UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 3, 2005**

TC PipeLines, LP
(Exact name of registrant as specified in its charter)

Delaware	**000-26091**	**52-2135448**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

110 Turnpike Road, Suite 203	
Westborough, Massachusetts	**01581**
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code: **(508) 871-7046**

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On August 3, 2005, TC PipeLines, LP (the “Partnership”) issued a press release announcing financial results for the Partnership’s second quarter 2005 earnings. A copy of the press release is furnished with this report as Exhibit 99.1, and is incorporated herein by reference. The press release discloses financial measures, including cash generated from investments and distribution coverage ratio, which are non-GAAP financial measures as defined under SEC rules. The press release furnishes a reconciliation of these measures to the nearest GAAP financial measure. Reasons for the Partnership’s use of these financial measures are disclosed in the press release furnished with this report.

The information in this report is being furnished, not filed, pursuant to Item 2.02 of Form 8-K. Accordingly, the information in this report, including the press release, will not be incorporated by reference into any registration statement filed by the Partnership under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

The Partnership owns a 30% general partner interest in Northern Border Pipeline Company (“Northern Border Pipeline”). The remaining 70% is owned by Northern Border Partners, L.P., a publicly traded limited partnership controlled by ONEOK, Inc.

Northern Border Pipeline has advised us that the contracting status on the Port Morgan, Montana to Ventura, Iowa segment of the pipeline as of July 31, 2005 is as set out below.

Item 7.01 Regulation FD Disclosure

Northern Border Pipeline Company
Capacity Status as of July 31, 2005 (million cubic feet per day)
Port of Morgan, Montana to Ventura, Iowa

	April	May	June	July	Aug	Sep	Oct	Nov-Dec
Maximum-rate firm contracts	1,922	1,730	1,685	1,686	1,913	2,058	1,959	1,565
Discounted-rate firm contracts (1)	15	352	505	688	461	316	315	108
Available capacity (2)	437	292	184	—	—	—	100	701

Total design capacity (3)	2,374	2,374	2,374	2,374	2,374	2,374	2,374	2,374
Average percentage of maximum rate for discounted contracts	N/A	81%	79%	87%	88%	87%	87%	96%

(1) Includes maximum-rate contracts shorter than one month.
(2) Unsold capacity based on summer design.
(3) Refers to a summer design pipeline, capable of transporting, at a minimum, the stated capacity at all times of the year.

Item 8.01 Other Events.

Transportation Capacity

Northern Border Pipeline has advised us that they believe that shifting fundamentals may cause the natural gas price differentials (or so called "basis differentials") for sales in Alberta, Canada as compared to sales in the Midwest U.S. to narrow annually in the spring and fall months. Increased withdrawals from storage in Western Canada combined with winter demand in the Midwest U.S. may, conversely, cause the winter basis differentials to widen. Northern Border Pipeline has advised us that summer demand should remain strong due to electric generation loads. As a result, Northern Border Pipeline advised us that they believe their revenue may be more seasonal in the future as increased volumes are available for transport from Canada to Midwest U.S. markets when the basis differentials widen and some discounting may be required at times to maximize revenue when the basis differentials narrow.

Northern Border Pipeline advises that they believe the greatest impact for 2005 of unsold and discounted capacity occurred during the second quarter due to relatively high levels of Canadian natural gas storage injections and additional supply from other sources. Northern Border Pipeline has advised us that their capacity for July through September has been sold out at more favorable rates. Northern Border Pipeline advises that they now expect that throughout the duration of the 2005/2006 heating season, it will be fully contracted at or near maximum rates. Consequently, Northern Border Pipeline expect their revenue for 2005 to be in the range of $15 million to $18 million lower than 2004, of which our share would be approximately $5 million, due to discounted and uncontracted capacity. However, the sale of the Claims (described below) will add to Northern Border Pipeline's revenues in 2005, offsetting some of the revenue decline from discounted and uncontracted capacity.

Update On the Impact of Enron's Chapter 11 Filing On Northern Border Pipeline's Business

Please refer to our Annual Report on Form 10-K for the year ended December 31, 2004 and our Form 10-Q for the quarter ended March 31, 2005, "Management's Discussion and Analysis of Financial Condition and Results of Operations –Results of Operations of Northern Border Pipeline Company – Update On The Impact of Enron's Chapter 11 Filing On Northern Border Pipeline's Business" regarding the bankruptcy claims held by Northern Border Pipeline against Enron Corp., and Enron North America Corp. ("ENA ") (the "Claims"). We reported that Northern Border Pipeline had entered into settlement agreements and these agreements were approved by the bankruptcy court for the Claims.

Northern Border Pipeline has advised us that, in June 2005, they executed term sheets with a third party for the sale of the Claims. Proceeds from the sale are expected to be $11.1 million. In 2004, Northern Border Pipeline adjusted the allowance for doubtful accounts to reflect an estimated recovery of $1.1 million for the Claims. In the second quarter of 2005, Northern Border Pipeline made a favorable adjustment to its allowance for doubtful accounts of $0.6 million to reflect the agreements for the sale. As a result of the sale, Northern Border Pipeline advised us that they anticipate recognizing additional income of $9.4 million later in 2005 of which our share would be approximately $2.8 million.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release dated August 3, 2005.

<u>Forward-Looking Statement</u>

The statements above that are not historical information are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although Northern Border Pipeline believes that its expectations regarding future events are based on reasonable assumptions within the bounds of its knowledge of its business, Northern Border Pipeline advises that it can give no assurance that its goals will be achieved or that its expectations regarding future developments will be realized. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein include:

- the impact of unsold capacity on Northern Border Pipeline being greater than expected;
- the ability to market pipeline capacity on favorable terms, which is affected by:
  - future demand for and prices of natural gas;
  - competitive conditions in the overall natural gas and electricity markets;
  - availability of supplies of Canadian natural gas;
  - availability of additional storage capacity; weather conditions; and
  - competitive developments by Canadian and U.S. natural gas transmission peers;
- performance of contractual obligations by the shippers;
- political and regulatory developments that impact Federal Energy Regulatory Commission, or FERC, proceedings involving interstate pipelines and the interstate pipelines' success in sustaining their positions in such proceedings;
- the ability to recover costs of property, plant and equipment and regulatory assets in its rates;
- developments in the December 2, 2001 filing by Enron of a voluntary petition for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code affecting its settled claims;
- acts of nature, sabotage, terrorism or other similar acts causing damage to its facilities.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TC PipeLines, LP
By: TC PipeLines GP, Inc.,
its general partner

Date: August 3, 2005

By: /s/ AMY W. LEONG
Amy W. Leong
Controller

EXHIBIT INDEX

Number	Exhibit
99.1	Press Release dated August 3, 2005.

Exhibit 99.1

Media Inquiries:	Kurt Kadatz/Hejdi Feick	(403) 920 -7859 (800) 608-7859
Unitholder and Analyst Inquiries:	David Moneta	(877) 290-2772

NewsRelease

TC PipeLines, LP Announces 2005 Second Quarter Results

CALGARY, Alberta – August 3, 2005 – (Nasdaq: TCLP) – TC PipeLines, LP (the Partnership) today reported second quarter 2005 net income of $9.7 million or $0.52 per unit (all amounts in U.S. dollars) compared to $13.6 million or $0.74 per unit in the second quarter of 2004. The decrease in net income is primarily due to lower equity income from Northern Border Pipeline.

Cash generated from investments in the second quarter of 2005 decreased $0.6 million to $17.9 million compared to $18.5 million for the same period in 2004 primarily due to higher maintenance capital expenditures incurred by Northern Border Pipeline during 2005. Cash generated from investments includes $7.5 million of cash distributed from the Partnership's investments in Northern Border Pipeline Company and Tuscarora Gas Transmission Company classified as return of capital.

"The Partnership's net income decrease is mainly due to the negative impact on revenues resulting from changes in market fundamentals experienced by Northern Border Pipeline during the second quarter," said Ron Turner, president and chief executive officer of the general partner, TC PipeLines GP, Inc. "During the second quarter, Northern Border Pipeline's firm demand revenues dropped by approximately $13.0 million (approximately $3.9 million impact on the Partnership's net income) when compared to the prior year as a result of uncontracted capacity and expired contracts which were partially offset by $1.3 million of short-term and other transportation service revenue.

"Northern Border Pipeline believes that the greatest impact of unsold capacity occurred during the second quarter 2005. Northern Border Pipeline has advised us that its capacity for July through September has been sold out at more favorable rates compared to the second quarter, and expects that throughout the duration of the 2005/2006 heating season, it will be fully contracted at or near maximum rates. Consequently, Northern Border Pipeline now expects that the most likely range of impact on its revenue from unsold and discounted capacity in 2005 is $15.0 million to $18.0 million (approximately $11.7 million of which was experienced in the second quarter 2005). The impact on the Partnership's 2005 earnings is approximately $5.0 million.

"As a result of this, the Partnership's earnings and cash flows from Northern Border Pipeline will be lower in 2005 than expected. However, we continue to believe that our strong distribution coverage ratio(A), which is currently expected to be in excess of 1.3 times for 2005, coupled with our strong financial position, will allow us to continue to deliver stable cash flows to our unitholders and to continue a disciplined approach to repaying the Partnership's outstanding debt," Turner said.

On July 14, 2005, the Partnership announced its second quarter cash distribution in the amount of $0.575 per unit, payable to unitholders of record on July 29, 2005.

(A) Reconciliation of non-GAAP financial measure: distribution coverage ratio is a non-GAAP financial measure defined as net cash available per unit divided by distribution per unit. Management believes that this is an important measure to assist the Partnership's investors in evaluating the Partnership's business performance and stability of distributions.

(millions of U.S. dollars except per unit amounts)		**2005 Forecast**
Cash generated from operations	$	48.3
Plus: Returns of capital		12.6
Less: Available cash to the General Partner		(7.2)
Net available cash to unitholders		53.7
Net available cash per unit (17.5 million units)	$	3.07
Distribution coverage ratio (assuming $2.30 per unit)		1.33 times

Financial Highlights
(unaudited)

	Three months ended June 30				Six months ended June 30			
(millions of dollars except per unit amounts)		**2005**		**2004**		**2005**		**2004**
Net income		**9.7**		13.6		**23.1**		27.3
Per unit (1)	**$**	**0.52**	$	0.74	**$**	**1.24**	$	1.49
Cash generated from operations		**10.4**		14.1		**25.6**		27.5
Return of capital (2)		**7.5**		4.4		**11.6**		6.4
Cash distributions paid		**10.8**		10.2		**21.5**		20.3

Cash distributions declared per unit (3)	**$**	**0.575**	$	0.575	**$**	**1.15**	$	1.125
Units outstanding (millions)		**17.5**		17.5		**17.5**		17.5

(1) Net income per unit is computed by dividing net income, after deduction of the general partner's allocation, by the number of common and subordinated units outstanding. The general partner's allocation is computed based upon the general partner's two per cent interest plus an amount equal to incentive distributions.
(2) Current accounting practice requires the classification of cumulative cash distributions in excess of cumulative equity earnings to be reported as a return of capital.
(3) The Partnership's 2005 second quarter cash distribution will bepaid on August 12, 2005 to unitholders of record as of July 29, 2005.

Net Income

The Partnership reported second quarter 2005 net income of $9.7 million or $0.52 per unit, a decrease of $3.9 million compared to $13.6 million or $0.74 per unit in the second quarter of 2004.

Equity income from Northern Border Pipeline was $8.6 million in the second quarter of 2005, a decrease of $3.8 million when compared to $12.4 million in the second quarter of 2004. This decrease in equity income from Northern Border Pipeline is primarily due to approximately $13.0 million in revenue reduction associated with unsold and discounted capacity; partially offsetting this revenue reduction were increases in short-term and other transportation service revenues of approximately $1.3 million. The net revenue reduction of $11.7 million contributed to a negative net income impact to TC PipeLines, LP of approximately $3.5 million. Increases in Northern Border Pipelines' taxes other than income and financial charges, partially offset by decreases in operations and maintenance expenses relative to the same period in 2004 contributed to approximately $0.3 million decrease in equity income from Northern Border Pipeline for the second quarter 2005.

Equity income from Tuscarora remained at $1.8 million in the second quarter of 2005 compared to the same period in 2004.

The Partnership's second quarter 2005 general and administrative expenses of $0.5 million were approximately the same as the second quarter of 2004. Financial charges of $0.2 million in the second quarter of 2005 increased compared to

$0.1 million in the same period last year primarily due to higher average interest rates.

Cash Flow

The Partnership reported second quarter 2005 cash generated from operations of $10.4 million compared to $14.1 million in the second quarter of 2004. Cash generated from investments decreased $0.6 million to $17.9 million in the second quarter 2005 compared to $18.5 million for the same period in 2004 when including the portion of the cash distributions from Northern Border Pipeline and Tuscarora classified as return of capital.

In the second quarter of 2005, the Partnership received a cash distribution from Northern Border Pipeline of $15.7 million, $7.1 million of which has been classified as return of capital, compared to $16.8 million in the second quarter of 2004, a decrease of $1.1 million. The decrease is primarily due to Northern Border Pipeline's higher maintenance capital expenditures in first quarter of 2005 relative to the same period in 2004. Cash distributions received in the quarter are based on the respective results of our equity investments for the previous quarter.

Cash distributions from Tuscarora in the second quarter of 2005 were $2.2 million, including $0.4 million classified as return of capital, compared to $2.1 million in the second quarter of 2004, an increase of $0.1 million.

In the second quarter of 2005, the Partnership paid an aggregate $10.8 million of cash distributions to unitholders and its general partner, compared to $10.2 million in the second quarter of 2004. This cash distribution, on a per unit basis, represents $0.575 per unit in the second quarter of 2005, as well as the general partner interest, including incentive distributions.

In the second quarter of 2005, the Partnership repaid $6.0 million under its revolving credit facility, reducing the Partnership's outstanding debt balance to $24.0 million as at June 30, 2005.

Conference Call

The Partnership will hold a conference call Thursday, August 4, 2005 at 12 p.m. (Eastern). Ron Turner, president and chief executive officer of the general partner, will discuss the second quarter 2005 financial results and general developments and issues concerning the Partnership. Those interested in listening to the call may dial (866) 540-8136. A replay of the conference call will also be available two hours after the call and until midnight (Eastern), August 11, 2005 by dialing (800) 408-3053, then entering pass code 3158912.

A live webcast of the conference call will also be available through the Partnership's website at www.tcpipelineslp.com. An audio replay of the call will be maintained on the website.

TC PipeLines, LP is a publicly traded limited partnership. It owns a 30 per cent interest in Northern Border Pipeline Company, a Texas general partnership, and a 49 per cent interest in Tuscarora Gas Transmission Company, a Nevada general partnership. Northern Border Pipeline, which is owned 70 per cent by Northern Border Partners, L.P., a publicly traded master limited partnership controlled by affiliates of ONEOK, Inc., 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. Tuscarora owns a 240-mile United States interstate pipeline system that transports natural gas from Oregon, where it interconnects to TransCanada's GTN System. 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 the Partnership. 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 Internet site at www.tcpipelineslp.com.

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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 regulatory decisions, particularly those of the Federal Energy Regulatory Commission, 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, availability of supplies of Canadian natural gas, natural gas development in the Western Canada Sedimentary Basin, availability of additional storage capacity, 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, 2004.

TC PipeLines, LP
Financial Highlights

Statement of Income
(unaudited)

(millions of U.S. dollars except per unit amounts)	**Three months ended June 30 2005**	**Three months ended June 30 2004**	**Six months ended June 30 2005**	**Six months ended June 30 2004**
Equity income from investment in Northern Border Pipeline (1)	**8.6**	12.4	**20.8**	24.9
Equity income from investment in Tuscarora (2)	**1.8**	1.8	**3.8**	3.6
General and administrative expenses	**(0.5)**	(0.5)	**(1.0)**	(1.0)
Financial charges and other	**(0.2)**	(0.1)	**(0.5)**	(0.2)
Net income	**9.7**	13.6	**23.1**	27.3
Net income per unit (3)	**$ 0.52**	$ 0.74	**$ 1.24**	$ 1.49
Units outstanding (millions)	**17.5**	17.5	**17.5**	17.5

Balance Sheet

(millions of U.S. dollars)	**June 30, 2005 (unaudited)**	**December 31, 2004**
ASSETS		
Cash	**3.2**	2.5
Investment in Northern Border Pipeline (1)	**278.8**	290.1
Investment in Tuscarora (2)	**39.0**	39.5
	321.0	332.1
LIABILITIES AND PARTNERS' EQUITY		
Accrued liabilities	**0.7**	0.7
Current portion of long-term debt	**24.0**	6.5
Long-term debt	**—**	30.0
Partners' equity	**296.3**	294.9
	321.0	332.1

Cash Flow Information
(unaudited)

(millions of U.S. dollars)	**Three months ended June 30 2005**	**Three months ended June 30 2004**	**Six months ended June 30 2005**	**Six months ended June 30 2004**
Distributions received from equity investments				
Northern Border Pipeline Company	**8.6**	12.4	**20.8**	24.9
Tuscarora Gas Transmission Company	**1.8**	2.1	**3.8**	3.6
Changes in working capital and other	**—**	(0.4)	**1.0**	(1.0)
Cash Generated From Operations	**10.4**	14.1	**25.6**	27.5
Return of capital from Northern Border Pipeline Company	**7.1**	4.4	**11.1**	6.4
Return of capital from Tuscarora Gas Transmission Company	**0.4**	—	**0.5**	—
Cash Generated From Investments[*]	**17.9**	18.5	**37.2**	33.9
Investment in Northern Border Pipeline Company	**—**	(19.5)	**—**	(39.0)
Distributions paid	**(10.8)**	(10.2)	**(21.5)**	(20.3)
Long-term debt issued/(repaid)	**(6.0)**	11.0	**(12.5)**	20.0

Increase/(decrease) in cash	**1.1**	(0.2)	**3.2**	(5.4)

[*] Reconciliation of non-GAAP financial measure: Cash generated from investments is a non-GAAP financial measure which includes cash generated from operations and return of capital. It is provided as a supplement to results reported in accordance with GAAP. Management believes that this is an important measure to assist the Partnership's investors in evaluating the Partnership's business performance.

(1) Northern Border Pipeline Company

TC PipeLines, LP holds a 30 per cent general partner interest in Northern Border Pipeline Company. Summarized operating and financial information of Northern Border Pipeline for the three and six months ended June 30, 2005 and 2004 and as at June 30, 2005 and December 31, 2004 is as follows:

	Three months ended June 30		Six months ended June 30	
(unaudited)	**2005**	**2004**	**2005**	**2004**
Operating Results				
Gas delivered (million cubic feet)	**183,973**	208,953	**399,964**	427,277
Average throughput (million cubic feet per day)	**2,076**	2,359	**2,277**	2,415
Financial Results (millions of U.S. dollars)				
Operating revenue	**69.8**	81.5	**152.6**	164.8
Operating expenses				
Operations and maintenance	**9.2**	9.7	**18.8**	18.8
Depreciation and amortization	**14.4**	14.6	**28.7**	29.1
Taxes other than income	**7.4**	6.4	**15.3**	14.3
Total operating expenses	**31.0**	30.7	**62.8**	62.2
Operating income	**38.8**	50.8	**89.8**	102.6
Interest expense, net	**(10.6)**	(9.9)	**(21.2)**	(20.1)
Other income	**0.6**	0.4	**0.8**	0.5
Net income	**28.8**	41.3	**69.4**	83.0
Capital Expenditures (millions of U.S. dollars)				
Maintenance	**3.7**	4.3	**8.1**	4.4
Growth	**1.7**	(0.1)	**2.0**	0.1

Summary Balance Sheet Data (millions of U.S. dollars)	**June 30, 2005** (unaudited)	**December 31, 2004**
Total assets	**1,581.7**	1,623.3
Other current liabilities and reserves and deferred credits	**49.6**	52.3
Long-term debt (including current maturities)	**602.8**	603.9
Partners' capital	**926.3**	963.3
Accumulated other comprehensive income	**3.0**	3.8
Total liabilities and partners' equity	**1,581.7**	1,623.3

(2) Tuscarora Gas Transmission Company

TC PipeLines, LP holds a 49 per cent general partner interest in Tuscarora Gas Transmission Company. Summarized operating and financial information of Tuscarora for the three and six months ended June 30, 2005 and 2004 and as at June 30, 2005 and December 31, 2004 is as follows:

	Three months ended June 30		Six months ended June 30	
(unaudited)	**2005**	**2004**	**2005**	**2004**
Operating Results				
Gas delivered (million cubic feet)	**4,382**	4,306	**13,612**	12,231
Average throughput (million cubic feet per day)	**48**	47	**75**	51
Financial Results (millions of U.S. dollars)				
Operating revenue	**8.0**	8.0	**16.3**	16.3
Operating expenses				
Operations and maintenance	**0.8**	0.9	**1.6**	1.8
Depreciation and amortization	**1.6**	1.5	**3.1**	3.1
Taxes other than income	**0.3**	0.3	**0.6**	0.6
Total operating expenses	**2.7**	2.7	**5.3**	5.5
Operating income	**5.3**	5.3	**11.0**	10.8

Interest expense, net	**(1.4)**	(1.6)	**(2.9)**	(3.1)
Other Income	**0.1**	—	**0.1**	—
Net income	**4.0**	3.7	**8.2**	**7.7**
Capital Expenditures (millions of U.S. dollars)				
Maintenance	**—**	—	**0.1**	0.1
Growth	**0.5**	0.1	**0.6**	0.2

Summary Balance Sheet Data (millions of U.S. dollars)	**June 30, 2005 (unaudited)**	**December 31, 2004**
Total assets	**142.3**	144.9
Other current liabilities and reserves and deferred credits	**2.4**	2.0
Long-term debt (including current maturities)	**78.3**	80.8
Partners' capital	**61.5**	62.0
Accumulated other comprehensive income	**0.1**	0.1
Total liabilities and partners' equity	**142.3**	144.9

(3) Net income per unit is computed by dividing net income, after deduction of the general partner's allocation, by the number of common and subordinated units outstanding. The general partner's allocation is computed based upon the general partner's two per cent interest plus an amount equal to incentive distributions.