
NewsRelease

Great Lakes Gas Transmission Files Settlement Terms in Rate Case

HOUSTON, Texas – **May 21, 2010** –TC PipeLines, LP (the Partnership) (NASDAQ: TCLP) today announced that Great Lakes Gas Transmission Limited Partnership (Great Lakes) filed the terms of a settlement of its pending rate case. The settlement was reached among Great Lakes, active participants and the Federal Energy Regulatory Commission (FERC) trial staff. If certified by the Administrative Law Judge and approved by the FERC as presented, the settlement is not expected to have a material impact on TC PipeLines, LP.

“We are very pleased to be able to file settlement terms in this case and remove the uncertainty of the proceeding. From the outset, Great Lakes has emphasized its belief that a settlement is in the best interest of all the parties,” said Mark Zimmerman, president of TC PipeLines GP, Inc.

Under terms of the settlement, reservation rates on Great Lakes will be reduced by eight per cent, effective May 1, 2010. Therefore, the long-haul reservation rate from Great Lakes’ western zone to its eastern zone would decline eight per cent from \$0.338 per dekatherm to \$0.311 per dekatherm. The various short-haul firm paths will see similar reductions. The factors used in calculating depreciation expense for Great Lakes transmission plant will be decreased from 2.75 to 1.48 per cent per annum. The settlement will be implemented retroactive to May 1, 2010 subject to approval by the FERC.

Great Lakes has agreed to a revenue sharing provision with respect to revenues, both firm and interruptible, in excess of \$500 million during the period between November 1, 2010 and October 31, 2012. Great Lakes will share fifty per cent of any qualifying revenues in excess of the \$500 million threshold with qualifying shippers. The parties to the settlement have agreed that the settlement rates will remain in effect through at least November 30, 2011. The settlement includes a moratorium on participants and customers filing a Natural Gas Act (NGA) Section 5 rate case to place new rates into effect prior to November 1, 2012. There is also a moratorium on Great Lakes filing a NGA Section 4 rate case prior to June 1, 2011 to place new rates into effect prior to December 1, 2011. In addition, the settlement requires Great Lakes to file a NGA Section 4 general rate case no later than November 1, 2013. If the settlement is not approved, the stipulation provides for Great Lakes to adjust its billings to recover or credit, as necessary, revenues that it or its shippers would have received absent placing the settlement into effect on May 1, 2010.

TC PipeLines, LP has interests in approximately 3,700 miles of federally regulated U.S.

