit**
 - Increase of 30% over Q2 2010
- **Declared cash distribution of \$0.77 per unit**
 - Increase of 6% vs. Q2 2010 or 3% vs. Q1 2011
 - 12th consecutive year of increased distributions

Q2 2011 Activities



- **Acquired 25% interest in each of GTN and Bison from TransCanada Corporation**
- **Raised net proceeds of \$331 million from issuing 7.3 million common units in public offering**
- **Obtained investment grade credit ratings from Standard & Poor's and Moody's (BBB/Baa2)**
- **Issued \$350 million in first public debt offering**
- **Renewed and increased senior revolving credit facility to \$500 million**

GTN & Bison Acquisition Highlights



GTN & Bison provide:

- Sustainable cash flows and earnings
- Gas supply and market diversity
- Growth potential from lateral and compression expansions

TC PipeLines' portfolio impact:

- Increases overall contracted revenue percentage
- Increases to six FERC regulated interstate natural gas pipelines

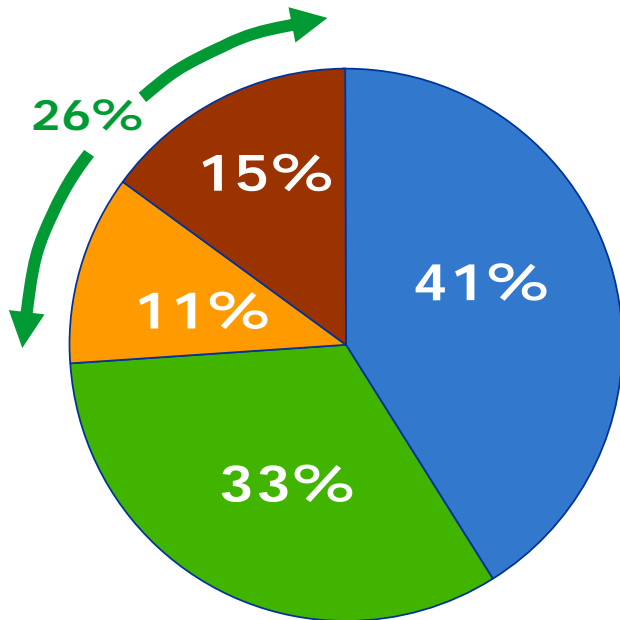
Partnership continues to be an attractive financing option for TransCanada

Portfolio Diversification



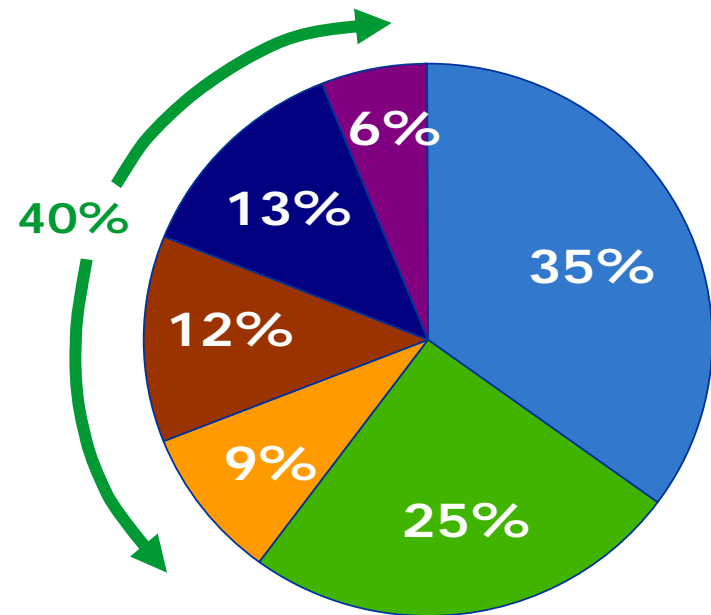
Before

2010 Partnership Cash Flows



After

2011E Partnership Cash Flows



***Increased Long Term Contracted
Cash Flows From 26% to 40%***

Re-Contracting Status On Long-Haul Pipelines



Northern Border

- Q2 2011 volume throughput averaged 2,508 mmcf/d
- Substantially fully contracted through October 2012

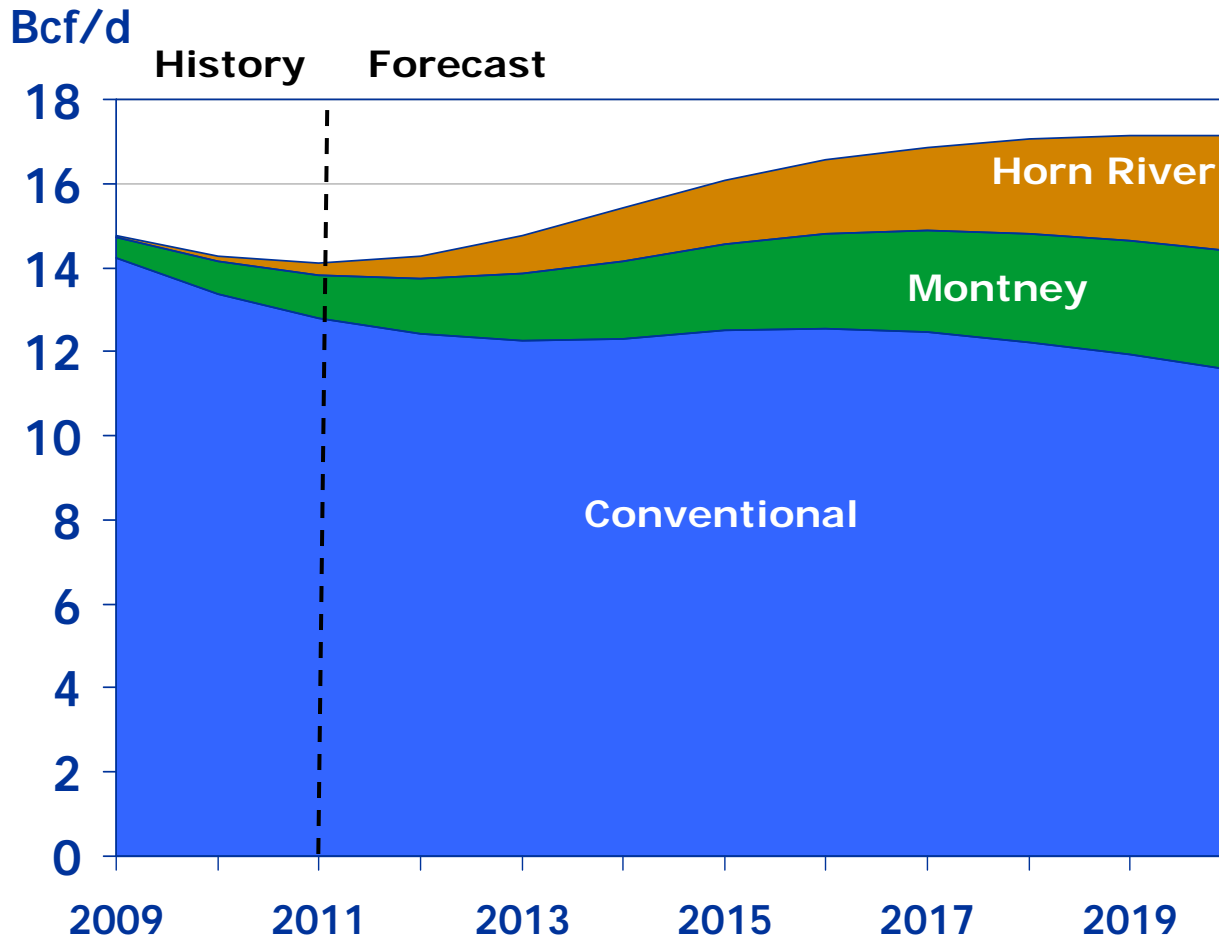
Great Lakes

- Q2 2011 volume throughput averaged 2,201 mmcf/d
- Fully contracted through October 2011
- Re-contracting impacted by timing of TransCanada's Mainline 2012/13 toll application

GTN

- Q2 2011 volume throughput averaged 1,768 mmcf/d
- Average long term contracts for 1,571 mmcf/d through 2015; 1,035 mmcf/d from 2016-2023
- Load factor on existing contracts impacts volumes but not revenues

Western Canada Sedimentary Basin Gas Production Forecast



- WCSB volume was flat year over year during the second quarter 2011
- Expect 2011 forecasted volumes to remain at similar levels seen in 2010
- TransCanada continues to advance further B.C. and Alberta pipeline development to transport new gas supplies

Other Business Developments



Tuscarora rate proceeding

- Will submit a cost & revenue study to FERC in August 2011
- Expect decision on rates no later than April 2012

Northern Border's Princeton lateral project

- Received FERC Notice to Proceed to begin construction in July
- On schedule for a Q4 2011 in-service



Second Quarter 2011 Results

Rob Jacobucci, Principal Financial Officer



Second Quarter 2011 Financial Results

(unaudited, millions of dollars except per common unit amounts)



	Three months ended June 30		Six months ended June 30	
	2011	2010	2011	2010
Partnership cash flows ^(a)	47.7	46.2	96.0	83.0
Cash distribution paid	(35.4)	(34.4)	(70.8)	(68.9)
Cash distributions declared per common unit ^(b)	\$ 0.77	\$ 0.73	\$ 1.52	\$ 1.46
Net income ^(c)	36.1	27.7	78.4	61.4
Net income per common unit ^(d)	\$ 0.69	\$ 0.59	\$ 1.58	\$ 1.30
Weighted average common units outstanding (millions)	50.9	46.2	48.6	46.2
Common units outstanding, end of period (millions)	53.5	46.2	53.5	46.2

(a) Partnership cash flows is a non-GAAP financial measure. Refer to the section entitled "Partnership Cash Flows" for further detail.

(b) The Partnership's 2011 second quarter cash distribution will be paid on August 12, 2011 to unitholders of record as of the close of business on July 31, 2011.

(c) Includes equity earnings from GTN and Bison from May 3, 2011, date of acquisition, to June 30, 2011.

(d) Net income per common unit is computed by dividing net income, after deduction of the general partner's allocation, by the weighted average number of common units outstanding. The general partner's allocation is computed based upon the general partner's effective two percent interest plus an amount equal to incentive distributions.

Second Quarter 2011 Financial Results

(unaudited, millions of dollars except per common unit amounts)



	Three months ended June 30		Six months ended June 30	
	2011	2010	2011	2010
<u>Equity earnings:</u>				
Great Lakes	17.0	13.1	35.0	29.4
Northern Border	16.2	12.2	36.8	26.8
GTN ^(a)	2.4		2.4	
Bison ^(a)	1.9		1.9	
Net income from Other Pipes ^(b)	10.0	9.0	20.5	18.3
Partnership expenses	(11.4)	(6.6)	(18.2)	(13.1)
Net income	36.1	27.7	78.4	61.4

(a) Represents equity earnings from May 3, 2011, the date of acquisition, to June 30, 2011.

(b) "Other Pipes" includes the results of North Baja and Tuscarora.

Liquidity and Capital Resources



Raised \$350 million of 10 year, public senior unsecured notes at a coupon rate of 4.65%

Partnership's \$300 million senior term loan matures December 2011

Amended and upsized revolving credit facility to \$500 million

- \$14 million drawn as of June 30, 2011
- Average interest rate was 3.5 percent for the three months ending June 30 – includes hedging impact
- Matures in July 2016

Partnership's financial position remains strong



Question & Answer Period

Steve Becker, President

Rob Jacobucci, Principal Financial Officer

Stuart Kampel, VP and General Manager

Lee Evans, Manager Investor Relations





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