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# NewsRelease

## **TC PipeLines, LP Increases Second Quarter Cash Distribution 3.5 Per Cent**

OMAHA, Nebraska – **July 21, 2009** – TC PipeLines, LP (Nasdaq: TCLP) (the Partnership) today announced the board of directors of TC PipeLines GP, Inc., its general partner, has declared the Partnership's second quarter 2009 cash distribution in the amount of US\$0.73 per common unit. This cash distribution is an increase of \$0.025 from the first quarter 2009 distribution and an increase of \$0.10 on an annualized basis.

“Following the close of the acquisition of North Baja and the resetting of the incentive distribution rights, we are pleased to increase our distribution to unitholders. The addition of North Baja to our portfolio of high quality energy infrastructure assets further enhances our ability to deliver solid, sustainable cash distributions,” said Russ Girling, chairman and chief executive officer of TC PipeLines GP, Inc. “As we look forward, the Partnership remains well positioned for growth and is expected to play an ongoing role in the financing of TransCanada Corporation's C\$21 billion capital program.”

This cash distribution is the 41st consecutive quarterly distribution paid by the Partnership. This distribution is payable on August 14, 2009 to unitholders of record as of July 31, 2009.

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), Tuscarora Gas Transmission Company (100 per cent ownership) and North Baja Pipeline, LLC (100 per cent ownership). Great Lakes is a 2,115-mile pipeline 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. Tuscarora owns a 240-mile pipeline system that transports natural gas from Oregon, where it interconnects TransCanada's Gas Transmission Northwest System, to markets in Oregon, Northern California, and Northwestern Nevada. North Baja is an 80-mile natural gas pipeline that extends from Southwestern Arizona to a point on the California/Mexico border and connects with a natural gas pipeline system in Mexico. 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 Stock 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. 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, 2008 and the Partnership's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.

- 30 -

Media Inquiries:	Cecily Dobson/Terry Cunha	(403) 920-7859 (800) 608-7859
Unitholder and Analyst Inquiries:	Terry Hook	(877) 290-2772 <a href="mailto:investor_relations@tcpipelineslp.com">investor_relations@tcpipelineslp.com</a>