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## **TC PipeLines, LP Increases Second Quarter Cash Distribution**

OMAHA, Nebraska – **July 19, 2011** – TC PipeLines, LP (NASDAQ: TCLP) (the Partnership) today announced the board of directors of TC PipeLines GP, Inc., its general partner, declared an increase in the Partnership's second quarter 2011 cash distribution to \$0.77 per common unit, or \$3.08 per unit on an annualized basis. This distribution represents a 5.5 per cent increase from the \$0.73 per common unit paid in second quarter 2010 and a 2.7 per cent increase from the \$0.75 per common unit paid in first quarter 2011.

"We are pleased to be able to raise the distribution to our unitholders as a result of the strong cash flows from our portfolio of six pipeline assets" said Steve Becker, President of TC Pipelines, GP, Inc. "The overall amount of predictable cash flows for the Partnership has increased due to the long term contracts from the recently acquired 25 percent ownership interest in each of Gas Transmission Northwest and Bison Pipeline. As we move forward, we expect the Partnership to remain an attractive financing option to TransCanada as they complete their significant capital program."

This cash distribution is the 49th consecutive quarterly distribution paid by the Partnership and is payable on August 12, 2011 to unitholders of record at the close of business on July 31, 2011.

TC PipeLines, LP has interests in 5,560 miles of federally regulated U.S. interstate natural gas pipelines which serve markets across the United States and Eastern Canada. This includes significant interests in Great Lakes Gas Transmission Limited Partnership and Northern Border Pipeline Company as well as 25 per cent ownership interest in each of Gas Transmission Northwest LLC, and Bison Pipeline LLC. TC PipeLines, LP also has 100 per cent ownership of North Baja Pipeline, LLC and Tuscarora Gas Transmission Company. 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 units of TC PipeLines, LP are quoted on the NASDAQ Global Select Market and trade under the symbol "TCLP." For more information about TC PipeLines, LP, visit the Partnership's website at [www.tcpipelineslp.com](http://www.tcpipelineslp.com).

### **Cautionary Statement Regarding Forward-Looking Information**

This news release may include "forward-looking statements" regarding future events and the future financial performance of TC PipeLines, LP. All statements other than statements of historical fact included or incorporated herein may constitute forward-looking statements. Words such as "anticipate," "believe," "continue," "estimate," "expect," "intend," "forecast," "project," "may," "plan," "strategy," 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 and are not guarantees of performance. Actual results may differ materially from those expressed or implied in these forward-looking statements and are subject to a number of risks and uncertainties. Important factors that could cause actual results to materially differ from the Partnership's current expectations include the demand for Great Lakes, Northern Border and GTN transportation in the future; the risk of a prolonged slowdown in growth or decline in the U.S. economy or the risk of delay in growth recovery in the U.S. economy; regulatory decisions, particularly those of the FERC; the ability of Great Lakes, Northern Border and GTN to recontract their available capacity on competitive terms; the Partnership's ability to identify and/or consummate accretive growth opportunities from TransCanada Corporation or others; the ability to access capital and credit markets with competitive rates and terms; operational decisions of the operator of our pipeline systems; the failure of a shipper on any one of the Partnership's pipelines to perform its contractual obligations; supply of natural gas in the Western Canada Sedimentary Basin and in competing basins, such

as the Rocky Mountains; future demand for natural gas; overcapacity in the industry; success of other pipelines competing with Northern Border, Great Lakes and GTN by bringing competing U.S.-sourced gas to Northern Border's, Great Lakes' and GTN's markets; and other risks inherent in the transportation of natural gas as discussed in the Partnership's filings with the Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the most recently completed fiscal year and its subsequently filed Quarterly Report on Form 10-Q. These filings are available to the public over the Internet at the SEC's website ([www.sec.gov](http://www.sec.gov)) and via the Partnership's website ([www.tcpipelineslp.com](http://www.tcpipelineslp.com)). The Partnership disclaims any intention or obligation to update publicly or revise any such forward-looking statements, whether as a result of new information, future events or otherwise, occurring after the date hereof.

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