TC PipeLines, LP

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RESULTS

2003 FIRST QUARTER REPORT

FINANCIAL PERFORMANCE

Three months ended March 31 *(unaudited)*	**2003**	2002
(millions of dollars, except per unit amounts)		
Income Statement		
Net income	**11.9**	11.9
Net income per unit	**$0.66**	$0.66
Cash Flow		
Cash generated from operations	**13.5**	12.3
Cash distributions paid	**9.6**	9.0
Cash distributions declared per unit [1]	**$0.525**	$0.500

[1] Cash distributions are paid within 45 days after the end of each quarter.

We refer you to the Partnership's quarterly report on Form 10-Q, as filed with the Securities and Exchange Commission on May 15, 2003, which contains management's discussion and analysis of the Partnership's financial condition and results of operations as at and for the three months ended March 31, 2003. The Form 10-Q can be accessed electronically on the Partnership's website at www.tcpipelineslp.com/investor/reports.htm.
Copies of the Form 10-Q may be obtained from the Partnership free of charge.

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STATEMENT OF INCOME

Three months ended March 31 *(unaudited)*	**2003**	2002
(millions of dollars, except per unit amounts)		
Equity Income from Investment in Northern Border Pipeline	**11.0**	11.3
Equity Income from Investment in Tuscarora	**1.3**	1.1
General and Administrative Expenses	**(0.4)**	(0.4)
Financial Charges	**-**	(0.1)
Net Income	**11.9**	11.9
Net Income Allocation		
Common units	**10.3**	9.7
Subordinated units	**1.2**	1.8
General partner	**0.4**	0.4
	11.9	11.9
Net Income per Unit	**$0.66**	$0.66
Units Outstanding *(millions)*	**17.5**	17.5

STATEMENT OF COMPREHENSIVE INCOME

Three months ended March 31 *(unaudited)*	**2003**	2002
(millions of dollars)		
Net Income	**11.9**	11.9
Other Comprehensive Income		
Change associated with current period hedging transactions	**(0.1)**	0.2
Total Comprehensive Income	**11.8**	12.1

See accompanying Notes to Condensed Financial Statements.

BALANCE SHEET

(millions of dollars)	**March 31, 2003** (unaudited)	December 31, 2002 (audited)
Assets		
Current Assets		
Cash	**4.0**	6.4
Investment in Northern Border Pipeline	**241.3**	242.9
Investment in Tuscarora	**39.9**	36.7
	285.2	286.0
Liabilities and Partners' Equity		
Current Liabilities		
Accounts payable	**0.5**	0.6
Long-Term Debt	**8.5**	11.5
Partners' Equity		
Common units	**241.0**	238.9
Subordinated units	**27.2**	27.0
General partner	**6.0**	5.9
Other comprehensive income	**2.0**	2.1
	276.2	273.9
	285.2	286.0

STATEMENT OF CASH FLOWS

Three months ended March 31 *(unaudited)* (millions of dollars)	**2003**	2002
Cash Generated from Operations		
Net income	**11.9**	11.9
Add/(Deduct):		
Distributions received in excess of equity income	**1.7**	0.3
(Increase)/decrease in operating working capital	**(0.1)**	0.1
	13.5	12.3
Investing Activities		
Investment in Tuscarora	**(3.3)**	-
Financing Activities		
Distributions paid	**(9.6)**	(9.0)
Reduction of long-term debt	**(3.0)**	-
	(12.6)	(9.0)
(Decrease)/Increase in Cash	**(2.4)**	3.3
Cash, Beginning of Period	**6.4**	9.2
Cash, End of Period	**4.0**	12.5

See accompanying Notes to Condensed Financial Statements.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(unaudited)

Note 1 Basis of Presentation

TC PipeLines, LP, and its subsidiary limited partnerships, TC PipeLines Intermediate Limited Partnership and TC Tuscarora Intermediate Limited Partnership, all Delaware limited partnerships, are collectively referred to herein as TC PipeLines or the Partnership. The Partnership commenced operations on May 28, 1999.

The financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States. Other comprehensive income recorded by TC PipeLines arises through its equity investments in Northern Border Pipeline Company (Northern Border Pipeline) and Tuscarora Gas Transmission Company (Tuscarora) and relates to cash flow hedges transacted by Northern Border Pipeline and Tuscarora. Amounts are stated in United States dollars.

Since a determination of many assets, liabilities, revenues and expenses is dependent upon future events, the preparation of these financial statements requires the use of estimates and assumptions which have been made using careful judgment. In the opinion of management, these financial statements have been properly prepared within reasonable limits of materiality and include all adjustments (consisting primarily of normal recurring accruals) necessary to present fairly the results of operations for the three months ended March 31, 2003 and 2002, the financial position as at March 31, 2003 and December 31, 2002 and cash flows for the three months ended March 31, 2003 and 2002.

The results of operations for the three months ended March 31, 2003 and 2002 are not necessarily indicative of the results that may be expected for a full fiscal year. The interim financial statements should be read in conjunction with the Partnership's financial statements and notes included in TC PipeLines' Annual Report on Form 10-K for the year ended December 31, 2002.

Note 2 Investment in Northern Border Pipeline Company

The Partnership owns a 30% general partner interest in Northern Border Pipeline, a partnership which owns a 1,249-mile United States interstate pipeline system that transports natural gas from the Montana-Saskatchewan border to markets in the midwestern United States. The remaining 70% partnership interest in Northern Border Pipeline is held by Northern Border Partners, L.P., a publicly traded limited partnership. The 2% general partnership interest in Northern Border Partners, L.P. is controlled by affiliates of Enron Corp. (Enron), which hold a 1.65% general partner interest, and TransCanada PipeLines Limited (TransCanada), parent of TC PipeLines' general partner, which holds the remaining 0.35% general partner interest. The Northern Border pipeline system is operated by Northern Plains Natural Gas Company, a wholly owned subsidiary of Enron. Northern Border Pipeline is regulated by the Federal Energy Regulatory Commission (FERC).

TC PipeLines uses the equity method of accounting for its investment in Northern Border Pipeline. TC PipeLines' equity income for the three months ended March 31, 2003 and 2002 represents 30% of the net income of Northern Border Pipeline for the same periods. Retained earnings of TC PipeLines at March 31, 2003 and December 31, 2002 include undistributed earnings from Northern Border Pipeline of nil and $1.3 million, respectively. The following sets out summarized financial information representing 100% of the operations of Northern Border Pipeline for the three months ended March 31, 2003 and 2002 and as at March 31, 2003 and December 31, 2002.

Three months ended March 31	**2003**	2002
(millions of dollars)		
Northern Border Pipeline Income Statement		
Revenues	**79.9**	78.2
Costs and expenses	**(16.8)**	(13.8)
Depreciation	**(14.5)**	(14.5)
Financial charges	**(11.8)**	(13.0)
Other income/(expense)	**(0.1)**	0.8
Net income	**36.7**	37.7

Northern Border Pipeline has recorded other comprehensive income of $(0.4) million and $1.2 million, for the three months ended March 31, 2003 and 2002, respectively.

(millions of dollars)	**March 31, 2003** *(unaudited)*	December 31, 2002 *(audited)*
Northern Border Pipeline Balance Sheet		
Assets		
Cash and cash equivalents	**19.0**	25.4
Other current assets	**54.8**	40.8
Plant, property and equipment, net	**1,618.4**	1,636.0
Other assets	**36.4**	37.8
	1,728.6	1,740.0
Liabilities and Partners' Equity		
Current liabilities	**141.2**	130.9
Reserves and deferred credits	**6.0**	15.4
Long-term debt, net of current maturities	**777.0**	783.9
Partners' Equity		
Partners' capital	**798.0**	803.0
Accumulated other comprehensive income	**6.4**	6.8
	1,728.6	1,740.0

Note 3 Investment in Tuscarora Gas Transmission Company

The Partnership owns a 49% general partner interest in Tuscarora, a partnership that owns a 240-mile United States interstate pipeline system that transports natural gas from Oregon, where it interconnects with facilities of PG&E National Energy Group, Gas Transmission Northwest, to northern Nevada. The remaining general partner interests in Tuscarora are held 50% by Sierra Pacific Resources and 1% by TransCanada. The Tuscarora pipeline system is operated by Tuscarora Gas Operating Company, a wholly owned subsidiary of Sierra Pacific Resources. Sierra Pacific Power Company, a subsidiary of Sierra Pacific Resources, is Tuscarora's largest shipper, accounting for approximately 68% of Tuscarora's available capacity. Tuscarora is regulated by the FERC.

The Partnership uses the equity method of accounting for its investment in Tuscarora. TC PipeLines' equity income for the three months ended March 31, 2003 and 2002 represents 49% of the net income of Tuscarora for the same periods. Retained earnings of TC PipeLines at each of March 31, 2003 and December 31, 2002 include undistributed earnings from Tuscarora of $0.6 million and $0.8 million, respectively. The following sets out summarized financial information representing 100% of the operations of Tuscarora for the three months ended March 31, 2003 and 2002 and as at March 31, 2003 and December 31, 2002.

Three months ended March 31 *(millions of dollars)*	**2003**	2002
Tuscarora Income Statement		
Revenues	**7.4**	5.6
Costs and expenses	**(1.2)**	(0.6)
Depreciation	**(1.6)**	(1.2)
Financial charges	**(1.6)**	(1.5)
Other income	**-**	0.1
Net income	**3.0**	2.4

Tuscarora has recorded other comprehensive income of less than $(0.1) million and $(0.4) million for the three months ended March 31, 2003 and 2002, respectively.

(millions of dollars)	March 31, 2003 (unaudited)	December 31, 2002 (audited)
Tuscarora Balance Sheet		
Assets		
Cash and cash equivalents	**4.8**	0.6
Other current assets	**2.6**	4.3
Plant, property and equipment, net	**147.0**	148.4
Other assets	**1.2**	1.2
	155.6	154.5
Liabilities and Partners' Equity		
Current liabilities	**8.9**	14.6
Long-term debt	**85.4**	85.3
Partners' Equity		
Partners' capital	**61.2**	54.2
Accumulated other comprehensive income	**0.1**	0.4
	155.6	154.5

Note 4 Credit Facilities and Long-Term Debt

On September 30, 2002, the Partnership renewed its unsecured credit facility (Revolving Credit Facility) with Bank One, NA, as administrative agent of the credit facility. Under the renewed Revolving Credit Facility, the Partnership may borrow up to an aggregate principal amount of $20.0 million. Loans under the Revolving Credit Facility bear interest at a floating rate. The Revolving Credit Facility matures on July 31, 2004. Amounts borrowed may be repaid in part or in full prior to that time without penalty. The Revolving Credit Facility may be used to finance capital expenditures and for other general purposes. At March 31, 2003 and December 31, 2002, the Partnership had borrowings of $8.5 million and $11.5 million, respectively, outstanding under the Revolving Credit Facility. The fair value of the Revolving Credit Facility approximates its carrying value because the interest rate is a floating rate. The interest rate on the Revolving Credit Facility averaged 2.70% and 2.76% for the three months ended March 31, 2003 and 2002, respectively, and, at March 31, 2003 and December 31, 2002, the interest rate was 2.70%.

On May 28, 2001, the Partnership renewed its $40.0 million unsecured two-year revolving credit facility (TransCanada Credit Facility) with TransCanada Pipeline USA Ltd., an affiliate of the General Partner. The TransCanada Credit Facility bears interest at London Interbank Offered Rate plus 1.25%. The purpose of the TransCanada Credit Facility is to provide borrowings to fund capital expenditures, to fund capital contributions to Northern Border Pipeline, Tuscarora, and any other entity in which the Partnership directly or indirectly acquires an interest, to fund working capital and for other general business purposes, including temporary funding of cash distributions to unitholders and the General Partner, if necessary. At March 31, 2003 and December 31, 2002 the Partnership had no amount outstanding under the TransCanada Credit Facility.

Note 5 Net Income per Unit

Net income per unit is computed by dividing net income, after deduction of the General Partner's allocation, by the weighted average number of common and subordinated units outstanding. The General Partner's allocation is equal to an amount based upon the General Partner's 2% interest, adjusted to reflect an amount equal to incentive distributions. Net income per unit was determined as follows:

Three months ended March 31 (millions of dollars, except per unit amounts)	**2003**	2002
Net income	**11.9**	11.9
Net income allocated to General Partner	**(0.2)**	(0.2)
Adjustment to reflect incentive distribution income allocation	**(0.2)**	(0.2)
	(0.4)	(0.4)
Net income allocable to units	**11.5**	11.5
Weighted average units outstanding *(millions)*	**17.5**	17.5
Net income per unit	**$0.66**	$0.66

Note 6 Subordinated Unit Conversion

On August 1, 2002, 936,435 subordinated units, representing one-third of the then outstanding subordinated units held by the General Partner, upon satisfaction of the tests set forth in the partnership agreement, automatically converted into an equal number of common units as provided for in the partnership agreement of TC PipeLines.

Note 7 Distributions

On April 21, 2003, the Board of Directors of the General Partner declared a cash distribution of $0.525 per unit for the three months ended March 31, 2003. The distribution totaling approximately $9.6 million is payable on May 15, 2003 in the following manner: $8.2 million to the holders of common units as of the close of business on April 30, 2003, $1.0 million to the General Partner as holder of the subordinated units, $0.2 million to the General Partner as holder of incentive distribution rights and $0.2 million to the General Partner in respect of its 2% general partner interest.

Note 8 Accounting Pronouncements

SFAS No. 143, "Accounting for Asset Retirement Obligations," became effective for the Partnership on January 1, 2003. As the Partnership does not directly own any long-lived assets, no asset retirement obligation has been recorded on its balance sheet.