
NewsRelease

TC PipeLines, LP Increases Third Quarter Cash Distribution

HOUSTON, Texas – **October 20, 2010** – TC PipeLines, LP (NASDAQ: TCLP) (the Partnership) today announced the board of directors of TC PipeLines GP, Inc., its general partner, declared the Partnership's third quarter 2010 cash distribution of \$0.75 per common unit. This cash distribution is an increase of \$0.02 per common unit from the second quarter 2010 distribution representing a 2.7 per cent increase. The distribution represents an increase of \$0.08 per common unit on an annualized basis.

"We are pleased to increase our quarterly distribution to unitholders," said Steve Becker, president of TC PipeLines GP, Inc. "The strong business fundamentals of Northern Border and Great Lakes, which are supported by the increased volumes being moved on our pipelines to market, has enabled us to raise our quarterly distribution. Looking forward, our energy infrastructure assets are well positioned to capture natural gas volumes coming out of the U.S. Rockies on the Bison pipeline and rising volumes from the development of the Montney and Horn River shale gas plays in the Western Canadian Sedimentary Basin."

This cash distribution is the 46th consecutive quarterly distribution paid by the Partnership and is payable on November 12, 2010 to unitholders of record at the close of business on October 31, 2010.

TC PipeLines, LP has interests in approximately 3,700 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), North Baja Pipeline, LLC (100 per cent ownership) and Tuscarora Gas Transmission Company (100 per cent ownership). Great Lakes is a 2,115-mile natural gas pipeline system 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. North Baja is an 80-mile bi-directional pipeline system that transports natural gas between southwestern Arizona and a point on the California/Mexico border where it connects with a natural gas pipeline system in Mexico. Tuscarora is a 240-mile pipeline system that transports natural gas from Oregon, where it interconnects TransCanada Corporation's Gas Transmission Northwest System, to markets in Oregon, California, and Nevada. 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.

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," "will," 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 and Northern Border 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 and Northern Border 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 and Great Lakes by bringing competing U.S.-sourced gas to Northern Border's and Great Lakes' 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 Reports on Form 10-Q. These filings are available to the public over the Internet at the SEC's website (www.sec.gov) and via the Partnership's website (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.

- 30 -

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