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Subject Company: TC PipeLines, LP
(Commission File No. 001-35358)



Investor Presentation

February 10, 2021

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I. Executive Summary

Executive Summary

Process Summary

The Conflicts Committee conducted a robust process for TC PipeLines, LP (“TCP”) Unaffiliated Unitholders (the “Unaffiliated Unitholders”)

- The Conflicts Committee, which was formed on October 5, 2020, spent an extensive amount of time analyzing the proposed transaction, scrutinizing the implications for the Unaffiliated Unitholders, negotiating with TC Energy Corporation (“TRP”) to seek the highest feasible exchange ratio, and working with its advisors on the Merger Agreement
 - ▶ The Conflicts Committee met with their financial and legal advisors at least once a week over the two month negotiation period
- After the initial offer of 0.6500x received on October 4, 2020, the Conflicts Committee negotiated with TRP via their financial advisors through four rounds of negotiation, with three counter offers made after the initial offer
- The Conflicts Committee was able to increase the exchange ratio by 7.69% compared to the exchange ratio initially proposed

The Conflicts Committee believes the 0.70x exchange ratio provides an attractive value to the Unaffiliated TCP Unitholders

- The Conflicts Committee approved the transaction on December 14, 2020, believing the agreed to exchange ratio represents the highest consideration that could have been obtained from TRP as it was given a “best and final” proposal by TRP
- The implied transaction premium calculated for TCP based on its 20-day VWAP is 15.7%
 - ▶ Given current market conditions for MLP simplifications, this premium is in line with similar transactions

The Conflicts Committee believes the proposed transaction is the only actionable alternative for Unaffiliated Unitholders

- TCP GP, a wholly owned subsidiary of TRP, is the general partner of TCP. TCP’s limited partnership agreement, as in all MLPs, vests the power to manage the business and affairs of the MLP in TCP GP. Therefore a third party would be unable to acquire control of or otherwise transact with the MLP unless TRP was willing to sell TCP GP or otherwise participate in such transaction
- TRP’s original offer specifically noted that TRP was unwilling to consider alternative transactions and the delegation of authority to the Conflicts Committee’s was limited to the take private transaction
- Given such ownership and control, an unsolicited third-party acquisition proposal to acquire assets or control of TCP was unrealistic

Executive Summary

Summary Rationale

The Conflicts Committee Believes that the Proposed Merger Provides Numerous Benefits and is in the Best Interests of the Unaffiliated Unitholders

The proposed merger is expected to enhance potential growth for TCP

- TCP can leverage the broader capabilities, growth projects and access to TRP's capital
 - ▶ TCP is expected to gain access to a larger investor base, increased share trading volume and increased availability of capital through TRP versus on a standalone basis as an MLP
- TRP is expected to retain higher levels of cash generated from TCP assets, which would free up cash flow to fund growth opportunities and improve dividend growth and coverage

Unaffiliated TCP Unitholders will participate in TRP's future value creation

- TCP unitholders will become TRP shareholders, providing the opportunity to participate in the upside of the pro forma company
 - ▶ TRP valuation has proven to be more resilient during the recent challenging environment than that of TCP or U.S. comparable partnerships / companies
- TRP shares have had greater liquidity and a larger average trading volume, which should benefit TCP Unitholders

Recent market conditions and increased regulations provide a weak outlook for TCP absent a combination with TRP

- Recent regulatory changes have negative implications for the long-term growth and financial outlook of TCP
- TRP no longer likely to contribute assets to TCP, further limiting growth

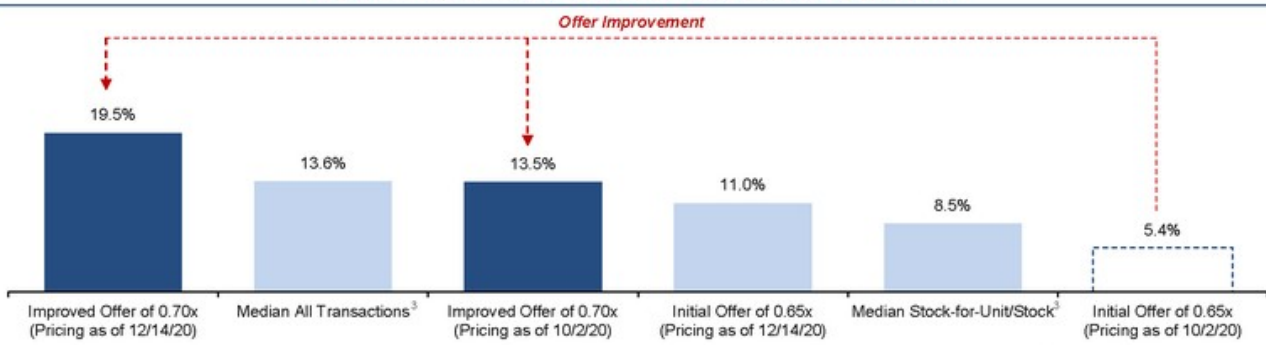
The Conflicts Committee believes that the transaction is strategically beneficial for both TCP and TRP

- The proposed transaction simplifies the current structure, improving transparency and creating a stronger, more cohesive combined entity with no more conflicts of interests as well as providing expected cost savings and increased efficiencies

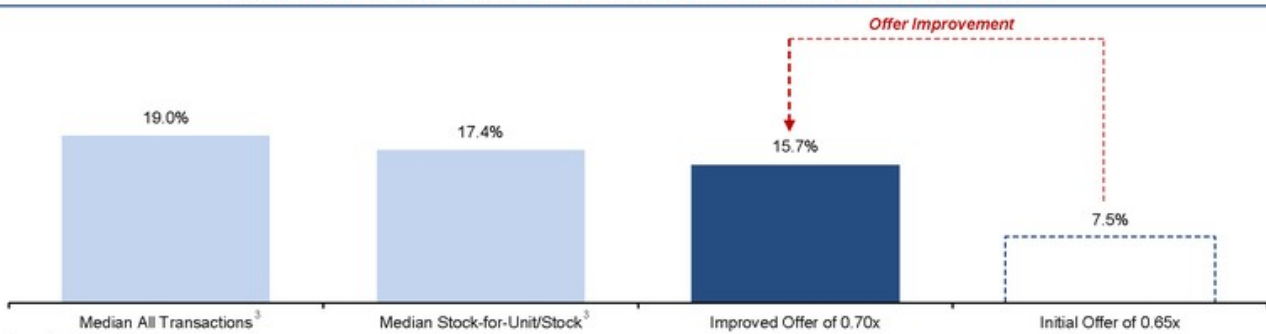
Executive Summary

After several rounds of negotiations, the Conflicts Committee was able to deliver an improved premium to the Unaffiliated Unitholders

1-day Premium over TCP Unaffected Price as of 10/2/20 (\$25.90)¹



20-day VWAP Premium over TCP Unaffected 20-day VWAP as of 10/2/20 (\$26.89)²



Source: FactSet

1. Calculated as the implied premium of applying the exchange ratio to TRP share price as of the pricing date over TCP unit price as of 10/2/20
2. Calculated as the implied premium of applying the exchange ratio to TRP 20-day VWAP as of 10/2/20 over TCP 20-day VWAP as of 10/2/20
3. Refer to the appendix for the list of transactions considered

Executive Summary

Multiples for TCP and its U.S. peers have reduced significantly over the past five years, while Canadian companies' multiples have decreased more moderately

EV / NTM EBITDA Multiple (2015 – 2020)



Source: FactSet

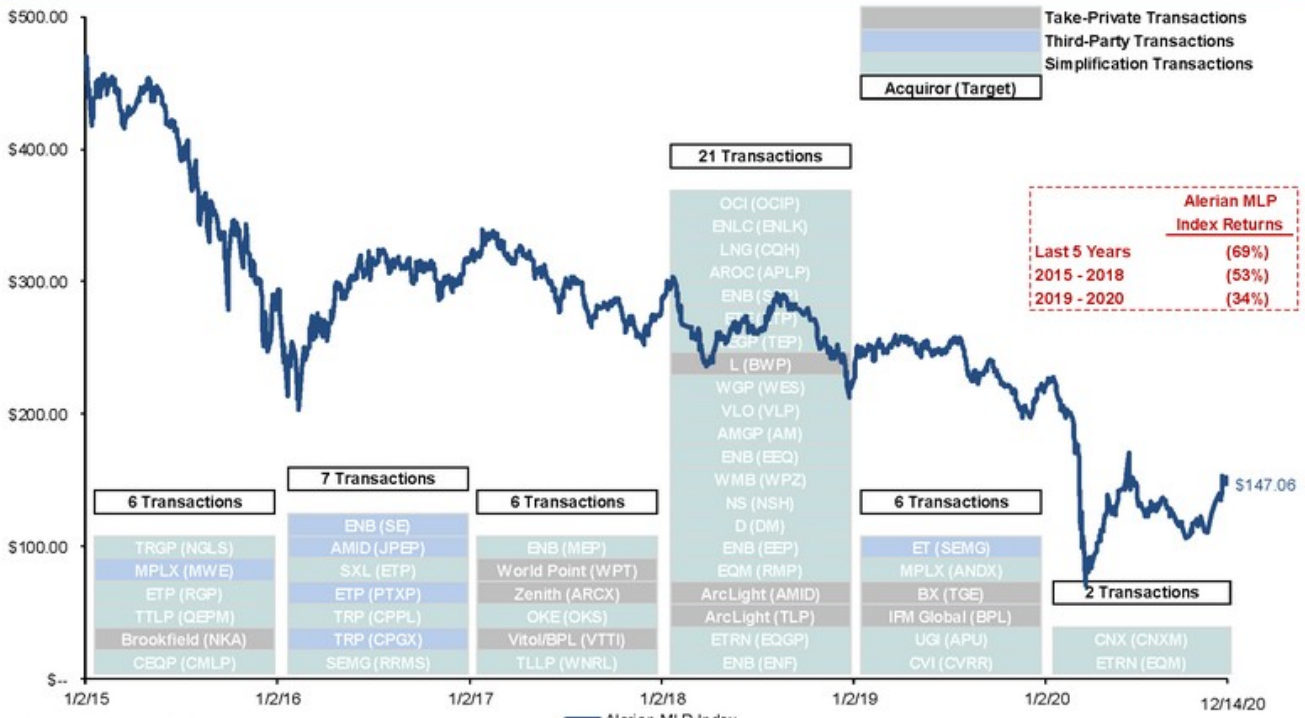
1. Median EV / NTM EBITDA multiple of the following peer group: Energy Transfer LP, Equitrans Midstream Corporation, Kinder Morgan and The Williams Companies

2. Median EV / NTM EBITDA multiple of the following peer group: Enbridge Inc and TC Energy Corporation

Executive Summary

MLP Public Market: Poor returns and fewer MLPs in existence

Alerian Index Poor Performance and MLP Consolidation (2015 – 2020)



Source: Alerian, Company filings
 Note: The Alerian MLP Index is a composite of the 29 most prominent energy MLPs calculated by Standard & Poor's using a float-adjusted market capitalization methodology

Executive Summary

Transaction Overview – Exchange Ratio Implied Multiples

(US\$ in millions, except per unit / share amounts)

Exchange Ratio	0.7000x
TRP Share Price as of (12/14/20)	\$44.21
Implied TCP Common Unit Price	\$30.95
<i>Premium to TCP Unit Price as of 10/02/20</i>	19.5%
Total Units Outstanding ¹	72.8
Total Equity Value	\$2,252
Plus: Class B Units ²	95
Plus: Noncontrolling Interest ²	99
Plus: Net Debt	1,887
Enterprise Value	\$4,333

	<u>Multiples Based on TCP Financial Projections</u>	
	<u>Metric</u>	<u>Yield / Multiple</u>
EV / Comparable EBITDA³		
2021E	\$415	10.4x
2022E	409	10.6
Price / Street DCF per LP Unit		
2021E	\$3.77	8.2x
2022E	4.12	7.5
Dividend Yield		
Current	\$2.60	8.4%
2021E	2.60	8.4%
2022E	2.60	8.4%

Source: TCP management, FactSet

1. Includes 2.0% GP Interest
2. At book value
3. Includes earnings from investments in affiliates

Executive Summary

The Conflicts Committee believes the merger is likely to present the best opportunity to maximize value for the Unaffiliated Unitholders

Financial Benefits

- TRP shares expected to provide improved trading liquidity, wider analyst coverage and a broader investor base
- The combined entity expected to retain a higher proportion of the cash flow generated, which can help to:
 - ▶ Improve expected dividend growth and coverage
 - ▶ Require less debt to fund future growth
 - ▶ Delever an already strong pro forma balance sheet
- Step-up in tax basis
- Expected cost savings and efficiencies, including those related to managing one public company instead of two

Strategic Benefits

- TRP offers asset diversification across North America compared to TCP's U.S. focus
- Unaffiliated unitholders should get exposure to a more visible pipeline of growth projects
- Increased scale should better position shareholders for varying and uncertain industry conditions and commodity price environments
- Simplified corporate structure eliminates potential conflicts of interest

Negotiation Considerations

- TRP's stated position that it was unwilling to consider alternative transactions
- No ability to solicit third-party interest to acquire assets or control of TCP in light of TRP's ownership of the GP and ~24% LP interest
- Assessment of the negative impact of regulatory changes on TCP's long-term financial prospects (FERC Ruling)
- TRP controls potential future dropdowns and indicated an unwillingness to continue contributing assets
 - ▶ TRP's stated that, absent regulatory changes or any other mitigation measures, further dropdowns would not be considered a viable funding lever and that TCP's competitive position as a financing alternative remained uncertain
- Limited regulatory hurdles to the consummation of the merger

Executive Summary

Selected Wall Street Research Analyst Reactions

Reactions to Offer (October)

Reactions to Agreement (December)



"There is a history of MLP internalizations requiring an increase to the original offer, so some modest bump is possible. Every situation is unique, but **we don't see TRP being as motivated as some other entities may have been to complete their internalizations.**"

Robert Catellier (10/5/20)



"Unlike other industry transactions to internalize an MLP by its sponsor, **we do not see TC Energy as highly motivated to improve the revised offer. We base this on its extensive backlog of growth projects that this offer has to compete with on a financial basis.**"

Robert Catellier (12/15/20)

Jefferies

"It appears TCP investors recognized the valuation disparity yesterday, which led to the partnership surging 6% past the offered exchange ratio to ~0.69x. Further, investors appear to expect sweetening of the offer given similarities between this transaction and TRP's acquisition of CPPL where the company had increased its initial offer by 8%. **We are in agreement with the market reaction and believe TCP warrants a higher premium.**"

Vikram Bagri (10/5/20)

RAYMOND JAMES®

"We think the final deal terms look fair to both parties — valuing TCP at ~9.5x 2021 EV/EBITDA (~1 turn above the mid-cap MLP average). As we stated in our prior report, with investor interests in streamlining the organizational structure and given the valuation disparity of TCP/TRP, the announcement of a buyout offer for TCP doesn't come as a huge surprise."

Justin Jenkins (12/15/20)



"Based on today's intraday price reactions, with TCP trading at an implied exchange ratio of 0.67x (as of 12:00pm ET), **the market is signaling expectations for a modest bump in the proposed exchange ratio, which we wouldn't be surprised by given the conservative implied EV/EBITDA valuation in the proposal (~8.0x 2022e EV/EBITDA, representing a slight premium to MLP peers, but discount to natural gas weighted C-Corp peers) and precedence in other recent MLP buy-in transactions.**"

Christine Cho (10/5/20)

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"In any event, **we believe the consolidation deal is more strategic on a longer-term basis versus a lot of near-term financial benefits** – albeit there are some near-term benefits in our view. On balance, **we continue to view TRP as being well positioned for ongoing energy infrastructure growth**, in part, because of the existing asset footprint, business reach and cash flow generation."

Andrew M. Kuske (12/15/20)

Source: Wall Street research

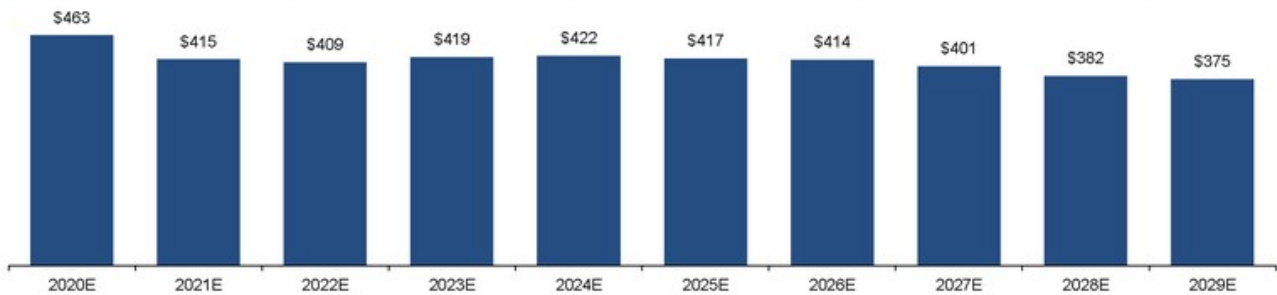
II. Valuation Overview

Valuation Overview

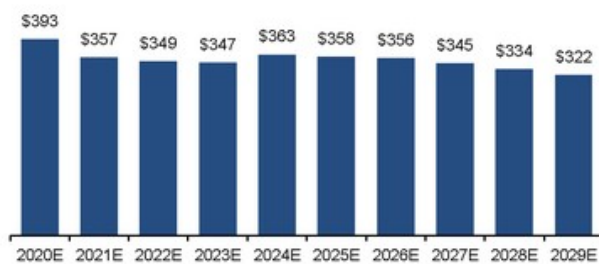
TCP Financial Summary

(US\$ in millions, except per unit amounts)

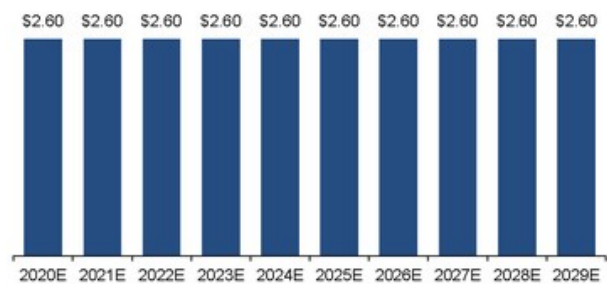
Comparable EBITDA¹



Comparable Funds Generated from Operations²



Distributions per Unit



Source: Public filings

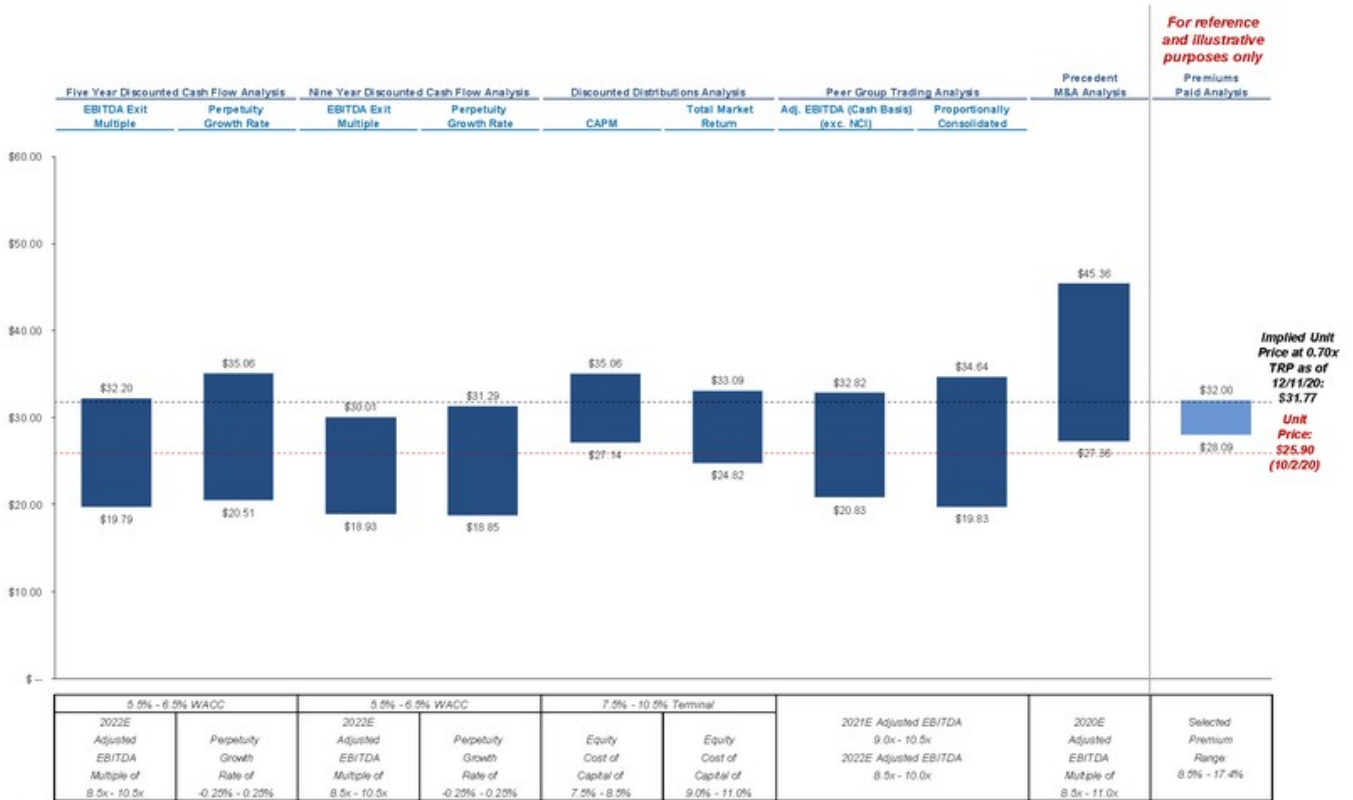
Note: The above measures are not measures of financial performance under GAAP, and should not be considered as alternatives to net income (loss), operating income, cash from operations or any other measure of financial performance or liquidity presented in accordance with GAAP. TCP's computations of these measures may differ from similarly titled measures used by others

1. Calculated as revenue less expenses plus equity income before the impact of depreciation and amortization, interest expense and income tax expense; represents EBITDA, adjusted for unusual, non-recurring or non-operating factors on both a consolidated and segmented basis
2. Calculated as earnings plus depreciation and amortization, plus distributions in excess from equity investments, less other expenses

Valuation Overview

Summary Valuation Analysis – TCP Value Per Unit

(Amounts in US\$)



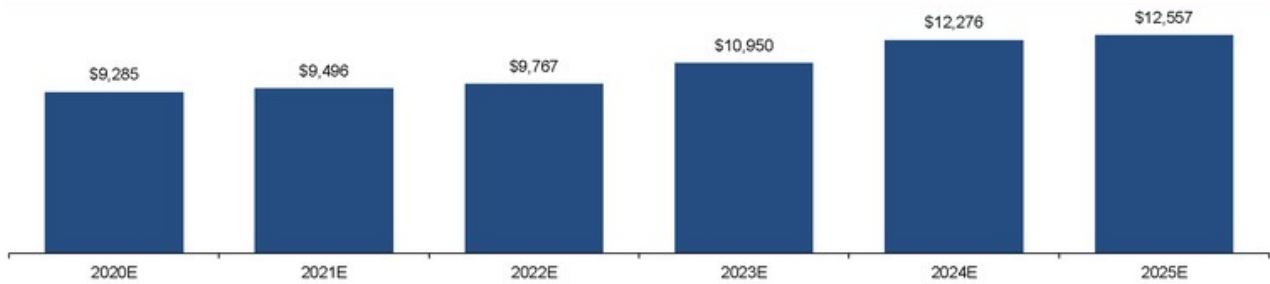
Source: Public filings, FactSet

Valuation Overview

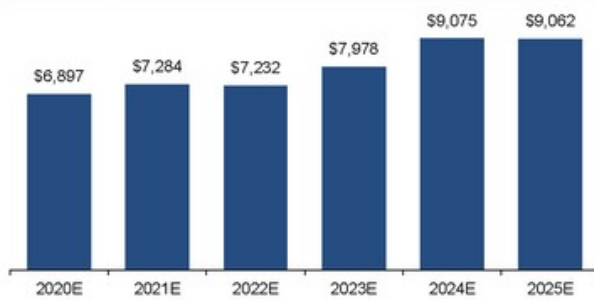
TRP Financial Summary

(CA\$ in millions, except per share amounts)

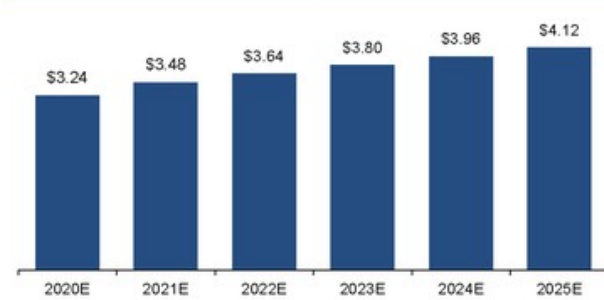
Comparable EBITDA¹



Comparable Funds Generated from Operations²



Dividends per Share



Source: Public filings

Note: The above measures are not measures of financial performance under GAAP, and should not be considered as alternatives to net income (loss), operating income, cash from operations or any other measure of financial performance or liquidity presented in accordance with GAAP. TRP's computations of these measures may differ from similarly titled measures used by others.

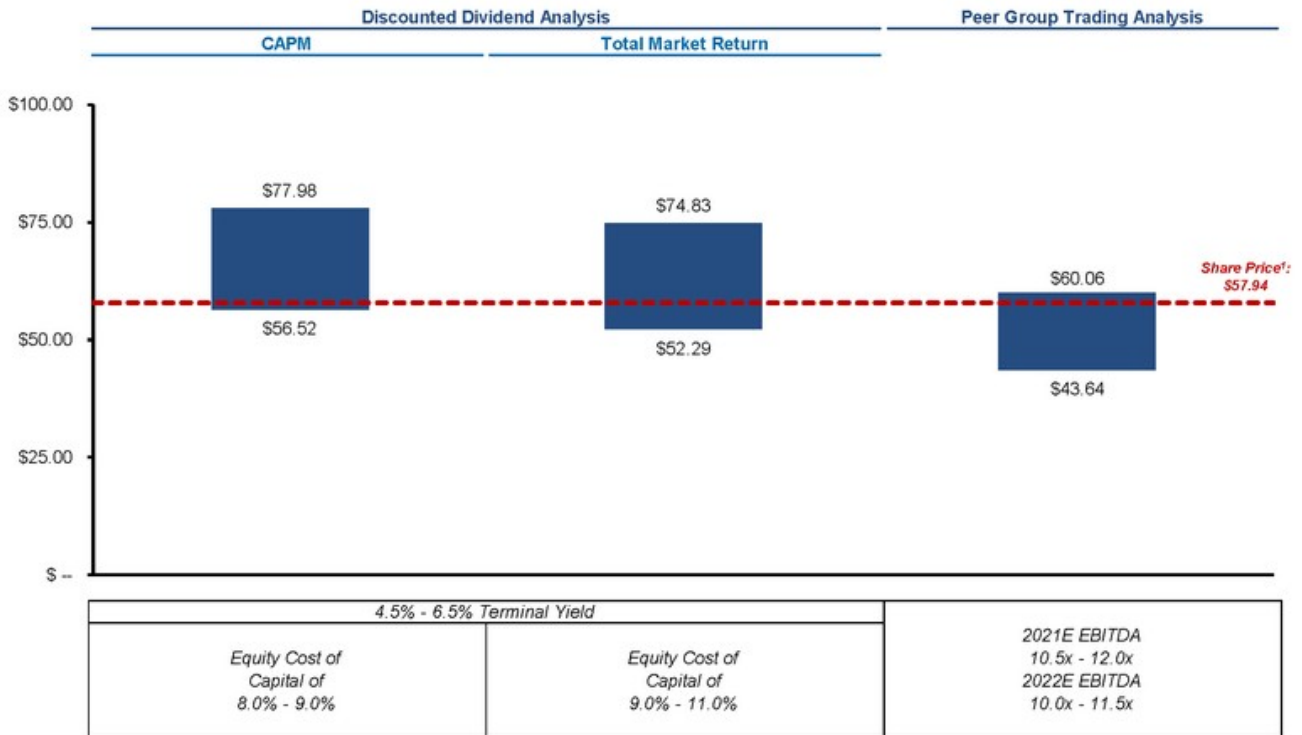
1. Calculated as net earnings before the impact of depreciation and amortization, net financial charges and income tax expense; represents EBITDA, adjusted for unusual, non-recurring or non-operating factors on both a consolidated and segmented basis.

2. Calculated as comparable EBITDA plus distributions from equity investments, less earnings from equity investments, net interest expense, equity allowances for funds used during construction, and net cash paid for income taxes, and plus or minus other non-cash items affecting net income; represents FGFO, adjusted for unusual, non-recurring or non-operating factors on both a consolidated and segmented basis.

Valuation Overview

Summary Valuation Analysis – TRP Value Per Share

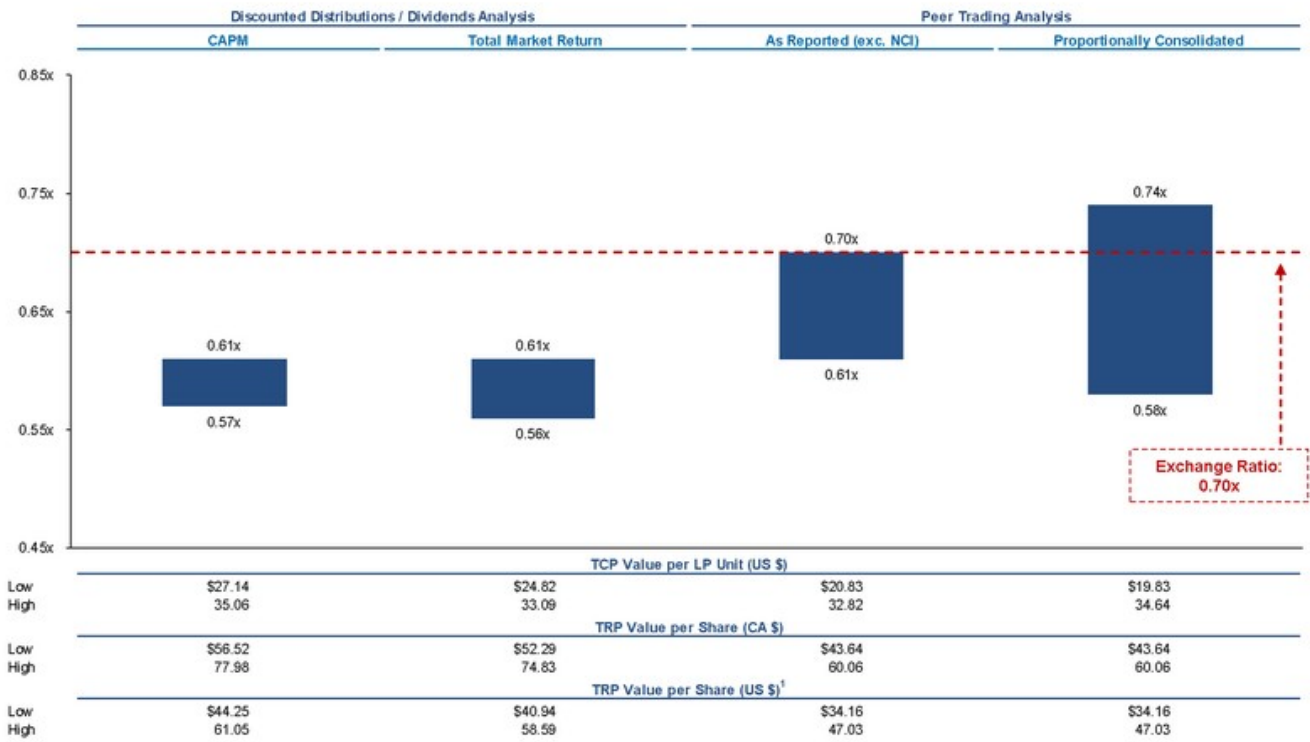
(Amounts in CA\$)



Source: Public filings, FactSet
1. TRP share price as of 12/11/20

Valuation Overview

Exchange Ratio Analysis



Note: Based on high-to-high and low-to-low implied unit / share prices per the Preliminary Valuation of TCP and Preliminary Valuation of TRP
 1. TRP unit price converted to U.S. dollars at \$0.78 USD to CAD per FactSet as of 12/11/20

III. Governance Considerations

Governance Considerations

Transaction Process and Timeline – Key Dates

<p>2018 - 2020</p> <p><i>(Initiating Search for Strategic Alternatives)</i></p>	<ul style="list-style-type: none"> ■ 2018: Due to the adverse impact of the March FERC announcement on the trading price of TCP common units and the likelihood of TCP's diminished access to capital and financial markets, TRP's senior management team began to consider possible strategic alternatives involving TCP and at a special meeting of the GP Board on April 3, 2018, the GP Board was advised that TRP had begun a strategic process to explore, review and evaluate a range of strategies and transactions involving TCP <ul style="list-style-type: none"> ▶ May 1, 2018: 35% reduction to quarterly cash distributions on TCP's common units ▶ May 2, 2018: TRP Board authorized TRP's management to evaluate, and if appropriate, negotiate, the terms of a potential merger with TCP ▶ From May 2018 through August 2020, TRP continued to consider various strategic alternatives and held various internal meetings and presentations to review the potential buy-in of TCP
<p>September 30, 2020</p>	<ul style="list-style-type: none"> ■ TRP management decided to make a proposal to TCP to acquire the outstanding TCP common units not already owned by TRP or its affiliates
<p>October 4, 2020</p> <p><i>(Initial Proposal)</i></p>	<ul style="list-style-type: none"> ■ Representatives of TRP delivered a non-binding proposal to the GP Board proposing that TRP acquire all of the outstanding TCP common units not already owned by TRP and its affiliates through a merger between TCP and a wholly owned subsidiary of TRP (the "Proposed Transaction"), at an exchange ratio of 0.6500x TRP common shares for each issued and outstanding TCP common unit
<p>October 5, 2020</p>	<ul style="list-style-type: none"> ■ The Conflicts Committee determined to engage Kirkland & Ellis LLP and Evercore LLP as legal and financial advisors
<p>October – December</p>	<ul style="list-style-type: none"> ■ Extensive negotiations, financial analysis and deliberation, including a standing weekly meeting of the Conflicts Committee with its legal and financial advisors
<p>December 3, 2020</p>	<ul style="list-style-type: none"> ■ TRP ultimately delivered a proposal of an exchange ratio of 0.7000x TRP common shares as a "best and final offer"
<p>December 14, 2020</p>	<ul style="list-style-type: none"> ■ The Conflicts Committee approved the Proposed Transaction
<p>2021</p> <p><i>(Upcoming Events)</i></p>	<ul style="list-style-type: none"> ■ February 26, 2021: Special meeting of the unitholders to vote on the Proposed Transaction ■ The transaction is expected to close late in the first quarter or early in the second quarter of 2021, subject to the approval by the holders of a majority of outstanding common units of TCP and customary regulatory approvals, including: <ul style="list-style-type: none"> ▶ The expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (this period has expired), and ▶ The approval of the Committee on Foreign Investment in the United States

Governance Considerations

Merger Agreement – Key Terms

<p>Required Unitholder Approval</p>	<ul style="list-style-type: none"> ■ Holders of a majority of TCP's common units must approve the Merger Agreement and the Merger (the "Requisite Partnership Vote") ■ TRP holds ~24% of the outstanding TCP common units, so the Requisite Partnership Vote will require unaffiliated unitholders representing approximately 26% of outstanding TCP common units to adopt the Merger Agreement
<p>Deal Protections</p>	<ul style="list-style-type: none"> ■ <u>Fiduciary Out</u>: Neither TRP nor TCP has a fiduciary out to consider alternatives (not uncommon in MLP take-privates). ■ <u>Voting and Support</u>: Each of TRP, TransCan Northern and TC PipeLine USA have agreed to vote, or cause to be voted, all Common Units then owned by it or its subsidiaries in favor of the approval of the Merger Agreement and the transactions contemplated thereby
<p>Termination; Termination Fees and Expenses</p>	<ul style="list-style-type: none"> ■ <u>Termination Fee</u>: Termination Fee payable by TCP equal to \$25 million if Merger Agreement is terminated by: <ul style="list-style-type: none"> ▶ TRP due to a Partnership Adverse Recommendation Change; ▶ TRP or TCP if the Partnership Unitholder Meeting has been held and Requisite Partnership Vote has not been obtained and Partnership Adverse Recommendation Change has occurred; or ▶ TRP or TCP if the transaction has not closed by August 14, 2021 and (A) Requisite Partnership Vote has not been obtained and (B) Parent would have been permitted to terminate due to Partnership Adverse Recommendation Change ■ <u>TRP Expense Reimbursement</u>: TCP must reimburse TRP expenses up to \$4 million if TRP terminates due to Partnership Uncured Breach. ■ <u>TCP Expense Reimbursement</u>: TRP must reimburse TCP expenses to \$4 million if: <ul style="list-style-type: none"> ▶ TRP or TCP terminates because transaction has not closed by the Outside Date (provided no Partnership Adverse Recommendation Change has occurred); ▶ TCP terminates due to Parent Uncured Breach; or ▶ TRP or TCP terminates because of the failure to obtain the Requisite Partnership Vote and no Partnership Adverse Recommendation Change has occurred
<p>Conflicts Committee Approval</p>	<ul style="list-style-type: none"> ■ The Conflicts Committee approved the Merger Agreement and the transactions contemplated thereby, on the terms and subject to the conditions set forth in the Merger Agreement, which such approval constituted "Special Approval" for all purposes under the limited partnership agreement of TCP

IV. Key Takeaways

Key Takeaways

- **The Conflicts Committee conducted a robust process in the best interest of the Unaffiliated Unitholders, analyzing the transaction and its implications with its advisors extensively before making a recommendation**
 - ▶ After extensive negotiations and receiving a "best and final" offer from TRP, the Conflicts Committee acknowledged that 0.7000x was the highest exchange ratio it would be able to obtain for the Unaffiliated Unitholders
 - ▶ The improved offer implies a premium in line with precedents
- **There are substantial benefits to owning TRP shares versus TCP units on a standalone basis including asset diversification, access to growth projects, trading liquidity, dividend growth and coverage, balance sheet strength and resilience in the face of challenging industry fundamentals**
 - ▶ A simplified corporate structure will eliminate potential conflicts of interest and drive pro forma cost savings and efficiencies
- **The MLP structure has been out of favor since the FERC ruling in 2018, which has led to declining valuations not only for TCP, but also for midstream focused U.S. partnerships / companies more generally**
 - ▶ Numerous MLP buy-ins have taken place since the regulatory changes and changes to U.S. tax rates, a reflection that the MLP structure is no longer considered an attractive financing structure
 - ▶ TRP has control over potential future dropdowns and indicated an unwillingness to continue contributing assets absent of any regulatory changes
 - ▶ If TCP were to stay as a standalone MLP, it would potentially languish due to the lack of new growth projects and the declining rate nature of FERC-regulated assets
- **Due to TRP's ownership of TCP's GP and ~24% LP interest, the Conflicts Committee assessed that an unsolicited third-party proposal was unlikely and based on statements from TRP, the Conflicts Committee understood that TRP was unwilling to consider alternative transactions**

Appendix

These materials have been prepared by Evercore Group L.L.C. ("Evercore") and Kirkland & Ellis LLP ("Kirkland") for Institutional Shareholder Services in Evercore's capacity as financial advisor to the Conflicts Committee (the "Conflicts Committee") of the Board of Directors of TC PipeLines, GP, Inc., the general partner of TC Pipelines, LP (the "Partnership") and Kirkland's capacity as legal advisor to the Conflicts Committee, and may not be used or relied upon for any other purpose. These materials are based on information provided by or on behalf of the Conflicts Committee, from public sources or otherwise reviewed by Evercore or Kirkland. Evercore and Kirkland assume no responsibility for independent investigation or verification of such information and have relied on such information being complete and accurate in all material respects. To the extent such information includes estimates and forecasts of future financial performance prepared by or reviewed with the management of the Partnership and/or other potential transaction participants or obtained from public sources, Evercore has assumed that such estimates and forecasts have been reasonably prepared on bases reflecting the best currently available estimates and judgments of such management (or, with respect to estimates and forecasts obtained from public sources, represent reasonable estimates). No representation or warranty, express or implied, is made as to the accuracy or completeness of such information and nothing contained herein is, or shall be relied upon as, a representation, whether as to the past, the present or the future. These materials were designed for use by specific persons familiar with the business and affairs of the Partnership. These materials are not intended to provide the sole basis for evaluating, and should not be considered a recommendation with respect to, any transaction or other matter. These materials have been developed by and are proprietary to Evercore and Kirkland and were prepared for the benefit and internal use of Institutional Shareholder Services at the request of the Conflicts Committee.

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