



TC PipeLines, LP

Great Lakes Gas Transmission Investment December 22, 2006

Forward Looking Information



This presentation includes forward-looking statements regarding future events and the future financial performance of TC PipeLines, LP (the “Partnership”). Words such as “believes”, “expects”, “intends”, “forecasts”, “projects”, “goals”, 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 completion of the acquisition of a 46.45 per cent interest in Great Lakes and related transactions, regulatory decisions, particularly those of the Federal Energy Regulatory Commission and the Securities and Exchange Commission, the ability of Northern Border Pipeline to recontract its available capacity at maximum rates, operational decisions of Northern Border Pipeline’s operator, the failure of a shipper on either one of the Partnership’s pipelines to perform its contractual obligations, cost of acquisitions, future demand for natural gas, overcapacity in the industry, and other risks inherent in the transportation of natural gas 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, 2005 and Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2006.

The Investment



- ◆ **Acquiring 46.45% interest in Great Lakes Gas Transmission Limited Partnership**
- ◆ **\$962 mm includes indirect assumption of approximately \$212 mm in debt**
- ◆ **Expected to close in Q1, 2007**
- ◆ **Financed with a combination of debt and equity consistent with maintaining the Partnership's strong financial position**
- ◆ **Transaction expected to be accretive to cash flow and earnings**

Great Lakes Gas Transmission



- ◆ 2,115 mile interstate pipeline
- ◆ 2.5 billion cubic feet per day of receipt capacity
- ◆ Well-run, high quality asset
- ◆ 178 employees
- ◆ TransCanada to assume operations
- ◆ TransCanada purchasing 3.55% to increase direct ownership to 53.55%

GLGT Financials



- ◆ **Very stable cash flow**

- ◆ **Operating Cash Flow**

◆ 2004	\$158MM
◆ 2005	\$147MM
◆ 2006 12 Mos. trailing	\$141MM

- ◆ **Cash Distributions to Partners less contributions**

◆ 2004	\$148MM
◆ 2005	\$154MM
◆ 2006 12 Mos. trailing	\$143MM

Pipeline Assets



- ◆ 46.45% general partner interest in Great Lakes Gas Transmission (“Great Lakes”)
- ◆ 50% general partner interest in Northern Border Pipeline (“Northern Border”)
- ◆ 99% general partner interest in Tuscarora Gas Transmission Company (“Tuscarora”)



Questions and Answers