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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2016

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-35358

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

Delaware State or other jurisdiction of incorporation or organization	**52-2135448** (I.R.S. Employer Identification No.)
700 Louisiana Street, Suite 700 **Houston, Texas** (Address of principal executive offices)	**77002-2761** (Zip code)

877-290-2772
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common units representing limited partner interests	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer o	Non-accelerated filer o (Do not check if a small reporting company)	Small Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No ☒

The aggregate market value of the common units of the registrant held by non-affiliates as of June 30, 2016 was approximately $2.8 billion.

As of February 24, 2017, there were 68,424,792 common units of the registrant outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None

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All amounts are stated in United States dollars unless otherwise indicated.

DEFINITIONS

The abbreviations, acronyms, and industry terminology used in this annual report are defined as follows:

2013 Acquisition	Acquisition of an additional 45 percent membership interest in each of GTN and Bison by the Partnership to increase ownership to 70 percent on July 1, 2013
2014 Bison Acquisition	Partnership's acquisition of the remaining 30 percent interest in Bison on October 1, 2014
2015 GTN Acquisition	Partnership's acquisition of the remaining 30 percent interest in GTN on April 1, 2015
2015 Term Loan Facility	TC PipeLines, LP's term loan credit facility under a term loan agreement dated September 30, 2015
AFUDC	Allowance for funds used during construction
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM program	At-the-market Equity Issuance Program
Bison	Bison Pipeline LLC
Carty Lateral	GTN lateral pipeline in north-central Oregon that delivers natural gas to a power plant owned by Portland General Electric Company
Consolidated Subsidiaries	GTN, Bison, North Baja and Tuscarora
Delaware Act	Delaware Revised Uniform Limited Partnership Act
DOT	U.S. Department of Transportation
Dth/day	Dekatherms per day
DSUs	Deferred Share Units
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPA	U.S. Environmental Protection Agency
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
GAAP	U.S. generally accepted accounting principles
General Partner	TC PipeLines GP, Inc.
GHG	Greenhouse Gas
Great Lakes	Great Lakes Gas Transmission Limited Partnership
GTN	Gas Transmission Northwest LLC
HCAs	High consequence areas
IDRs	Incentive Distribution Rights
IRS	Internal Revenue Service
KPMG	KPMG LLP
LDCs	Local Distribution Companies
LIBOR	London Interbank Offered Rate
LNG	Liquefied Natural Gas
Mainline	TransCanada's Mainline, a natural gas transmission system extending from the Alberta/Saskatchewan border east to Quebec
NGA	Natural Gas Act of 1938
North Baja	North Baja Pipeline, LLC

Northern Border	Northern Border Pipeline Company
NYSE	New York Stock Exchange
Our pipeline systems	Our ownership interests in GTN, Northern Border, Bison, Great Lakes, North Baja, Tuscarora and, effective January 1, 2016, PNGTS
Partnership	TC PipeLines, LP including its subsidiaries, as applicable
Partnership Agreement	Third Amended and Restated Agreement of Limited Partnership of the Partnership
PHMSA	U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration
PNGTS	Portland Natural Gas Transmission System
PNGTS Acquisition	Partnership's acquisition of a 49.9 percent interest in PNGTS on January 1, 2016
SEC	Securities and Exchange Commission
Senior Credit Facility	TC PipeLines, LP's senior credit facility under revolving credit agreement as amended and restated, dated November 10, 2016
Short-Term Loan Facility	TC PipeLines, LP short-term loan facility under loan agreement dated October 1, 2014
TransCanada	TransCanada Corporation and its subsidiaries
Tuscarora	Tuscarora Gas Transmission Company
Tuscarora Settlement	Stipulation and Agreement of Settlement for Tuscarora regarding its rates and terms and conditions of service approved by FERC on September 22, 2016
U.S.	United States of America
WCSB	Western Canada Sedimentary Basin
Wholly-owned subsidiaries	GTN, Bison, North Baja, and Tuscarora

Unless the context clearly indicates otherwise, TC PipeLines, LP and its subsidiaries are collectively referred to in this annual report as "we," "us," "our" and "the Partnership." We use "our pipeline systems" and "our pipelines" when referring to the Partnership's ownership interests in Gas Transmission Northwest LLC (GTN), Northern Border Pipeline Company (Northern Border), Bison Pipeline LLC (Bison), Great Lakes Gas Transmission Limited Partnership (Great Lakes), North Baja Pipeline, LLC (North Baja), Tuscarora Gas Transmission Company (Tuscarora), and Portland Natural Gas Transmission System (PNGTS).

FORWARD-LOOKING STATEMENTS AND CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This report includes certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are identified by words and phrases such as: "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "forecast," "should," "predict," "could," "will," "may," and other terms and expressions of similar meaning. The absence of these words, however, does not mean that the statements are not forward-looking. These statements are based on management's beliefs and assumptions and on currently available information and include, but are not limited to, statements regarding anticipated financial performance, future capital expenditures, liquidity, market or competitive conditions, regulations, organic or strategic growth opportunities, contract renewals and ability to market open capacity, business prospects, outcome of regulatory proceedings and cash distributions to unitholders.

Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the results predicted. Factors that could cause actual results and our financial condition to differ materially from those contemplated in forward-looking statements include, but are not limited to:

- the ability of our pipeline systems to sell available capacity on favorable terms and renew expiring contracts which are affected by, among other factors:
  - demand for natural gas;
  - changes in relative cost structures and production levels of natural gas producing basins;
  - natural gas prices and regional differences;
  - weather conditions;
  - availability and location of natural gas supplies in Canada and the United States (U.S.) in relation to our pipeline systems;
  - competition from other pipeline systems;
  - natural gas storage levels; and
  - rates and terms of service;
- the performance by the shippers of their contractual obligations on our pipeline systems;
- the outcome and frequency of rate proceedings or settlement negotiations on our pipeline systems;
- changes in the taxation of master limited partnership (MLP) investments by state or federal governments such as the elimination of pass-through taxation or tax deferred distributions;
- increases in operational or compliance costs resulting from changes in laws and governmental regulations affecting our pipeline systems, particularly regulations issued by Federal Energy Regulatory Commission (FERC), U.S. Environmental Protection Agency (EPA) and U.S. Department of Transportation (DOT);
- the impact of downward changes in oil and natural gas prices, including the effects on the creditworthiness of our shippers;
- our ongoing ability to grow distributions through acquisitions, accretive expansions or other growth opportunities, including the timing, structure and closure of further potential acquisitions;
- potential conflicts of interest between TC PipeLines GP, Inc., our general partner (General Partner), TransCanada and us;
- the ability to maintain secure operation of our information technology;
- the impact of any impairment charges;

- changes in the political environment;
- cybersecurity threats, acts of terrorism and related distractions;
- operating hazards, casualty losses and other matters beyond our control;
- potential of claims for rescission or loss in connection with certain sales under our at-the-market equity issuance program (ATM program); and
- the level of our indebtedness, including the indebtedness of our pipeline systems, increase of interest rates, and the availability of capital.

These and other risks are described in greater detail in Part I, Item 1A. "Risk Factors." Given these uncertainties, you should not place undue reliance on these forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these factors. All forward-looking statements are made only as of the date made and except as required by applicable law, we undertake no obligation to update any forward-looking statements to reflect new information, subsequent events or other changes.

Item 1. Business

NARRATIVE DESCRIPTION OF BUSINESS

General

We are a Delaware master limited partnership. Our common units trade on the New York Stock Exchange (NYSE) under the symbol TCP. We were formed by TransCanada Corporation and its subsidiaries (TransCanada) in 1998 to acquire, own and participate in the management of energy infrastructure businesses in North America. Our pipeline systems transport natural gas in the U.S.

We are managed by our General Partner, which is an indirect, wholly-owned subsidiary of TransCanada. At December 31, 2016, subsidiaries of TransCanada own approximately 25.3 percent of our common units, 100 percent of our Class B units, 100 percent of our incentive distribution rights (IDRs) and an effective two percent general partner interest in us. See Part II, Item 5. "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" for more information regarding TransCanada's ownership in us.

Recent Business Developments

On April 21, 2016, the board of directors of our General Partner declared the Partnership's first quarter 2016 cash distribution in the amount of $0.89 per common unit which was paid on May 13, 2016 to unitholders of record as of May 2, 2016. The declared distribution to our General Partner included a $1.2 million distribution for its effective two percent general partner interest and an IDR payment amounting to $0.9 million for a total distribution of $2.1 million.

On July 21, 2016, the board of directors of our General Partner declared the Partnership's second quarter 2016 cash distribution in the amount of $0.94 per common unit which was paid on August 12, 2016 to unitholders of record as of August 1, 2016. The declared distribution reflected a $0.05 per common unit increase to the first quarter 2016 quarterly distribution. The declared distribution to our General Partner included a $1.3 million distribution for its effective two percent general partner interest and an IDR payment amounting to $1.9 million for a total distribution of $3.2 million.

On October 20, 2016, the board of directors of our General Partner declared the Partnership's third quarter 2016 cash distribution in the amount of $0.94 per common unit which was paid on November 14, 2016 to unitholders of record as of November 1, 2016. The declared distribution to our General Partner included a $1.3 million distribution for its effective two percent general partner interest and an IDR payment amounting to $2.0 million for a total distribution of $3.3 million.

On January 23, 2017, the board of directors of our General Partner declared the Partnership's fourth quarter 2016 cash distribution in the amount of $0.94 per common unit payable on February 14, 2017 to unitholders of record as of February 2, 2016. The declared distribution to our General Partner included a $1.3 million distribution for its effective two percent general partner interest and an IDR payment of $2.0 million for a total distribution of $3.3 million.

Incentive distributions are paid to our General Partner if quarterly cash distributions on the common units exceed levels specified in the Third Amended and Restated Agreement of Limited Partnership of the Partnership (Partnership Agreement). See Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Distribution Policy of the Partnership" for further information regarding IDRs.

PNGTS – On January 1, 2016, the Partnership acquired a 49.9 percent interest in PNGTS from a subsidiary of TransCanada. The total purchase price of the PNGTS Acquisition was $228 million and consisted of $193 million in cash (including the final purchase price adjustment of $5 million) and the assumption of $35 million in proportional PNGTS debt.

ATM program – On August 5, 2016, the Partnership entered into a $400 million Equity Distribution Agreement (EDA) with five financial institutions (the Managers). Pursuant to the terms of the $400 Million EDA, the Partnership may sell from time to time through the Managers, as the Partnership's sales agents, the Partnership's common units at an aggregate offering price up to $400,000,000. Sales of the common units will be made by means of ordinary brokers' transactions through the NYSE at market prices, in connection with reverse inquiry transactions or as otherwise agreed by the Partnership and one or more of the Managers. The common units will be issued pursuant to the Partnership's shelf registration statement on Form S-3 (Registration No. 333-211907), which was declared effective by the SEC on August 4, 2016.

During 2016, we sold 3,137,382 common units at an average price of $53.49 for total net proceeds of approximately $167 million, including our General Partner's proportionate equity contribution of approximately $3.4 million to maintain its two percent effective interest, net of approximately $1.7 million of commissions to our sales agents.

Of these common units, an aggregate 1,619,631 common units may be deemed to have been unregistered sales of securities.

See Note 9 of the Partnership's consolidated financial statements included in Part IV, Item 15 "Exhibits and Financial Statement Schedules" for further information regarding the rescission of common units.

Tuscarora Rate Case – On January 21, 2016, FERC issued an Order initiating an investigation pursuant to Section 5 of the NGA to determine whether Tuscarora's existing rates for jurisdictional services were just and reasonable. On September 22, 2016, FERC approved the settlement (Tuscarora Settlement) Tuscarora made with its customers that resolved the Section 5 rate review initiated by FERC in January 2016. Under the terms of the Tuscarora Settlement, Tuscarora's system-wide unit rate initially decreased by 17 percent, effective August 1, 2016. Unless superseded by a subsequent rate case or settlement, this rate will remain in effect until July 31, 2019, after which time the unit rate will decrease by an additional seven percent from August 1, 2019 through July 31, 2022. The settlement does not contain a rate moratorium and requires Tuscarora to file to establish new rates no later than August 1, 2022. While this new rate structure reduced Tuscarora's cash flows beginning August 1, 2016, the achievement of rate certainty helps ensure predictable cash flows from this pipeline system.

Business Strategies

- Our strategy is to invest in long-life critical energy infrastructure that provides reliable transportation of energy to customers.
- Our investment approach is to develop or acquire assets that provide stable cash distributions and opportunities for new capital additions, while maintaining a low-risk profile. We are opportunistic and disciplined in our approach when identifying new investments.

- Our goal is to maximize distributable cash flows over the long-term through efficient utilization of our pipeline systems and appropriate business strategies, while maintaining a commitment to safe and reliable operations.

Understanding the Natural Gas Pipeline Business

Natural gas pipelines move natural gas from major sources of supply or upstream pipelines to downstream pipelines or locations or markets that use natural gas to meet their energy needs. Pipeline systems include meter stations that record how much natural gas comes on to the pipeline and how much exits at the delivery locations; compressor stations that act like pumps to move the large volumes of natural gas along the pipeline; and the pipelines themselves that transport natural gas under high pressure.

Regulation, rates and cost recovery

Interstate natural gas pipelines are regulated by FERC. FERC approves the construction of new pipeline facilities and regulates aspects of our business including the maximum rates that are allowed to be charged. Maximum rates are based on operating costs, which include allowances for operating and maintenance costs, income and property taxes, interest on debt, depreciation expense to recover invested capital and a return on the capital invested. Although FERC regulates maximum rates for services, interstate natural gas pipelines frequently face competition and therefore may choose to discount their services in order to compete.

Because FERC rate reviews are periodic and not annual, actual revenues and costs typically vary from those projected during the rate case. If revenues no longer provide a reasonable opportunity to recover costs, a pipeline can file with FERC for a determination of new rates, subject to any moratoriums in effect. FERC also has the authority to initiate a review to determine whether a pipeline's rates of return are just and reasonable. Sometimes a settlement or agreement with the pipeline shippers is achieved, which may include mutually beneficial performance incentives. A settlement is ultimately subject to FERC approval.

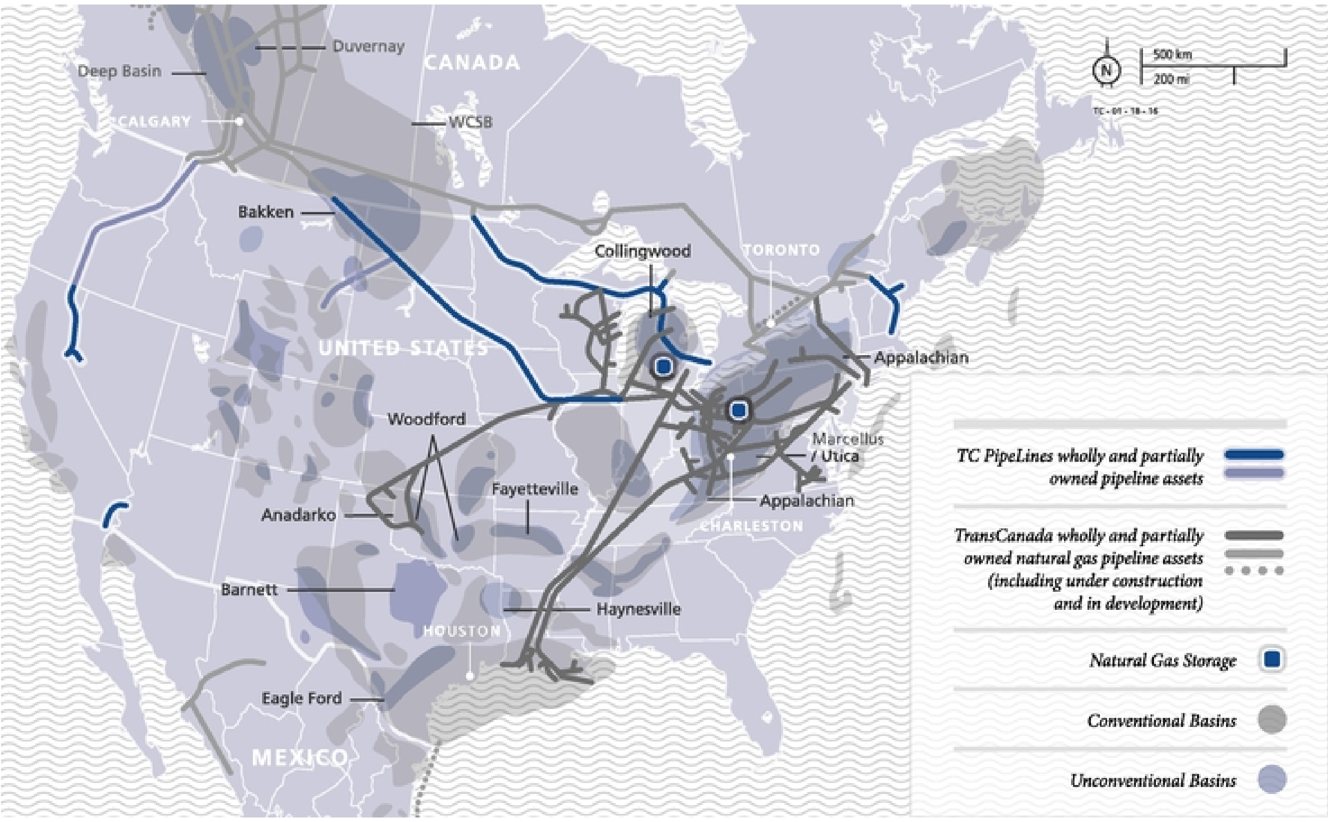
Contracting

New pipeline projects are typically supported by long-term contracts. The term of the contracts is dependent on the individual developer's appetite for risk and is a function of expected rates of return, stability and certainty of returns. Transportation contracts expire at varying times and underpin varying amounts of capacity. As existing contracts approach their expiration dates, efforts are made to extend and/or renew the contracts. If market conditions are not favorable at the time of renewal, transportation capacity may remain uncontracted, be contracted at lower rates or be contracted on a shorter-term basis. Unsold capacity may be recontracted if and when market conditions become more favorable. The ability to extend and/or renew expiring contracts and the terms of such subsequent contracts will depend upon the overall commercial environment for natural gas transportation and consumption.

Business environment

The North American natural gas pipeline network has been developed to connect supply to market. Use and growth of this infrastructure is affected by changes in the location, relative cost of natural gas supply and changing market demand.

The map below shows the location of the North American basins in relation to our pipeline systems together with those of our General Partner, TransCanada Corporation.



Supply

Natural gas is primarily transported from producing regions and, in limited circumstances, from liquefied natural gas (LNG) import facilities to market hubs or interconnects for distribution to natural gas consumers. Recent development of shale and other unconventional gas reserves has resulted in increases in overall North American natural gas production and economically recoverable reserves.

There has been an increase in production from the development of shale gas reserves that are located close to traditional markets, particularly in the Northeastern U.S. This has increased the number of supply choices for natural gas consumers resulting in changes to historical natural gas pipeline flow patterns.

The supply of natural gas in North America is expected to continue increasing significantly over the next decade and over the long-term for a number of reasons, including the following:

- use of technology, including horizontal drilling in combination with multi-stage hydraulic fracturing, is allowing companies to access unconventional resources economically. This is increasing the technically accessible resource base of existing and emerging gas basins; and

- application of these technologies to existing oil fields where further recovery of the existing resource is now possible. There is often associated gas discovered in the exploration and production of liquids-rich hydrocarbons (for example the Bakken oil fields), which also contributes to an increase in the overall gas supply for North America.

Other factors that can influence the overall level of natural gas supply in North America include:

- the price of natural gas – low prices in North America may increase demand but reduce drilling activities that in turn diminish production levels, particularly in dry natural gas fields where the extra revenue generated from the associated liquids is not available. High natural gas prices may encourage higher drilling activities but may decrease the level of demand;

- producer portfolio diversification – large producers often diversify their portfolios by developing several basins but this is influenced by actual costs to develop the resource as well as economic access to markets and cost of pipeline transportation services. Basin-on-basin competition impacts the extent and timing of a resource development that, in turn, drives changing dynamics for pipeline capacity demand; and

- regulatory and public scrutiny – changes in regulations that apply to natural gas production and consumption could impact the cost and pace of development of natural gas in North America.

Demand

The natural gas pipeline business ultimately depends on a shipper's demand for pipeline capacity and the price paid for that capacity. Demand for pipeline capacity is influenced by, among other things, supply and market competition, economic activity, weather conditions, natural gas pipeline and storage competition and the price of alternative fuels.

The growing supply of natural gas has resulted in relatively low natural gas prices in North America which has supported increased demand for natural gas particularly in the following areas:

- natural gas-fired power generation;
- petrochemical and industrial facilities;
- the production of Alberta's oil sands, although new greenfield projects that have not begun construction may be delayed in the current oil price environment; and
- exports to Mexico to fuel electric power generation facilities; and
- exports from North America to global markets through a number of proposed LNG export facilities.

Commodity Prices

In general, the profitability of the natural gas pipelines business is not directly tied to commodity prices given we are a transporter of the commodity and the transportation costs are not tied to the price of natural gas. However, the cyclical supply and demand nature of commodities and its price impact can have a secondary impact on our business where our shippers may choose to accelerate or delay certain projects. This can impact the timing for the demand of transportation services and/or new gas pipeline infrastructure.

Competition

Competition among natural gas pipelines is based primarily on transportation rates and proximity to natural gas supply areas and consuming markets. Changes in supply locations and regional demand have resulted in changes to pipeline flow dynamics. Where pipelines historically transported natural gas from one or two supply sources to their markets under long-term contracts, today many pipelines transport gas in multiple directions and under shorter contract terms. Some pipelines have even reversed their flows in order to adapt to changing sources of supply. Competition among pipelines to attract supply and new or existing markets to their systems has also increased across North America.

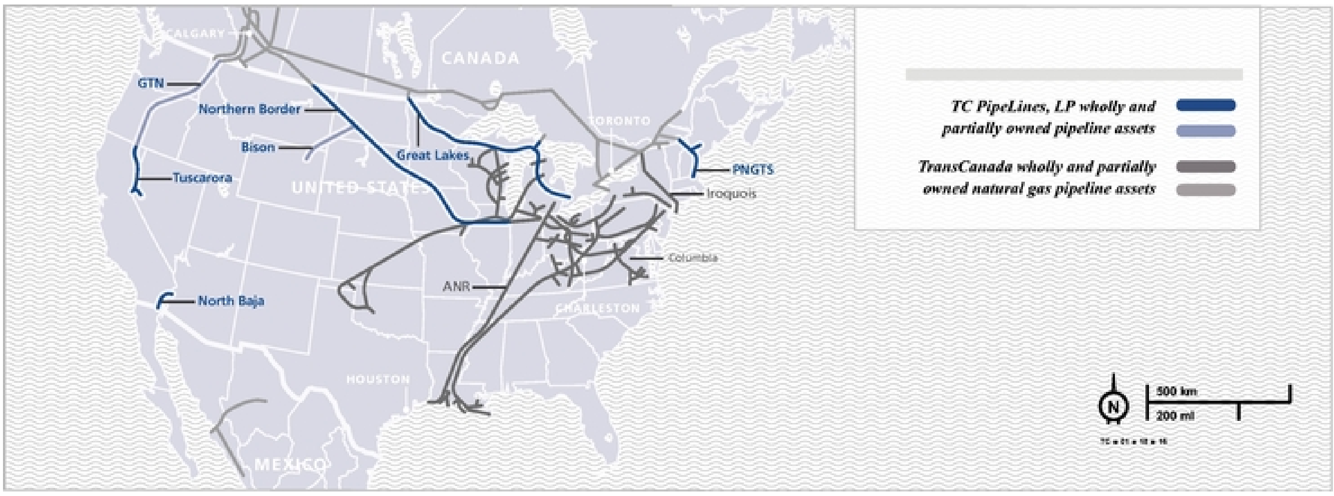
Our Pipeline Systems

We have four wholly-owned pipelines and equity ownership interests in three natural gas interstate pipeline systems that are collectively designed to transport approximately 9.1 billion cubic feet per day of natural gas from producing regions and import facilities to market hubs and consuming markets primarily in the Western, Midwestern and Eastern U.S. All of our pipeline systems are operated by subsidiaries of TransCanada.

Our pipeline systems include:

Pipeline	Length	Description	Ownership
GTN	1,377 miles	Extends between an interconnection near Kingsgate, British Columbia, Canada at the Canadian border to a point near Malin, Oregon at the California border and delivers natural gas to the Pacific Northwest and to California.	100%
Bison	303 miles	Extends from a location near Gillette, Wyoming to Northern Border's pipeline system in North Dakota. Bison can transport natural gas from the Powder River Basin to Midwest markets.	100%
North Baja	86 miles	Extends between an interconnection with the El Paso Natural Gas Company pipeline near Ehrenberg, Arizona and an interconnection with a natural gas pipeline near Ogilby, California on the Mexican border transporting natural gas in the southwest. North Baja is a bi-directional pipeline.	100%
Tuscarora	305 miles	Extends between the GTN pipeline near Malin, Oregon to its terminus near Reno, Nevada and delivers natural gas in northeastern California and northwestern Nevada.	100%
Northern Border	1,412 miles	Extends between the Canadian border near Port of Morgan, Montana to a terminus near North Hayden, Indiana, south of Chicago. Northern Border is capable of receiving natural gas from Canada, the Williston Basin and Rocky Mountain area for deliveries to the Midwest. ONEOK Partners, L.P. owns the remaining 50 percent of Northern Border.	50%
PNGTS	295 miles	Connects with the TransQuebec and Maritimes Pipeline (TQM) at the Canadian border to deliver natural gas to customers in the U.S. northeast. TransCanada owns 11.81 percent of PNGTS. Northern New England Investment Company, Inc. owns the remaining 38.29 percent of PNGTS.	49.9%
Great Lakes	2,115 miles	Connects with the TransCanada Mainline at the Canadian border near Emerson, Manitoba, Canada and St. Clair, Michigan, near Detroit. Great Lakes is a bi-directional pipeline that can receive and deliver natural gas at multiple points along its system. TransCanada owns the remaining 53.55 percent of Great Lakes.	46.45%

The map below shows the location of our pipeline systems.



Customers, Contracting and Demand

Our customers are generally large utilities, local distribution companies (LDCs), major natural gas marketers, producing companies and other interstate pipelines, including affiliates. Our pipelines generate revenue by charging rates for transporting natural gas. Natural gas transportation service is provided pursuant to long-term and short-term contracts on a firm or interruptible basis. The majority of our pipeline systems' natural gas transportation services are provided through firm service transportation contracts with a reservation or demand charge that reserves pipeline capacity, regardless of use, for the term of the contract. The revenues associated with capacity reserved under firm service transportation contracts are not subject to fluctuations caused by changing supply and demand conditions, competition or customers. Customers with interruptible service transportation agreements may utilize available capacity after firm service transportation requests are satisfied.

Our pipeline systems actively market their available capacity and work closely with customers, including natural gas producers, LDCs, marketers and end users, to ensure our pipelines are offering attractive services and competitive rates. Approximately 74 percent of our long-term contract revenues are with customers who have an investment grade rating or who have provided guarantees from investment grade parties. We have obtained financial assurances as permitted by FERC and our tariffs for the remaining long-term contracts. See Part I, Item 1A. "Risk Factors."

Two of our customers, Anadarko Energy Services Company and Pacific Gas and Electric Company, account for a significant portion of our revenue and comprised 13 percent and 10 percent, respectively, of the Partnership's revenues in 2016.

GTN – GTN's revenues are substantially supported by long-term contracts, the majority of which are expiring prior to 2023. These contracts are primarily held by LDCs that historically use a diversified portfolio of transportation options to serve their long-term markets and marketers contracting under a variety of contract terms. We expect GTN to continue to be an important transportation component of these diversified portfolios. Incremental transportation opportunities are based on the difference in value between Western Canadian natural gas supplies and deliveries to Northern California. GTN's rates were established based on its contracted long-term capacity at the time of its last rate case in 2015 and thus ensures full coverage of its cost of service. In 2016, GTN benefited from an increase in the volumes of natural gas it transports as debottlenecking activities occurred on upstream pipeline systems which deliver natural gas to GTN. These upstream activities are expected to continue resulting in additional volumes that could potentially flow onto GTN by November 2018. GTN continues to market its remaining long-term capacity.

Northern Border – Northern Border is a highly competitive pipeline system and is fully contracted with its revenues substantially supported by firm transportation contracts through March 2018. Northern Border's contracts include renewal rights and expiring contracts have typically been renewed for terms of two years or longer. In addition, Northern Border sells seasonal transportation services which have traditionally been strongest during peak winter months to serve heating demand and peak spring/summer months to serve electric cooling demand and storage injection.

Great Lakes – Great Lakes' revenue is derived from shorter-term contracts for short-haul and long-haul transportation. A majority of these contracts are with TransCanada and affiliates on multiple paths across its system. Great Lakes' ability to sell its available and future capacity will depend on future market conditions which are impacted by a number of factors including weather, levels of natural gas in storage, the capacity of upstream and downstream pipelines and the availability and pricing of natural gas supplies. Demand for Great Lakes' services has historically been highest in the summer to fill the natural gas storage complexes in Ontario and Michigan in advance of the upcoming winter season. During the winter, Great Lakes serves peak heating requirements for customers in Minnesota, Wisconsin, Michigan and the upper Midwest of the U.S.

PNGTS – PNGTS' revenue is primarily from gas utilities, paper mills and electric generation plants throughout New England. Approximately 50 percent of PNGTS' current revenue stream is driven by long-term contracts that expire in 2019 with the remaining 50 percent driven by short-term contracts that are typically renewed on a continuing short-term basis. Long-term contract commitments from the Continent to Coast (C2C) open season are scheduled to begin November 2017 with expiration in 2032 and will replace some expiring short-term contracts. The C2C expansion is expected to bring additional, diverse natural gas supply options to markets in New England and Atlantic Canada. The shippers on the C2C project signed binding Precedent Agreements (PAs) which contain conditions precedent in favor of both PNGTS and the shippers. The majority of the shippers' conditions have been met. Under the PAs, PNGTS is required to obtain an increase in its FERC-certificated capacity and Presidential gas import permit. PNGTS has applied for these permits and they are expected to be approved in 2017. PNGTS is continuing to market its remaining long-term capacity and to pursue expansion opportunities.

Bison – Natural gas is currently not flowing in response to the recent relative cost advantage of WCSB-sourced gas versus Rockies production. Bison has not experienced a decrease in its revenue as it is fully contracted on a ship-or-pay basis through January of 2021.

Other Pipelines – North Baja and Tuscarora revenues are substantially supported by long-term contracts through 2020.

Competition

Overall, our pipeline systems generate a substantial portion of their cash flow from long-term firm contracts for transportation services and are therefore insulated from competitive factors during the terms of the contracts. If these long-term contracts are not renewed at their expiration, our pipeline systems face competitive pressures which influence contract renewals and rates charged for transportation services.

Three of our pipeline systems, GTN, Northern Border, and Great Lakes, compete with each other for WCSB natural gas supply as well as with other pipelines, including TransCanada's Mainline system, the Alliance pipeline and the Westcoast pipeline. Northern Border and Great Lakes compete in their respective market areas for natural gas supplies from other basins as well, such as the Rocky Mountain area, Mid-Continent, Gulf Coast, Utica and Marcellus basins. GTN primarily competes with pipelines supplying natural gas into California and Pacific Northwest markets.

Bison competes for deliveries with other pipelines that transport natural gas supplies within and away from the Rocky Mountain area.

North Baja's southbound pipeline capacity competes with deliveries of LNG received at the Costa Azul terminal in Mexico. When LNG shipments are received at Costa Azul, North Baja's northbound capacity competes with pipelines that deliver Rocky Mountain area, Permian and San Juan basin natural gas into the Southern California area.

Tuscarora competes for deliveries primarily into the northern Nevada natural gas market with natural gas from the Rocky Mountain area.

PNGTS connects with TQM at the Canadian border and shares facilities with the Maritimes and Northeast Pipeline from Westbrook, Maine to a connection with the Tennessee Gas Pipeline System near Boston, Massachusetts. PNGTS competes with LNG supplies and gas flows from Canada and with LNG delivered into Boston. Tennessee Gas Pipeline and Algonquin Gas Transmission also compete with PNGTS for gas deliveries into New England markets.

Relationship with TransCanada

TransCanada is the indirect parent of our General Partner and at December 31, 2016 owns, through its subsidiaries, approximately 25.3 percent of our common units, 100 percent of our Class B units, 100 percent of our IDRs and an effective two percent general partner interest in us. TransCanada is a major energy infrastructure company, listed on the Toronto Stock Exchange and NYSE, with more than 65 years of experience in the responsible development and reliable operation of energy infrastructure in North America. TransCanada's business is primarily focused on natural gas and oil transmission and power generation services. TransCanada consists of investments in 56,900 miles natural gas pipelines, 2,700 miles of wholly-owned oil pipelines and 653 billion cubic feet of natural gas storage capacity. TransCanada also owns or has interests in over 10,700 megawatts of power generation.

TransCanada operates our pipeline systems and, in some cases, contracts for pipeline capacity. We have purchased assets from TransCanada and jointly participated with TransCanada in acquiring assets from third parties, including acquisitions that we would have been unable to pursue on our own. TransCanada views the Partnership as a core element of its strategy and considers the dropdown of assets into the Partnership as an effective financing option as it executes its capital growth program, subject to actual funding needs and market conditions. There can be no assurance as to when and on what terms these assets will be offered to the Partnership. See Part III, Item 13. "Certain Relationships and Related Transactions, and Director Independence" for more information on our relationship with TransCanada.

Government Regulation

Federal Energy Regulatory Commission

All of our pipeline systems are regulated by FERC under the Natural Gas Act of 1938 (NGA) and Energy Policy Act of 2005, which gives FERC jurisdiction to regulate virtually all aspects of our business, including:

- transportation of natural gas in interstate commerce;
- rates and charges;
- terms of service and service contracts with customers, including counterparty credit support requirements;
- certification and construction of new facilities;
- extension or abandonment of service and facilities;
- accounts and records;
- depreciation and amortization policies;
- acquisition and disposition of facilities;
- initiation and discontinuation of services; and
- standards of conduct for business relations with certain affiliates.

Our pipeline systems' operating revenues are determined based on rate options stated in our tariffs which are approved by FERC. Tariffs specify the general terms and conditions for pipeline transportation service including the rates that may be charged. FERC, either through hearing a rate case or as a result of approving a negotiated settlement, approves the maximum rates permissible for transportation service on a pipeline system which are designed to recover the pipeline's cost-based investment, operating expenses and a reasonable return for its investors. Once maximum rates are set, a pipeline system is not permitted to adjust the maximum rates to reflect changes in costs or contract demand until new rates are approved by FERC. Pipelines are permitted to charge rates lower than the maximum tariff rates in order to compete. As a result, earnings and cash flows of each pipeline system depend on a number of factors including costs incurred, contracted capacity and transportation path, the volume of natural gas transported and rates charged.

Regulatory and Rate Proceedings

GTN – GTN operates under rates established pursuant to a settlement approved by FERC in June 2015. Beginning in January 2016, GTN's rates decreased by 10 percent and will continue in effect through December 31, 2019. Unless superseded by a subsequent rate case or settlement, GTN's rates will decrease an additional eight percent for the period January 1, 2020 through December 31, 2021 when GTN will be required to establish new rates.

Northern Border – Northern Border has a FERC-approved settlement agreement which established maximum long-term transportation rates and charges on the Northern Border system effective January 1, 2013 and requires Northern Border to file for new rates no later than January 1, 2018.

Bison – Bison continues to operate under the rates approved by FERC in connection with Bison's initial construction and has no requirement to file a new rate proceeding.

Great Lakes – Great Lakes operates under rates established pursuant to a settlement approved by FERC in November 2013. Under the settlement, Great Lakes is required to file for new rates to be effective no later than January 1, 2018.

North Baja – North Baja continues to operate under the rates approved by FERC and has no requirement to file a new rate proceeding. On January 6, 2017, North Baja notified FERC that current market conditions do not support the replacement of the compression that was temporarily abandoned in 2013 and requested authorization to permanently abandon two compressor units and a nominal volume of unsubscribed firm capacity. The requested abandonments will not have any impact on existing firm transportation service.

Tuscarora – On January 21, 2016, FERC issued an Order initiating an investigation pursuant to Section 5 of the NGA to determine whether Tuscarora's existing rates for jurisdictional services are just and reasonable. On September 22, 2016, FERC approved the settlement (Tuscarora Settlement) Tuscarora made with its customers that resolved the Section 5 rate review initiated by FERC in January 2016. Under the terms of the Tuscarora Settlement, Tuscarora's system-wide unit rate initially decreased by 17 percent, effective August 1, 2016. Unless superseded by a subsequent rate case or settlement, this rate will remain in effect until July 31, 2019, after which time the unit rate will decrease by an additional seven percent from August 1, 2019 through July 31, 2022. The settlement does not contain a rate moratorium and requires Tuscarora to file to establish new rates no later than August 1, 2022.

PNGTS – PNGTS continues to operate under the rates approved by FERC in PNGTS' most recent rate proceeding, effective December 1, 2010. PNGTS has no requirement to file a new rate proceeding.

Environmental

Our pipelines are subject to stringent and complex federal, state and local laws and regulations governing environmental protection, including air emissions, water quality, wastewater discharges and waste management. Such laws and regulations generally require natural gas pipelines to obtain and comply with a wide variety of environmental registrations, licenses, permits and other approvals required for construction and operations. Certain violations of environmental laws can result in the imposition of strict, joint and several liability. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil and/or criminal penalties, the imposition of investigatory, remedial and corrective action requirements, the occurrence of delays or restrictions in the permitting or performance of projects and/or the issuance of orders enjoining future operations in affected areas.

The following is a discussion of some of the applicable environmental laws and regulations that relate to our business.

- *Solid Wastes and Hazardous Substance and Wastes Statutes* – The operations of our pipeline systems are subject to federal and analogous state statutes that regulate the handling, management, storage and disposal of solid wastes, including hazardous wastes and hazardous substances. These include the Resource Conservation and Recovery Act the Solid Waste Disposal Act and the Comprehensive Environmental Response, Compensation and Liability Act, on the federal level and comparable state statutes. These statutes subject our operations to rigorous waste management and disposal practices to ensure compliance. In addition, the improper disposal or a release of wastes or hazardous substance could result in the imposition of investigatory or remedial obligations.

- *The Clean Air Act (CAA)* – The CAA and comparable state laws regulate emissions of air pollutants from various industrial sources, including compressor stations, and impose various monitoring, reporting, and in some cases, control requirements. Such laws and regulations may require pre-approval for the construction or modification of certain facilities expected to produce air pollutants or result in an increase of existing air pollutants. Such facilities must also comply with air permits containing various emission and operational limitations, or requiring the use of emission control or abatement technologies, which could result in the imposition of substantial costs on our operations.

- *Toxic Substances Control Act (TSCA)* – The TSCA addresses the production, importation, use and disposal of specific chemicals and provides the EPA with authority to require reporting, record-keeping and testing requirements, and restrictions relating to chemical substances and mixtures. These include polychlorinated biphenyls (PCBs), asbestos, radon and lead-based paint.

- *The Clean Water Act (CWA) and the Oil Pollution Act of 1990 (OPA)* – The CWA, OPA and comparable state laws impose strict controls with respect to the discharge of pollutants, including spills and leaks of oil and other substances, into or adjacent to state waters and waters of the U.S. The discharge of pollutants into regulated waters is generally prohibited, except in accordance with the terms of a permit issued by the EPA or a delegated state or federal agency. The CWA and federal regulations also prohibit the discharge of dredge and fill material into regulated waters, including wetlands, unless authorized by an appropriately issued permit. The EPA released a final rule in May 2015 that attempted to clarify federal jurisdiction under the CWA over waters of the U.S. This interpretation by the EPA may constitute an expansion of federal jurisdiction over waters of the U.S. Implementation of the rule has been stayed nationwide, and in January 2017, the U.S. Supreme Court accepted review of the rule to determine whether jurisdiction over the challenge to the rule rests with the federal district or appellate courts. Litigation surrounding the rule is ongoing. To the extent the rule expands the scope of the CWA's jurisdiction, pipeline construction and expansion projects could face increased costs and delays with respect to obtaining permits for dredge and fill activities in wetland areas.

- *National Environmental Policy Act (NEPA)* – Natural gas transportation activities over federally-managed land or involving federal approval can be subject to review under NEPA, or analogous state requirements. NEPA requires federal agencies, including the Department of the Interior or FERC, to evaluate governmental agency actions having the potential to significantly impact the environment. In the course of such evaluations, an agency will prepare an Environmental Assessment that addresses the potential direct, indirect and cumulative impacts of a proposed project and, if necessary, will prepare a more detailed Environmental Impact Statement that is made available for public review and comment. The current activities of our pipeline systems, as well as any proposed plans for future activities, on federal lands are subject to the requirements of NEPA in connection with any new approval that is required for construction, operation or use on or of federal lands. NEPA reviews can take a significant amount of time and are subject to challenge and appeal by environmental groups, who have frequently used the NEPA process to challenge pipeline construction projects over the past several years, and therefore, have the potential to delay current and future natural gas transportation activities.

- *The Endangered Species Act (ESA)* – The ESA restricts activities that may affect endangered or threatened species or their habitats. The presence of threatened or endangered species, including the designation of previously unidentified or threatened species, could cause us to incur additional costs or become subject to operating restrictions or bans in the affected areas.

We have not incurred and do not anticipate incurring material costs to comply with existing environmental laws and regulations. We have not accrued for any environmental liabilities.

Greenhouse Gas

Climate change continues to attract considerable public and scientific attention. As a result, numerous proposals have been made and are likely to continue to be made at the international, national, and state levels of government to monitor and limit emissions of greenhouse gases (GHGs). At the federal level, no comprehensive climate change legislation has been implemented to date, but the EPA has determined that emissions of GHGs present an endangerment to public health and the environment and subsequently has adopted regulations under existing provisions of the CAA that, among other things, establish construction and operating permit reviews regarding GHGs for certain large stationary sources that are already potential major sources of conventional pollutant emissions. The EPA has also promulgated regulations requiring the monitoring and reporting of GHG emissions from, among other sources, certain onshore natural gas transmission and storage facilities, including gathering and boosting facilities, completions and workovers of oil wells with hydraulic fracturing and blowdowns of natural gas transmission pipelines between compressor stations in the U.S. on an annual basis. Recent federal rulemakings have focused on the emission of methane.

Additionally, while the U.S. Congress has from time to time considered legislation to reduce emissions of GHGs, in the absence of any significant activity by Congress in recent years to adopt such legislation, a number of state and regional efforts have emerged that are aimed at tracking and/or reducing GHG emissions by means of cap and trade programs. For example, Washington, one of the states in which we operate, has implemented a carbon tax that has the potential to impact our operations; however, at this time we do not expect the impact of Washington's carbon tax on our operations to be material.

On an international level in December 2015, the U.S. joined the international community at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change in Paris, France that prepared an agreement requiring member countries to review and "represent a progression" in their intended nationally determined contributions, which set GHG emission reduction goals every five years beginning in 2020. The agreement was signed by the U.S. in April 2016 and entered into force in November 2016. The U.S. is one of more than 120 countries having ratified or otherwise consented to the agreement; however the agreement does not set binding emission reduction targets. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact our business, any such future laws and regulations that limit emissions of GHGs could adversely affect demand for the oil and natural gas that exploration and production operators produce, some of whom are our customers, which could thereby reduce demand for our natural gas transportation services.

Finally, it should be noted that some scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts and floods and other climatic events. If any such changes were to occur, it is uncertain what effect they might have on our financial condition and operations.

Safety

Our pipeline systems are subject to federal pipeline safety statutes, such as the Natural Gas Pipeline Safety Act of 1968 (NGPSA), the Pipeline Safety Improvement Act of 2002 (the PSI Act), the Pipeline Inspection, Protection, and Enforcement Act of 2006 (the PIPES Act), the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (the 2011 Pipeline Safety Act) and the Protecting Our Infrastructure of Pipelines and Enhancing Safety Act of 2016 (the 2016 Pipeline Safety Act), as well as regulations promulgated and administered by the PHMSA. The NGPSA regulates safety requirements in the design, construction, operation and maintenance of natural gas pipeline facilities. Pursuant to the authority granted under the NGPSA, PHMSA has promulgated regulations governing pipeline design, installation, testing, maximum operating pressures, pipeline patrols and leak surveys, minimum depth requirements and emergency procedures, as well as other matters intended to ensure adequate protection for the public and to prevent accidents and failures. The PSI Act established mandatory inspections for all U.S. natural gas transportation pipelines, and some gathering lines in high consequence areas (HCAs), which are areas where a release could have the most significant adverse consequences, including high population areas. The PIPES Act required mandatory inspections for certain natural gas transmission pipelines in HCAs and required that rulemaking be issued for, among other things, pipeline control room management. Pursuant to the authority granted under the NGPSA, as amended, PHMSA has established a series of rules requiring pipeline operators, such as us, to develop and implement integrity management programs for natural gas transmission pipelines in HCAs that require the performance of frequent inspections and other precautionary measures. PHMSA may assess penalties for violations of these and other requirements imposed by its regulations. The 2011 Pipeline Safety Act also increases the maximum penalty for violation of pipeline safety regulations from $100,000 to $200,000 per violation per day of violation and also from $1 million to $2 million for a related series of violations.

The ongoing laws could cause our pipeline systems to incur significant and unanticipated capital and operating expenditures for repairs or upgrades deemed necessary to ensure their continued safe and reliable operation and to comply with the federal pipeline safety statutes and regulations.

Additional rulemakings regarding pipeline safety is likely. In June 2016, the 2016 Pipeline Safety Act was passed, extending PHMSA's statutory mandate through 2019 and, among other things, requiring PHMSA to complete certain of its outstanding mandates under the 2011 Act and developing new safety standards for natural gas storage facilities by June 22, 2018. The safety enhancement requirements and other provisions of the 2011 Pipeline Safety Act as further amended by the 2016 Pipeline Safety Act, as well as any implementation of PHMSA rules or any issuance or reinterpretation of guidance by PHMSA or any other state agencies with respect thereto, could require us to install new or modified safety controls, pursue additional capital projects, conduct maintenance programs on an accelerated basis, or result in a temporary or permanent reduction in maximum allowable operating pressure, which would reduce available capacity on our pipelines, any or all of which could result in our incurring increased operating costs that could be significant, and have a material adverse effect on our results of operations or financial condition.

There can be no assurance that future compliance with the requirements will not have a material adverse effect on our pipeline systems and the Partnership's financial position, operational costs, cash flow and our ability to maintain current distribution levels to the extent the increased costs are not recoverable through rates.

From time to time, despite compliance with applicable rules and regulations, our pipelines may experience incidents that result in leaks and ruptures that may impact the surrounding population and environment. This may result in enforcement by regulatory agencies that may seek civil and/or criminal fines and penalties, and could require our pipelines to conduct testing of the pipeline system or upgrade segments of a pipeline unrelated to the incident which costs may not be covered by insurance or recoverable through rate increases.

Other

On November 19, 2015, the Bureau of Indian Affairs published a final rule, Rights-of-Way on Indian Land; Final Rule (25 CFR 169) with the intended goal to update and streamline the process for obtaining BIA grants of rights-of-way (ROW) over and across tribal and individual Indian allotted land. The effective date of the rule is December 21, 2015. While many of the provisions simplify and expedite the process of negotiating and obtaining a ROW, certain provisions provide increased tribal authority over ROWs. As a result, tribes will have greater authority to enforce tribal laws as it relates to tax obligations for improvements, increased notification and consent for financing and bonding requirements for restoration. The rule also sets forth additional requirements concerning real property that may affect new and existing agreements.

On December 15, 2016 FERC issued a Notice of Inquiry Regarding the Commission's Policy for Recovery of Income Tax Costs (Docket No. PL17-1-000) requesting Initial Comments regarding how to address any double recovery resulting from FERC's current income tax allowance and rate of return policies. Initial Comments are due to FERC by March 8, 2017 and Reply Comments by April 7, 2017.

EMPLOYEES

We do not have any employees. We are managed and operated by our General Partner. Subsidiaries of TransCanada operate our pipelines systems pursuant to operating agreements.

AVAILABLE INFORMATION

We make available free of charge on or through our website (www.tcpipelineslp.com) our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file the material with, or furnish it to, the Securities and Exchange Commission (SEC). Copies of our Code of Business Conduct and Ethics, Corporate Governance Guidelines and the Audit Committee Charter of our General Partner are also available on our website under "Corporate Governance." We will also provide copies of these documents at no charge upon request. The information contained on our website is not part of this report.

Item 1A. Risk Factors

Limited partner interests are inherently different from the capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business. Realization of any of the risks described below could have a material adverse effect on our business, financial condition, including valuation of our equity investments, results of operations and cash flows, including our ability to make distributions to our unitholders. Investors should review and carefully consider all of the information contained in this report, including the following discussion of risks when making investment decisions relating to our Partnership.

RISKS RELATED TO THE PARTNERSHIP

The amount of cash we have available for distribution to holders of our common units depends primarily on our cash flow rather than on our profitability, which may prevent us from making distributions, even during periods in which we earn net income.

The amount of cash we have available for distribution depends primarily upon our cash flows and not solely on profitability, which will be affected by non-cash items. As a result, we may make cash distributions during periods when losses are incurred and may not make cash distributions during periods when we earn net income.

Our ability to make cash distributions is dependent primarily on our cash flow, financial reserves and working capital borrowings.

The amount of cash we can distribute on our units principally depends upon the amount of cash we generate from our operations, which will fluctuate based on, among other things:

- the rates we charge for our transmission;
- legislative or regulatory action affecting the demand for natural gas, the supply of natural gas, the rates we can charge, how we contract for services, our existing contracts, operating costs and operating flexibility;
- the commodity price of natural gas, which could reduce the quantities of natural gas available for transport;
- the creditworthiness of our customers;
- changes in, or new, statutes, regulations or governmental policies by federal, state and local authorities with respect to protection of the environment;
- changes in accounting rules and/or tax laws or their interpretations;

- nonperformance or force majeure by, or disputes with or changes in contract terms with, major customers, suppliers, dealers, distributors or other business partners; and

- changes in, or new, statutes, regulations, governmental policies and taxes, or their interpretations.

Significant changes in energy prices could impact supply and demand balances for natural gas.

Prolonged low oil and natural gas prices can have a positive impact on demand but can negatively impact exploration and development of new natural gas supplies that could impact the availability of natural gas to be transported by our pipelines. Similarly, high commodity prices can increase levels of exploration and development but can reduce demand for natural gas leading to reduced demand for transportation services. Sustained low oil and natural gas prices could also impact shippers' creditworthiness that could impact their ability to meet their transportation service cost obligations.

If we do not successfully identify and complete expansion projects or make and integrate acquisitions that are accretive, we may not be able to continue to grow our cash distributions.

Our strategy is to continue to grow the cash distributions on our common units by expanding our business. Our ability to grow depends on our ability to undertake acquisitions and organic growth projects, the ability of our pipeline systems to complete expansion projects and make and integrate acquisitions that result in an increase in cash per common unit generated from operations. Our ability to complete successful, accretive expansion projects or acquisitions is dependent upon many factors, including our ability to secure necessary rights-of-way or regulatory approvals, our ability to finance such expansion projects or acquisitions on economically acceptable terms and the degree to which our assumptions about volumes, reserves, revenues, costs and customer commitments materialize. Acquisitions may not be available to the Partnership or occur at the prices, terms, with the same structure or on the schedule consistent with historical transactions.

TransCanada may offer to sell U.S. natural gas pipeline assets to the Partnership, subject to TransCanada's funding needs and market conditions. There can be no assurance, however, as to when and on what terms these assets will be offered to the Partnership. Our ability to grow distributions depends upon the rate of acquisitions.

In addition, we face competition for acquisitions from investment funds, strategic buyers and commercial finance companies. These companies may have higher risk tolerances or different risk assessments that permit them to offer higher prices that we may be unwilling to match.

Expansion projects or future acquisitions that appear to be accretive may nevertheless reduce our cash from operations on a per unit basis.

Even if we complete expansion projects or make acquisitions that we believe will be accretive, these expansion projects or acquisitions may nevertheless reduce our cash from operations on a per-unit basis. Any expansion project or acquisition involves potential risks, including:

- an inability to complete expansion projects on schedule or within the budgeted cost due to, among other factors, the unavailability of required construction personnel, equipment or materials and the risk of cost overruns resulting from inflation or increased costs of materials, labor and equipment;

- a decrease in our liquidity as a result of using a significant portion of our available cash or borrowing capacity to finance the project or acquisition;

- an inability to receive cash flows from a newly built or acquired asset until it is operational; and

- unforeseen difficulties operating in new business areas or new geographic areas.

As a result, our new facilities may not achieve expected investment returns, which could adversely affect our results of operations, financial position or cash flows. If any completed expansion projects or acquisitions reduce our cash from operations on a per unit basis, our ability to make distributions may be reduced.

Exposure to variable interest rates and general volatility in the financial markets and economy could adversely affect our business, our common unit price, results of operations, cash flows and financial condition.

As of December 31, 2016, $404 million of our total $1,858 million of consolidated debt was subject to variable interest rates. As a result, our results of operations, cash flows and financial condition could be adversely affected by significant increases in interest rates. From time to time, we may enter into interest rate swap arrangements which may increase or decrease our exposure to variable interest rates but there is no assurance that these will be sufficient to offset rising interest rates. As of December 31, 2016, the entire $500 million 2013 Term Loan Facility was hedged by fixed interest rate swap arrangements.

For more information about our interest rate risk, see Part II, Item 7A. "Quantitative and Qualitative Disclosures About Market Risk – Market Risk."

Our indebtedness may limit our ability to obtain additional financing, make distributions or pursue business opportunities.

The amount of the Partnership's current or future debt could have significant consequences to the Partnership including the following:

- our ability to obtain additional financing, if necessary, for working capital, acquisitions, payment of distributions or other purposes may be impaired or such financing may not be available on favorable terms;
- credit rating agencies may view our debt level negatively;
- covenants contained in our existing debt arrangements will require us to continue to meet financial tests that may adversely affect our flexibility in planning for and reacting to changes in our business;
- our need for cash to fund interest payments on the debt reduces the funds that would otherwise be available for operations, future business opportunities and distributions to our unitholders; and
- our flexibility in responding to changing business and economic conditions may be limited.

In addition, our ability to access capital markets to raise capital on favorable terms will be affected by our debt level, our operating and financial performance, the amount of our current maturities and debt maturing in the next several years and by prevailing market conditions. Moreover, if the rating agencies were to downgrade our credit ratings, then we could experience an increase in our borrowing costs, face difficulty accessing capital markets or incurring additional indebtedness, be unable to receive open credit from our suppliers and trade counterparties, be unable to benefit from swings in market prices and shifts in market structure during periods of volatility in the oil and gas markets or suffer a reduction in the market price of our common units. If we are unable to access the capital markets on favorable terms at the time a debt obligation becomes due in the future, we might be forced to refinance some of our debt obligations through bank credit, as opposed to long-term public debt securities or equity securities, or sell assets. The price and terms upon which we might receive such extensions or additional bank credit, if at all, could be more onerous than those contained in existing debt agreements. Any such arrangements could, in turn, increase the risk that our leverage may adversely affect our future financial and operating flexibility and thereby impact our ability to pay cash distributions at expected rates.

If we are unable to obtain needed capital or financing on satisfactory terms to fund expansion projects or future acquisitions, our ability to make quarterly cash distributions may be diminished or our financial leverage could increase.

Global financial markets and economic conditions have been, and continue to be, volatile, particularly for companies in the energy industry. The current economic conditions in the energy industry have made, and will likely continue to make, it difficult for some entities to obtain funding. In order to fund our expansion capital expenditures, we will be required to use cash from our operations, incur borrowings or sell additional common units or other limited partner interests. Using cash from operations will reduce distributable cash flow to our common unitholders. Our ability to obtain bank financing or to access the capital markets for future equity or debt offerings may be limited by our financial condition at the time of any such financing or offering, the covenants in our debt agreements, general economic conditions and contingencies and uncertainties that are beyond our control. Even if we are successful in obtaining funds for expansion capital expenditures through equity or debt financings, the terms thereof could limit our ability to pay distributions to our common unitholders. In addition, incurring additional debt may significantly increase our interest expense and financial leverage, and issuing additional limited partner interests may result in significant common unitholder dilution and increase the aggregate amount of cash required to maintain the then-current distribution rate, which could materially decrease our ability to pay distributions at the then-current distribution rate. If funding is not available to us when needed, or is available only on unfavorable terms, we may be unable to execute our business plans, complete acquisitions or otherwise take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our financial condition, credit ratings, results of operations, cash flows and ability to make quarterly cash distributions to our unitholders.

An impairment of our equity investment, our long-lived assets or goodwill could reduce our earnings or negatively impact the value of our common units.

Consistent with GAAP, we evaluate our goodwill for impairment at least annually and our equity investments and long-lived assets, including intangible assets with finite useful lives, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the investments we account for under the equity method, the impairment test requires us to consider whether the fair value of the equity investment as a whole, not the underlying net assets, has declined and whether that decline is other than temporary. If we determine that impairment is indicated, we would be required to take an immediate noncash charge to earnings with a correlative effect on equity and balance sheet leverage as measured by debt to total capitalization. This could have a negative impact on the common unit price.

As an example, in 2015, we recognized an impairment charge on our equity investment in Great Lakes amounting to $199 million. In 2016, our analysis on Tuscarora's goodwill balance indicated that the excess of its fair value over the carrying value, including goodwill was less than 10 percent.

There is a risk of future impairments related to our Equity Investments (Northern Border, Great Lakes and PNGTS), goodwill or long-lived assets. If assumptions relied upon change, there can be no assurance no future impairment charge will be made with respect to our equity investments, goodwill and long-lived assets.

For more information, see Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates – Impairment of Equity Investments, Goodwill and Long-Lived Assets – Equity Investments."

We do not own a controlling interest in our Equity Investments, which limits our ability to control these assets.

We do not own a controlling interest in our Equity Investments and are therefore unable to cause certain actions to occur without the agreement of the other owners. As a result, we may be unable to control the amount of cash distributions received from these assets or the cash contributions required to fund our share of their operations. The major policies of these assets are established by their management committees, which consist of individuals who are designated by each of the partners and including by us. The management committee requires at least the affirmative vote of a majority of the partners' percentage interests to take any action. Because of these provisions, without the concurrence of other partners, we would be unable to cause these assets to take or not to take certain actions, even though those actions may be in the best interests of the Partnership or these assets. Further, these assets may seek additional capital contributions. Our funding of these capital contributions would reduce the amount of cash otherwise available for distribution to our unitholders. In the event we elected not to, or were unable to, make a capital contribution to these assets; our ownership interest would be diluted.

Any disagreements with the other owners of these assets could adversely affect our ability to respond to changing economic or industry conditions, which could have a material adverse effect on our business, results of operations, financial condition and ability to make cash distributions to unitholders.

RISKS RELATED TO OUR PIPELINE SYSTEMS

We may experience changes in demand for our transportation services which may lead to an inability of our pipelines to charge maximum rates or renew expiring contracts.

Our primary exposure to market risk and competitive pressure occurs at the time existing shipper contracts expire and are subject to renegotiation and renewal. The value of our transportation services depends on a shipper's demand for pipeline capacity and the price paid for that capacity. The inability of our pipelines to extend or replace expiring contracts on comparable terms could have a material adverse effect on our business, financial condition, results of operations and our ability to make cash distributions. Our ability to extend and replace expiring contracts, particularly long-term firm contracts, on terms comparable to prior contracts, depends on many factors including:

- changes in upstream and downstream pipeline capacity, which could impact the pipeline's ability to contract for transportation services;
- the availability and supply of natural gas in Canada and the U.S.;
- competition from alternative sources of supply;
- competition from other existing or proposed pipelines;
- contract expirations and capacity on competing pipelines;
- changes in rates upstream or downstream of our pipeline systems, which can affect our pipeline systems' relative competitiveness;
- basis differentials between the market location and location of natural gas supplies;
- the liquidity and willingness of shippers to contract for transportation services; and
- regulatory developments.

As an example natural gas on Bison is currently not flowing in response to the recent relative cost advantage of WCSB-sourced gas versus Rockies production. Bison has not experienced a decrease in its revenue as it is fully contracted on a ship-or-pay basis through January of 2021. However, we may not be able to renew or contract for this capacity if this market condition continues to persist. Such condition also increases the risk of future impairment of Bison's long lived assets.

Rates and other terms of service for our pipeline systems are subject to approval and potential adjustment by FERC, which could limit their ability to recover all costs of capital and operations and negatively impact their rate of return, results of operations and cash available for distribution.

Our pipeline systems are subject to extensive regulation over virtually all aspects of their business, including the types and terms of services they may offer to their customers, construction of new facilities, creation, modification or abandonment of services or facilities, and the rates that they can charge to shippers. Under the NGA, their rates must be just, reasonable and not unduly discriminatory. Actions by FERC (see Item 1. "Business – Government Regulation") could adversely affect our pipeline systems' ability to recover all of their current or future costs and could negatively impact their rate of return, results of operations and cash available for distribution.

In July 2016, the United States Court of Appeals for the District of Columbia Circuit issued its opinion in *United Airlines, Inc., et al. v. FERC*, finding that FERC had acted arbitrarily and capriciously when it failed to demonstrate that permitting an interstate petroleum products pipeline organized as a limited partnership to include an income tax allowance in the cost of service underlying its rates in addition to the discounted cash flow return on equity would not result in the pipeline partnership owners double-recovering their income taxes. The court vacated FERC's order and remanded to FERC to consider mechanisms for demonstrating that there is no double recovery as a result of the income tax allowance. There is not likely to be a definitive resolution of these issues for some time, and the ultimate outcome of this proceeding is not certain and could result in changes going forward to FERC's treatment of income tax allowances in the cost of service or to the discounted cash flow return on equity. Depending upon the resolution of these issues, the cost of service rates of any of our interstate natural gas pipelines could be affected to the extent the pipeline proposes new rates or changes to its existing rates or if its rates are subject to complaint or challenged by FERC.

On December 15, 2016 FERC issued a Notice of Inquiry Regarding the Commission's Policy for Recovery of Income Tax Costs (Docket No. PL17-1-000) requesting Initial Comments regarding how to address any double recovery resulting from FERC's current income tax allowance and rate of return policies Initial Comments are to FERC by March 8, 2017 and Reply Comments by April 7, 2017.

We are dependent on the continued availability of and demand for, natural gas in relation to our pipeline systems.

As the long-term contracts on our pipeline systems expire, the demand for transportation service on our pipeline systems will depend on the availability of supply from the basins connected to our systems and the demand for natural gas in the markets we serve. Natural gas availability from basins depends upon numerous factors including basin production costs, production levels, availability of storage and natural gas prices. Our pipeline systems are also dependent on the continued demand for natural gas in their market areas. If supply and/or demand should significantly fall, our pipeline systems may be at risk for loss of contracting or contracting at discounted rates which could impact our revenues.

Our pipeline systems' business systems could be negatively impacted by security threats, including cyber security threats, and related disruptions.

In 2012, the U.S. Department of Homeland Security issued public warnings that indicate that pipelines and other assets might be specific targets of terrorist organizations or "cyber security" events. More recently in December 2016 the Pipeline & Hazardous Materials Safety Administration posted warnings to all pipeline owners and operators of the importance of safeguarding and securing their pipeline facilities and monitoring their supervisory control and data acquisition (SCADA) systems for abnormal operations and/or indications of unauthorized access or interference with safe pipeline operations based on recent incidents involving environmental activists.

These potential security events might include our pipeline systems or operating systems and may result in damage to our pipeline facilities, affect our ability to operate or control our pipeline assets; their operations could be disrupted and/or customer information could be stolen.

We depend on the secure operation of our physical assets to transport the energy we deliver and our information technology to process, transmit and store electronic information, including information we use to safely operate our pipeline systems. Security breaches could expose our business to a risk of loss, misuse or interruption of critical physical assets or information and functions that affect the pipeline operations. Such losses could result in operational impacts, damage to our assets, public or personnel safety incidents, damage to the environment, reputational harm, competitive disadvantage, regulatory enforcement actions, litigation and a potential material adverse effect on our operations, financial position and results of operations. There is no certainty that costs incurred related to securing against threats will be recovered through rates.

If our pipeline systems do not make additional capital expenditures sufficient to offset depreciation expense, our rate base will decline and our earnings and cash flow could decrease over time.

Our pipeline systems are allowed to collect from their customers a return on their assets or "rate base" as reflected in their financial records, as well as recover a portion of that rate base over time through depreciation. In the absence of additions to the rate base through capital expenditures, the rate base will decline over time, and in the event of a rate proceeding, this could result in reductions in revenue, earnings and cash flows of our pipeline systems.

Our pipeline systems' indebtedness may limit their ability to borrow additional funds, make distributions to us or capitalize on business opportunities.

Our pipeline systems' respective debt levels could have negative consequences to each of them and the Partnership, including the following:

- their ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on favorable terms;
- their need for cash to fund interest payments on the debt reduces the funds that would otherwise be available for operations, future business opportunities and distributions to us;
- their debt level may make them more vulnerable to competitive pressures or a downturn in their business or the economy generally; and
- their debt level may limit their flexibility in responding to changing business and economic conditions.

Our pipeline systems' ability to service their respective debt will depend upon, among other things, future financial and operating performance which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, many of which are beyond their control.

Our pipeline systems are subject to operational hazards and unforeseeable interruptions that may not be covered by insurance.

Our pipeline systems are subject to inherent risks including, among other events, earthquakes, adverse weather conditions and other natural disasters; terrorist activity, civil disobedience or acts of aggression; damage to a pipeline by a third party; and, pipeline or equipment failures. Each of these risks could result in damage to one of our pipeline systems, business interruptions, release of pollution or contaminants into the environment and other environmental hazards, or injuries to persons and property. These risks could cause us to suffer a substantial loss of revenue and incur significant costs to the extent they are not covered by insurance under our pipeline systems' shipper contracts, as applicable. In addition, if one of our pipeline systems was to experience a serious pipeline failure, a regulator could require our pipelines to conduct testing of the pipeline system or upgrade segments of a pipeline unrelated to the failure which costs may not be covered by insurance or recoverable through rate increases or face a potential reduction in operational parameters which could reduce the capacity available for sale.

Our pipelines could be subject to penalties and fines if they fail to comply with FERC regulations.

Our pipelines are subjected to substantial penalties and fines if FERC finds that our pipeline systems have failed to comply with all applicable FERC-administered statutes, rules, regulations and orders, or the terms of their tariffs on file with FERC. Under the Energy Policy Act of 2005, FERC has civil penalty authority under the NGA and NGPA to impose penalties for violations of up to approximately $1.2 million per day for each violation, to revoke existing certificate authority and to order disgorgement of profits associated with any violation.

Our pipeline systems may experience significant costs and liabilities related to compliance with pipeline safety laws and regulations.

Our pipeline systems are subject to pipeline safety statutes and regulations administered by PHMSA, which require pipeline operators to develop integrity management programs.

The ongoing implementation of the pipeline integrity management programs could cause our pipeline systems to incur significant and unanticipated capital and operating expenditures for repairs or upgrades deemed necessary to ensure their continued safe and reliable operation and to comply with the federal pipeline safety statutes and regulations.

Additionally, any failure to comply with PHMSA's regulations could subject our pipeline systems to penalties, fines or restrictions on our pipeline systems' operations.

The cost of new PHMSA regulations to our pipeline systems could have a material adverse effect on our operations, financial position, cash flows, and our ability to maintain current distribution levels to the extent the increased costs are not recoverable through rates.

Our pipeline systems are regulated by federal, state and local laws and regulations that could impose costs for compliance with environmental protection requirements.

Each of our pipeline systems is subject to federal, state and local environmental laws, regulations and enforcement policies. Potential liabilities may arise related to protection of the environment and natural resources. Existing or new environmental laws, regulations or enforcement policies could be implemented that significantly increase our pipeline systems' compliance costs. As an example, revisions to the NAAQS for ozone may result in the addition of non-attainment designations in additional counties in which our pipeline systems operate, which could result in additional permitting delays and expenditures for pollution control equipment. Also, changes to legislation, such as the TSCA, may result in increased monitoring of chemicals present in the pipeline environment. It is uncertain which proposed laws, regulations or reforms, if any, will be adopted and what impact they might ultimately have on our operations or financial results.

In addition, under certain environmental laws and regulations, we may be exposed to substantial liabilities for pre-existing contamination that arise in connection with our past or current operations. For instance, although we do not have reportable information that requires corrective action at this time, during the installation, maintenance and operation of our pipeline systems, we may discover pre-existing conditions that may require us to notify, obtain and maintain permits and approvals issued by various federal, state and local governmental authorities, and to limit or prevent releases of materials from our operations in accordance with these permits and approvals, or install pollution control equipment. For instance, during routine maintenance activities, we may discover historical contamination, such as hydrocarbon, mercury, polychlorinated biphenyls, or heavy metals. This discovery may require notification to the appropriate governmental authorities and corrective action to address these conditions. Moreover, new environmental laws, regulations or enforcement policies could be implemented that significantly increase our pipeline systems' compliance costs or the cost of any remediation of environmental contamination which may not be recoverable under their rates.

There also exist legal initiatives directly affecting our customers that could indirectly affect our operations by reducing the need for our services. Such developments could cause our customers to incur potentially significant added costs to comply with such requirements and experience delays or curtailment in the pursuit of exploration, development or production activities, which subsequently could reduce demand for our transportation services.

Current and future emissions regulation legislation or regulations restricting emissions of GHG could result in increased operating costs.

There have been a number of legislative initiatives to regulate GHG emissions; however, substantial uncertainty exists regarding the impact of new and proposed GHG laws and regulations. Moreover, implementation of GHG regulations is the subject of significant litigation which has created uncertainty in compliance requirements with both the regulatory agencies and industry. Recent federal rulemakings have focused on the emission of methane, which is considered by the EPA as a GHG. For example, in June 2016, the EPA published New Source Performance Standards, known as Subpart OOOOa, that require certain new, modified or reconstructed facilities in the oil and natural gas sector to reduce these methane gas and volatile organic compound emissions. These Subpart OOOOa standards will expand previously issued New Source Performance Standards published by the EPA in 2012 and known as Subpart OOOO, by using certain equipment-specific emissions control practices, requiring additional controls for pneumatic controllers and pumps as well as compressors and imposing leak detection and repair requirements for natural gas compressor and booster stations. Moreover, in November 2016, the EPA issued a final Information Collection Request seeking information about methane emissions from facilities and operators in the oil and natural gas industry that the agency. The EPA has indicated that it intended to use the information from this request to develop regulations to reduce methane emissions from existing sources in the oil and natural gas industry.. Currently, our operator is assembling operator information and facility data for six facilities in response to this information request, which is due in third quarter 2017. While we do not believe that compliance with the new Subpart OOOOa regulations will have a material adverse effect on our operations, we cannot estimate the effect of proposed and final regulations, and industry litigation related to the control of GHG emissions on our future financial position, results of operations or cash flow. However, such legislation, regulation and litigation could materially increase their operating costs, including their cost of environmental compliance. Given the uncertainty of policy and rulemaking, the future effects on our pipelines cannot be predicted.

Recent pipeline safety legislation and proposed regulations could result in more stringent requirements on our facilities and systems that could trigger significant capital and operating costs.

The 2016 Pipeline Safety Act requires that PHMSA publish periodic updates on the status of those mandates outstanding from the 2011 Pipeline Safety Act, of which numerous initiatives remain to be completed. The mandates yet to be acted upon include requiring certain shut-off valves on transmission lines, mapping all high consequence areas, and shortening the deadline for accident and incident notifications.

In March 2016, PHMSA announced a proposed rulemaking that would impose new or more stringent requirements for certain natural gas lines and gathering lines. Additional requirements proposed by this proposed rulemaking would increase PHMSA's integrity management requirements for natural gas pipelines. We continue to monitor proposed rulemaking developments and evaluate its potential impact, if any, of 2016 Pipeline Safety Act, in light of the many PHMSA initiatives and mandates. At this time, we cannot predict the ultimate impact of this legislation, and subsequent revisions to regulations on our operations; however, the adoption of any new legislation or regulations regarding increased pipeline safety could cause us to incur increased capital and operating costs, which costs could be significant.

We are exposed to credit risk when a customer fails to perform its contractual obligations.

Our pipeline systems are subject to a risk of loss resulting from the nonperformance by a customer of its contractual obligations. Our exposure generally relates to receivables for services provided and future performance over the remaining contract terms under firm transportation contracts. Our pipelines' FERC approved tariffs limit the amount of credit support that they may require in the event that a customer's creditworthiness is or becomes unacceptable. If a significant customer has financial problems, which results in a delay or failure to pay for services provided by them or contracted for with them, it could have a material adverse effect on our business and results of operations.

Our pipelines do not own all of the land on which our pipelines are located, which could disrupt their operations.

Our pipelines do not own all of the land on which their pipelines have been constructed. They are therefore subject to the possibility of more onerous terms and/or increased costs to retain necessary land use if they do not have valid rights-of-way or if such rights-of-way lapse or terminate. They may obtain the rights to construct and operate our pipelines on land owned by third parties, indigenous and governmental agencies for a specific period of time. A loss of these rights, through their inability to renew right-of-way contracts or otherwise, could cause them to cease operations temporarily or permanently on the affected land, increase costs related to the construction and continuing operations elsewhere and adversely affect their results of operations and their ability to make cash distributions to us.

RISKS RELATED TO OUR PARTNERSHIP STRUCTURE

We do not have the same flexibility as corporations to accumulate cash and equity to protect against illiquidity in the future.

We are required by our Partnership Agreement to make quarterly distributions to our unitholders of all available cash, reduced by any amounts of reserves for commitments and contingencies, including capital and operating costs and debt service requirements. The value of our units and other limited partner interests may decrease in direct correlation with decreases in the amount we distribute per common unit. Accordingly, if we experience a liquidity shortfall in the future, we may not be able to recapitalize by issuing more equity.

Common unitholders have limited voting rights and are not entitled to elect our General Partner or its board of directors.

The General Partner is our manager and operator. Unlike the stockholders in a corporation, holders of our common units have only limited voting rights on matters affecting our business. Unitholders have no right to elect our General Partner or its board of directors. The members of the board of directors of our General Partner, including the independent directors, are appointed by its parent company and not by the unitholders.

Common unitholders cannot remove our General Partner without its consent.

Our General Partner may not be removed except by the vote of the holders of at least $66^{2}/3$ percent of the outstanding common units. These required votes would include the votes of common units owned by our General Partner and its affiliates. TransCanada's ownership of 25.3 percent of our outstanding common units at December 31, 2016, has the practical effect of making removal of our General Partner difficult.

In addition, the Partnership Agreement contains some provisions that may have the effect of discouraging a person or group from attempting to remove our General Partner or otherwise change our management. If our General Partner is removed as our general partner under circumstances where cause does not exist and common units held by our General Partner and its affiliates are not voted in favor of that removal:

- any existing arrearages in the payment of the minimum quarterly distributions on the common units will be extinguished; and
- our General Partner will have the right to convert its general partner interests and its incentive distribution rights into common units or to receive cash in exchange for those interests.

Our Partnership Agreement restricts voting and other rights of unitholders owning 20 percent or more of our common units.

The Partnership Agreement contains provisions limiting the ability of unitholders to call meetings of unitholders or to acquire information about our operations, as well as other provisions limiting the unitholders' ability to influence the manner or direction of management. Further, if any person or group other than our General Partner or its affiliates or a direct transferee of our General Partner or its affiliates acquires beneficial ownership of 20 percent or more of any class of common units then outstanding, that person or group will lose voting rights with respect to all of its common units. As a result, unitholders have limited influence on matters affecting our operations and third parties may find it difficult to attempt to gain control of us or influence our activities.

We may issue additional common units and other partnership interests, without unitholder approval, which would dilute the existing unitholders' ownership interests. In addition, issuance of additional common units or other partnership interests may increase the risk that we will be unable to maintain the quarterly distribution payment at current levels.

Subject to certain limitations, we may issue additional common units and other partnership securities of any type, without the approval of unitholders.

Based on the circumstances of each case, the issuance of additional common units or securities ranking senior to, or on parity with, the common units may dilute the value of the interests of the then-existing holders of common units in the net assets of the Partnership. In addition, the issuance of additional common units may increase the risk that we will be unable to maintain the quarterly distribution payment at current levels.

Our common unitholders' liability may not be limited if a court finds that unitholder action constitutes control of our business.

A general partner generally has unlimited liability for the obligations of a limited partnership, except for those contractual obligations of the partnership that are expressly made without recourse to the general partner. We are organized under Delaware law and conduct business in a number of other states. The limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in some states. Our unitholders could be liable for any and all of our obligations as if our unitholders were a general partner if a court or government agency determined that:

- the Partnership had been conducting business in any state without compliance with the applicable limited partnership statute; or
- the right, or the exercise of the right, by the unitholders as a group to remove or replace our General Partner, to approve some amendments to the Partnership Agreement or to take other action under the Partnership Agreement constituted participation in the "control" of the Partnership's business.

In addition, under some circumstances, such as an improper cash distribution, a unitholder may be liable to the Partnership for the amount of a distribution for a period of three years from the date of the distribution.

Our General Partner has a limited call right that may require common unitholders to sell their common units at an undesirable time or price.

If at any time our General Partner and its affiliates own 80 percent or more of the common units, the General Partner will have the right, but not the obligation, which it may assign to any of its affiliates or us, to acquire all of the remaining common units held by unaffiliated persons at a price generally equal to the then current market price of the common units. As a consequence, unitholders may be required to sell their common units at a time when they may not desire to sell them or at a price that is less than the price they would desire to receive upon sale. Unitholders may also incur a tax liability upon a sale of their units. As of December 31, 2016, the General Partner and its affiliates own approximately 25.3 percent of our outstanding common units.

Our Partnership Agreement replaces our general partner's fiduciary duties to holders of our common units with contractual standards governing its duties.

The Partnership Agreement contains provisions that eliminate the fiduciary standards to which the General Partner would otherwise be held by state fiduciary duty law and replaces those duties with several different contractual standards. For example, our Partnership Agreement permits our General Partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our General Partner, free of any duties to us and our unitholders other than the implied contractual covenant of good faith and fair dealing, which means that a court will enforce the reasonable expectations of the partners where the language in the Partnership Agreement does not provide for a clear course of action. This provision entitles our General Partner to consider only the interests and factors that it desires and relieves it of any duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or our limited partners. Examples of decisions that our General Partner may make in its individual capacity include:

- how to allocate corporate opportunities among us and its other affiliates;
- whether to exercise its limited call right;
- whether to seek approval of the resolution of a conflict of interest by the conflicts committee of the Board of Directors;
- whether to elect to reset target distribution levels;
- whether to transfer the incentive distribution rights to a third party; and
- whether or not to consent to any merger or consolidation of the Partnership or amendment to the Partnership Agreement.

By purchasing a common unit, a common unitholder agrees to become bound by the provisions in the Partnership Agreement, including the provisions discussed above.

The NYSE does not require a publicly traded limited partnership like us to comply with certain of its corporate governance requirements.

Our common units are listed on the NYSE. Because we are a publicly traded limited partnership, the NYSE does not require us to have, and we do not intend to have, a majority of independent directors on our Board of Directors or to establish a nominating and corporate governance committee. Accordingly, unitholders will not have the same protections afforded to certain corporations that are subject to all of the NYSE corporate governance requirements.

The credit and business risk profiles of our General Partner and TransCanada could adversely affect our credit ratings and profile.

The credit and business risk profiles of our General Partner and TransCanada may be factors in credit evaluations of a master limited partnership because our General Partner can exercise control over our business activities, including our cash distribution and acquisition strategy and business risk profile. Other factors that may be considered are the financial conditions of our General Partner and TransCanada, including the degree of their financial leverage and their dependence on cash flows from us to service their indebtedness.

Costs reimbursed to our General Partner are determined by our General Partner and reduce our earnings and cash available for distribution.

Prior to making any distribution on the common units, we reimburse our General Partner and its affiliates, including officers and directors of the General Partner, for all expenses incurred by our General Partner and its affiliates on our behalf. During each of the years ended December 31, 2016, 2015 and 2014, we paid fees and reimbursements to our General Partner in the amount of $3 million. Our General Partner, in its sole discretion, determines the amount of these expenses. In addition, our General Partner and its affiliates may provide us with services for which we will be charged reasonable fees as determined by the General Partner. The reimbursement of expenses and the payment of fees could adversely affect our ability to make distributions.

To the extent there may have been a violation of federal securities laws, we may be subject to claims for rescission or damages in connection with certain sales of our Common Units to certain investors who participated in our ATM offering program after the filing of our Annual Report on Form 10-K for the year-ended December 31, 2015.

On July 17, 2014, the SEC declared effective the Registration Statement that we had filed to cover sales of Common Units under the ATM program. On February 26, 2016, at the time of the filing of the 2015 Form 10-K, we believed that the Partnership continued to be eligible to use the effective Registration Statement to sell Common Units under our ATM program. However, we were advised by the staff of the SEC on June 23, 2016 that as a result of the filing of an employee-related Form 8-K on October 28, 2015, which was not filed via EDGAR until 6:02 p.m. Eastern Time (32 minutes after the 5:30 p.m. Eastern Time cutoff), the Partnership was ineligible to use the Registration Statement after the filing of the 2015 Form 10-K.

Because the Partnership was ineligible to continue using the Registration Statement following the filing of the 2015 Form 10-K, it is possible that the sales of an aggregate 1,619,631 Common Units under the Registration Statement (the ATM Common Units), which were sold between March 8, 2016 and May 19, 2016 at per Common Unit prices ranging from $47.00 to $54.95, may be deemed to have been unregistered sales of securities. If it is determined that persons who purchased the ATM Common Units from the Partnership after February 26, 2016, purchased such Common Units in an offering deemed to be unregistered, then to the extent there may have been a violation of federal securities laws such persons may be entitled to rescission rights, pursuant to which they could be entitled to recover the amount paid for such ATM Common Units, plus interest (based on the statutory rate under applicable state law), less the amount of any distributions. If such investor has sold any of the ATM Common Units purchased by the investor, then the investor would be entitled to recover the difference between the amount paid for such ATM Common Units and the amount at which such ATM Common Units were sold, assuming the investor's ATM Common Units were sold at a loss, plus interest and less the amount of any distributions. If all of the investors who purchased the ATM Common

Units from the Partnership after February 26, 2016 continue to own all of the ATM Common Units and were to demand rescission of their purchases, and such investors were in fact found to be entitled to such rescission, then we would be obligated to repay approximately $82,334,015, plus interest, less the amount of any distributions. The Securities Act generally requires that any claim brought for a violation of Section 5 of the Securities Act be brought within one year of the violation.

We are unable to predict the likelihood of any claims or actions being brought against us related to these events.

TAX RISKS

Our tax treatment depends on our status as a partnership for U.S. federal income tax purposes, as well as us not being subject to a material amount of entity-level taxation by individual states. If the Internal Revenue Service (IRS) were to treat us as a corporation for U.S federal income tax purposes, or if we were to become subject to a material amount of entity level taxation for state tax purposes, then our cash available for distribution would be substantially reduced.

The anticipated after-tax benefit of an investment in us depends largely on our classification as a partnership for federal income tax purposes.

Despite the fact that we are organized as a limited partnership under Delaware law, we would be treated as a corporation for U.S. federal income tax purposes unless we satisfy a "qualifying income" requirement. Based upon our current operations, we believe we satisfy the qualifying income requirement. We have not requested, and do not plan to request, a ruling from the IRS on this or any other tax matter affecting us. Failing to meet the qualifying income requirement or a change in current law could cause us to be treated as a corporation for U.S. federal income tax purposes or otherwise subject us to taxation as an entity.

If we were treated as a corporation for U.S. federal income tax purposes, we would pay federal income taxes on our taxable income at the applicable corporate tax rate, and we would likely have to pay state income taxes at varying rates. Distributions to our unitholders (to the extent of our earnings and profits) would generally be taxed again to unitholders as corporate dividends, and no income, gains, losses, deductions or credits would flow through to our unitholders. Because of a tax imposed upon us as a corporation, the cash available for distribution to our unitholders would be substantially reduced. Any tax treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to unitholders and thus would likely result in a substantial reduction in the value of the common units.At the state level, several states have been evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise or other forms of taxation. Our Partnership Agreement provides that, if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity level taxation for federal, state, or local income tax purposes, then specified provisions of the Partnership Agreement relating to distributions will be subject to change. These changes would include a decrease in distributions to reflect the impact of that law on us.

The tax treatment of publicly traded partnerships or an investment in our units could be subject to potential legislative, judicial or administrative changes or differing interpretations, possibly applied on a retroactive basis.

The present U.S. federal income tax treatment of publicly traded partnerships, including us, or an investment in our common units, may be modified by administrative, legislative or judicial changes or differing interpretations at any time. From time to time, members of the U.S. Congress propose and consider substantive changes to the existing U.S. federal tax laws that affect publicly traded partnerships. Although there is no current legislative proposal, a prior legislative proposal would have eliminated the qualifying income exception for all publicly traded partnerships upon which we rely for our treatment as a partnership for U.S. federal income tax purposes.

At the state level, several states have either adopted or may be evaluating a variety of ways to subject partnerships and limited liability companies to entity level taxation. A majority of our pipeline systems are held in operating partnerships or limited liability companies, which are generally treated as flow-through entities for income tax purposes, and as such the income from our pipeline systems generally has not been subject to income tax at the entity level. Currently, only a portion of our taxable income related to PNGTS is subject to income tax. Imposition of such taxes on our pipeline systems would reduce the cash available for distribution to us and for other business needs by our pipeline systems, and could adversely affect the amount of funds available for distribution to our unitholders.

Any modification to the U.S. federal income tax laws may be applied retroactively and could make it more difficult or impossible for us to meet the exception for certain publicly traded partnerships to be treated as partnerships for U.S. federal income tax purposes. We are unable to predict whether any of these changes or other proposals will ultimately be enacted. Any such changes could negatively impact the value of an investment in our common units.

In addition, on January 24, 2017, final regulations (the Final Regulations) regarding which activities give rise to qualifying income within the meaning of Section 7704 of the Internal Revenue Code of 1986, as amended (the Code) were published in the Federal Register. We do not believe the Final Regulations affect our ability to be treated as a partnership for U.S. federal income tax purposes.

If the IRS were to contest the federal income tax positions we take, it may adversely impact the market for our common units, and the costs of any such contest would reduce cash available for distribution to our unitholders.

We have not requested a ruling from the IRS with respect to any tax matter affecting us. The IRS may adopt positions that differ from the positions we take. It may be necessary to resort to administrative or court proceedings in an effort to sustain some or all of the positions we take. Any contest with the IRS, and the outcome of any contest with the IRS, may materially and adversely impact the market for our common units and the price at which the common units trade. In addition, the costs of any contest with the IRS will be borne directly or indirectly by the unitholders and the General Partner.

If the IRS makes audit adjustments to our income tax returns for tax years beginning after December 31, 2017, it (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from us, in which case our cash available for distribution to our unitholders might be substantially reduced.

Pursuant to the Bipartisan Budget Act of 2015, for tax years beginning after December 31, 2017, if the IRS makes audit adjustments to our income tax returns, it (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from us. Under our limited Partnership Agreement, our general partner is permitted to make elections under the new rules to either pay the taxes (including any applicable penalties and interest) directly to the IRS or, if we are eligible, issue a revised Schedule K-1 to each unitholder with respect to an audited and adjusted return. Although our general partner may elect to have our unitholders take such audit adjustment into account in accordance with their interests in us during the tax year under audit, there can be no assurance that such election will be practical, permissible or effective in all circumstances. As a result, our current unitholders may bear some or all of the tax liability resulting from such audit adjustment, even if such unitholders did not own units in us during the tax year under audit. If, as a result of any such audit adjustment, we are required to make payments of taxes, penalties and interest, our cash available for distribution to our unitholders might be substantially reduced. These rules are not applicable for tax years beginning on or prior to December 31, 2017.

Unitholders may be required to pay taxes on income from us, including their share of income from the cancellation of debt, even if they receive no cash distributions.

Because unitholders are treated as partners to whom we allocate taxable income which could be different in amount than the cash distributed, unitholders may be required to pay U.S. federal income taxes and, in some cases, state and local income taxes on their allocable share of our income, whether or not they receive cash distributions from us.

Unitholders may not receive cash distributions equal to their allocable share of our taxable income or even the tax liability that results from that income.

We may engage in transactions to decrease the Partnership's financial leverage and manage our liquidity that may result in income and gain to our unitholders without a corresponding cash distribution. For example, if we sell assets and use the proceeds to repay existing debt or fund capital expenditures, you may be allocated taxable income and gain resulting from the sale without receiving a cash distribution. Further, taking advantage of opportunities to reduce our existing debt, such as debt exchanges, debt repurchases, or modifications of our existing debt could result in "cancellation of indebtedness income" (COD income) being allocated to our unitholders as taxable income. Unitholders may be allocated COD income, and income tax liabilities arising therefrom may exceed cash distributions. The ultimate effect of any such allocations will depend on the unitholder's individual tax position with respect to its units. Unitholders are encouraged to consult their tax advisors with respect to the consequences to them of COD income.

Tax gains or losses on the disposition of common units could be different than expected.

If unitholders sell their common units, they will recognize a taxable gain or loss equal to the difference between the amount realized and their adjusted tax basis in those common units. Prior distributions in excess of the total net taxable income that a unitholder was allocated for a common unit, which distributions decreased the unitholder's tax basis in that common unit, will, in effect, become taxable income if the common unit is sold at a price greater than their adjusted tax basis in that common unit, even if the price is less than the original cost. A substantial portion of the amount realized on the sale of common units, whether or not representing a gain, may be ordinary income to unitholders due to certain items such as potential depreciation recapture. If the IRS were to successfully contest some conventions we use, unitholders could recognize more taxable gain on the sale of common units than would be the case under those conventions without the benefit of decreased taxable income in prior years.

Tax-exempt and non-U.S. investors may have adverse tax consequences from owning common units.

An investment in common units by tax-exempt entities, such as employee benefit plans and individual retirement accounts (IRAs), and non-U.S. persons raises issues unique to these persons. For example, virtually all of our income allocated to organizations which are exempt from federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income and will be taxable to them. Allocations and/or distributions to non-U.S. persons are subject to withholding taxes imposed at the highest effective tax rate applicable to such non-U.S. persons, and each non-U.S. person will be required to file federal income tax returns and pay tax on its share of our taxable income. Any tax-exempt entity or non-U.S. person should consult its tax advisor before investing in our common units.

We treat a purchaser of our common units as having the same tax benefits without regard to the actual common units purchased. The IRS may challenge this treatment, which could adversely affect the value of the common units.

Because we cannot match transferors and transferees of common units, we have adopted depreciation and amortization conventions that may not conform to all aspects of specified Treasury Regulations. A successful challenge to those conventions by the IRS could adversely affect the amount of tax benefits available to unitholders or could affect the timing of tax benefits or the amount of taxable gain from the sale of common units and could have a negative impact on the value of the common units or result in audit adjustments to unitholders' tax returns.

We prorate our items of income, gain, loss and deduction between transferors and transferees of our units each month based upon the ownership of our units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The IRS may challenge this treatment, which could change the allocation of items of income, gain, loss and deduction among our unitholders.

We prorate our items of income, gain, loss and deduction between transferors and transferees of our units each month based upon the ownership of our units on the first day of each month (the Allocation Date), instead of on the basis of the date a particular unit is transferred. Similarly, we generally allocate certain deductions for depreciation of capital additions, gain or loss realized on a sale or other disposition of our assets and, in the discretion of the general partner, any other extraordinary item of income, gain, loss or deduction based upon ownership on the Allocation Date. The U.S. Department of the Treasury recently adopted final Treasury Regulations allowing a similar monthly simplifying convention, but such regulations do not specifically authorize the use of the proration method we have adopted. If the IRS were to challenge our proration method, we may be required to change the allocation of items of income, gain, loss and deduction among our unitholders.

A unitholder whose units are the subject of a securities loan (e.g., a loan to a "short seller" to cover a short sale of units) may be considered to have disposed of those units. If so, he would no longer be treated for tax purposes as a partner with respect to those units during the period of the loan and may recognize gain or loss from the disposition.

Because there are no specific rules governing the U.S. federal income tax consequence of loaning a partnership interest, a unitholder whose units are the subject of a securities loan may be considered as having disposed of the loaned units. In that case, the unitholder may no longer be treated for tax purposes as a partner with respect to those units during the period of the loan to the short seller and the unitholder may recognize gain or loss from such disposition. Moreover, during the period of the loan, any of our income, gain, loss or deduction with respect to those units may not be reportable by the unitholder and any cash distributions received by the unitholder as to those units could be fully taxable as ordinary income. Unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a securities loan are urged to modify any applicable brokerage account agreements to prohibit their brokers from borrowing their units.

We have adopted certain valuation methodologies that may result in a shift of income, gain, loss and deduction between the General Partner and the unitholders. The IRS may challenge this treatment, which could adversely affect the value of the common units.

In determining the items of income, gain, loss and deduction allocable to our unitholders, we must routinely determine the fair market value of our assets.

Although we may, from time to time, consult with professional appraisers regarding valuation matters, we make many fair market value estimates using a methodology based on the market value of our common units as a means to measure the fair market value of our assets. The IRS may challenge these valuation methods and the resulting allocations of income, gain, loss and deduction.

A successful IRS challenge to these methods, calculations or allocations could adversely affect the timing or amount of taxable income or loss being allocated to our unitholders. It also could affect the amount or character of taxable gain from our unitholders' sale of common units and could have a negative impact on the value of the common units or result in audit adjustments to our unitholders' tax returns without the benefit of additional deductions.

The sale or exchange of 50 percent or more of our capital and profits interest during any twelve-month period will result in the termination of our Partnership for federal income tax purposes.

We will be considered to have terminated for federal income tax purposes if there is a sale or exchange of 50 percent or more of the total interests in our capital and profits within a 12-month period. For purposes of determining whether the 50 percent threshold has been met, multiple sales of the same interest will be counted only once.

Our termination would, among other things, result in the closing of our taxable year for all unitholders, which would result in us filing two tax returns for one calendar year and could result in a deferral of depreciation deductions allowable in computing our taxable income. In the case of a unitholder reporting on a taxable year other than a calendar year, the closing of our taxable year may also result in more than twelve months of our taxable income or loss being includable in taxable income for the unitholder's taxable year that includes our termination. Our termination would not affect our classification as a partnership for federal income tax purposes, but it would result in our being treated as a new partnership for U.S. federal income tax purposes following the termination. If we were treated as a new partnership, we would be required to make new tax elections and could be subject to penalties if we were unable to determine that a termination occurred. The IRS has announced a relief procedure whereby if a publicly traded partnership that has technically terminated requests and the IRS grants special relief, among other things, the partnership may be permitted to provide only a single Schedule K-1 to unitholders for the two short tax periods included in the year in which the termination occurs.

Unitholders will likely be subject to state and local taxes and return filing requirements in states where they do not live as a result of an investment in our common units.

In addition to U.S. federal income taxes, unitholders will likely be subject to other taxes, including state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we do business or own property now or in the future, even if they do not live in any of those jurisdictions. We may be required to withhold income taxes with respect to income allocable or distributions made to our unitholders. In addition, unitholders may be required to file state and local income tax returns and pay state and local income taxes in some or all of the jurisdictions in which we do business or own property and may be subject to penalties for failure to comply with those requirements.

We currently own assets in multiple states. Many of these states currently impose a personal income tax on individuals. Generally, these states also impose income taxes on corporations and other entities. As we make acquisitions or expand our business, we may own assets or conduct business in additional states that impose a personal income tax. It is the unitholders' responsibility to file all required U.S. federal, state and local tax returns.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

A description of the location and general character of our principal physical properties is included in Item 1 "Business" and is incorporated herein by reference.

We believe that our pipeline systems hold all rights, titles and interests in their respective pipeline systems. With respect to real property, our pipeline systems own or lease sites for compressor stations, meter stations, pipeline field offices and microwave towers. Our pipeline systems are constructed and operated on land owned by third parties, governmental authorities and others pursuant to leases, easements, rights-of-way, permits and licenses. We believe that our pipeline systems' properties are adequate and suitable for the conduct of their business in the future.

Northern Border – Approximately 90 miles of Northern Border's pipeline system is located within the boundaries of the Fort Peck Indian Reservation in Montana. Northern Border has a pipeline right-of-way lease with the Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation, the term of which expires in 2061. In conjunction with obtaining right-of-way access across tribal lands located within the exterior boundaries of the Fort Peck Indian Reservation, Northern Border also obtained right-of-way access across allotted lands located within the reservation boundaries. With the exception of one tract subject to a right-of-way grant expiring in 2035, the allotted lands are subject to a perpetual easement granted by the Bureau of Indian Affairs (BIA) for and on behalf of the individual allottees.

Great Lakes – Approximately 74 miles of Great Lakes' pipeline system is located within the boundaries of three Indian reservations: the Leech Lake Chippewa Indian Reservation and the Fond du Lac Chippewa Indian Reservation in Minnesota, and the Bad River Chippewa Indian Reservation in Wisconsin. Great Lakes has right-of-way access, granted by the BIA, across allotted lands located within each reservation's boundaries that expire in 2018. Also, the Great Lakes pipeline crosses approximately 1,000 feet in two tracts under perpetual easement, located within the Chippewa Indian Reservation in Lower Michigan.

Please read Part I, Item 1. "Business – Narrative Description of Business – Government Regulation – Other" for more information regarding legislation affecting easements on tribal land.

Item 3. Legal Proceedings

We are involved in various legal proceedings that arise in the ordinary course of business, as well as proceedings that we consider material under federal securities regulations. Information regarding our pipeline systems' rate proceedings described in Item 1. "Business – Government Regulation – Regulatory and Rate Proceedings" is incorporated herein by reference. We are also a party to the following legal proceedings:

Employees Retirement System of the City of St. Louis v. TC PipeLines GP, Inc., et al. On October 13, 2015, an alleged unitholder of the Partnership filed a class action and derivative complaint in the Delaware Court of Chancery against the General Partner, TransCanada American Investments, Ltd. (TAIL) and TransCanada, and the Partnership as a nominal defendant. The complaint alleges direct and derivative claims for breach of contract, breach of the duty of good faith and fair dealing, aiding and abetting breach of contract, and tortious interference in connection with the 2015 GTN Acquisition, including the issuance by the Partnership of $95 million in Class B Units and amendments to the Partnership Agreement to provide for the issuance of the Class B Units. Plaintiff seeks, among other things, to enjoin future issuances of Class B Units to TransCanada or any of its subsidiaries, disgorgement of certain distributions to the General Partner, TransCanada and any related entities, return of some or all of the Class B Units to the Partnership, rescission of the amendments to the Partnership Agreement, monetary damages and attorney fees. The Partnership has moved to dismiss the complaint and intends to defend vigorously against the claims asserted. In April 2016, the Chancery Court granted the Partnership and other defendants' motion to dismiss the plaintiffs' complaint. The plaintiff has appealed the decision to dismiss its claims. The appeal of this matter was heard by the Delaware Supreme Court in December, 2016. The court found in the Defendant's favor and dismissed the Plaintiff's motion. There are no further rights of appeal.

Great Lakes v. Essar Steel Minnesota LLC, et al. – On October 29, 2009, Great Lakes filed suit in the U.S. District Court, District of Minnesota, against Essar Minnesota LLC (Essar Minnesota) and certain Foreign Essar Affiliates (collectively, Essar) for breach of its monthly payment obligation under its transportation services agreement with Great Lakes. Great Lakes sought to recover approximately $33 million for past and future payments due under the agreement. On September 16, 2015, following a jury trial, the federal district court judge entered a judgment in the amount of $32.9 million in favor of Great Lakes. On September 20, 2015, Essar appealed the decision to the United States Court of Appeals for the Eighth Circuit (Eighth Circuit) based on an allegation of improper jurisdiction and a number of other rulings by the federal district judge. Essar was required to post a performance bond for the full value of the judgment pending appeal. In July 2016, Essar Minnesota filed for Bankruptcy. The Foreign Essar Affiliates have not filed for bankruptcy. The Eighth Circuit heard the appeal on October 20, 2016. A decision on the appeal was received in December 2016 and the Eighth Circuit vacated Great Lakes' judgment against Essar finding that there was no federal jurisdiction. Great Lakes filed a Request for Rehearing with the Eighth Circuit and it was denied in January 2017. Great Lakes has ninety days to appeal to the U.S. Supreme Court on Certiorari. In the alternative, it may proceed with its lawsuit against the Foreign Essar Affiliates in the state of Minnesota.

Item 4. Mine Safety Disclosures

None.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

As of February 24, 2017, there were 39 registered holders of common units and 28,342 beneficial owners of common units, including common units held in street name. Our common units trade on the NYSE under the symbol "TCP".

As of February 24, 2017, the Partnership had 68,424,792 common units outstanding, of which 51,339,961 were held by non-affiliates and 17,084,831 common units were held by subsidiaries of TransCanada, including 5,797,106 common units held by our General Partner. Additionally, TransCanada, through our General Partner, owns 100 percent of our IDRs and an effective two percent general partner interest in the Partnership. TransCanada also holds 100 percent of our 1,900,000 outstanding Class B units. There is no established public trading market for our IDRs and Class B units.

As of February 24, 2017, the Partnership had 1,619,631 redeemable common units outstanding. Please read Note 9 within Part IV, Item 15. "Exhibits and Financial Statement Schedules" for more detailed disclosure on the common units issuance subject to rescission.

The following table sets forth, for the periods indicated, the high and low sale prices per common unit, as reported by the NYSE, and the amount of cash distributions declared per common unit with respect to the corresponding periods. Cash distributions are paid within 45 days after the end of each quarter to unitholders of record as of the record date.

	Price Range		Cash Distributions Declared per Common Unit
	High	Low	
2016			
First Quarter	**$55.00**	**$34.25**	**$0.89**
Second Quarter	**$60.48**	**$46.50**	**$0.94**
Third Quarter	**$58.66**	**$50.24**	**$0.94**
Fourth Quarter	**$59.12**	**$47.12**	**$0.94**
2015			
First Quarter	$73.76	$56.79	$0.84
Second Quarter	$71.35	$55.27	$0.89
Third Quarter	$61.74	$44.00	$0.89
Fourth Quarter	$55.85	$41.09	$0.89

On February 14, 2017, we paid a cash distribution of $68 million to common unitholders and the General Partner, representing a cash distribution of $0.94 per common unit for the quarter ended December 31, 2016. The distribution was allocated in the following manner: $64 million to the common unitholders as of the close of business on February 2, 2017 (including approximately $16 million to TransCanada as holder of 17,084,831 common units), and $4 million to the General Partner, which included $2 million for its effective two percent general partner interest and $2 million of IDRs payment. In 2016, the Partnership made cash distributions to common unitholders and the General Partner that amounted to $250 million compared to $228 million in 2015.

Cash Distribution Policy

Pursuant to the Partnership Agreement, the General Partner receives two percent of all cash distributions in regard to its general partner interest and is also entitled to incentive distributions as described below. The unitholders receive the remaining portion of the cash distribution. Our quarterly cash distributions to the unitholders comprise all of our Available Cash. Available Cash is defined in the Partnership Agreement and generally means, with respect to any quarter, all cash on hand at the end of a quarter less the amount of cash reserves that are necessary or appropriate, in the reasonable discretion of the General Partner, to:

- provide for the proper conduct of our business (including reserves for future capital expenditures and anticipated credit needs);
- comply with applicable laws or any debt instrument or other agreement to which we are subject; and
- provide funds for cash distributions to unitholders and the General Partner in respect of any one or more of the next four quarters.

Incentive Distributions

The incentive distribution provisions of the Partnership Agreement provide that the General Partner receives 15 percent of quarterly amounts distributed in excess of $0.81 per common unit, and a maximum of 25 percent of quarterly amounts distributed in excess of $0.88 per common unit, provided the balance has been first distributed to unitholders on a pro rata basis. The amounts that trigger incentive distributions at various levels are subject to adjustment in certain events, as described in the Partnership Agreement.

Incentive distributions are paid to our General Partner if quarterly cash distributions on the common units exceed levels specified in the Partnership Agreement. See Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Distribution Policy of the Partnership" for further information regarding IDRs.

In 2016, we paid incentive distributions to our General Partner of approximately $6 million (2015 – $2 million).

Distributions to Class B units

On January 23, 2017, the board of directors of our General Partner declared distributions to Class B unitholders in the amount of $22 million which amount was paid on February 14, 2017. In 2016, the Class B distribution was $12 million. The Class B distribution represents an amount based upon 30 percent of GTN's distributable cash flow exceeding certain annual thresholds.

Please read Notes 6, 9, 12 and 13 within Part IV, Item 15. "Exhibits and Financial Statement Schedules" for more detailed disclosures on the Class B units.

Item 6. Selected Financial Data

The selected financial data should be read in conjunction with the financial statements, including the notes thereto, and Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(millions of dollars, except per common unit amounts)	**2016**	2015	2014	2013[a]	2012[a]
Income Data (for the year ended December 31)					
Transmission revenues	**357**	344	336	341	343
Equity earnings[b]	**116**	97	88	67	99
Impairment of equity-method investment[c]	**–**	(199)	–	–	–
Net income	**244**	20	204	191	229
Net income attributable to controlling interests	**244**	13	172	155	192
Basic and diluted net (loss) income per common unit	**3.21**	$(0.03)	$2.67	$2.13[d]	$2.51[d]
Cash Flow Data (for the year ended December 31)					
Cash distribution declared per common unit	**$3.71**	$3.51	$3.33	$3.21	$3.11
Balance Sheet Data (at December 31)					
Total assets[e]	**3,158**	3,126	3,343	3,438	3,501
Long-term debt (including current maturities)[e]	**1,858**	1,903	1,689	1,573	1,009
Partners' equity	**1,146**	1,151	1,586	1,789	2,422

(a) Recast information to consolidate GTN and Bison for all periods as a result of an additional 45 percent membership interests in each of GTN and Bison that were acquired from subsidiaries of TransCanada in 2013 resulting in a 70 percent ownership in each. Please read Note 2, Significant Accounting Policies under Acquisitions and Goodwill included in Part IV, Item 15. "Exhibits and Financial Statement Schedules" of this report.

(b) Equity earnings represent our share in investee's earnings and do not include any impairment charge on our equity investments.

(c) During the fourth quarter of 2015, we recognized an impairment charge on our investment in Great Lakes amounting to $199 million. No other impairment was recognized during the periods presented. Please read Note 4, included in Part IV, Item 15. "Exhibits and Financial Statement Schedules" of this report.

(d) Represents basic and diluted net income per common unit prior to recast.

(e) As a result of the application of ASU No. 2015-03 "Interest-Imputation of Interest" and similar to the presentation of debt discounts, debt issuance costs previously reported as other assets in the balance sheet were reclassified as an offset against their respective debt liabilities.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis is intended to give our unitholders an opportunity to view the Partnership through the eyes of our management. We have done so by providing management's current assessment of, and outlook of the business of the Partnership. Our discussion and analysis includes the following:

- EXECUTIVE OVERVIEW;
- HOW WE EVALUATE OUR OPERATIONS;
- RESULTS OF OPERATIONS;
- LIQUIDITY AND CAPITAL RESOURCES;
- CRITICAL ACCOUNTING ESTIMATES;
- CONTINGENCIES; and
- RELATED PARTY TRANSACTIONS.

The following discussion and analysis should be read in conjunction with Part IV, Item 15. "Exhibits and Financial Statements Schedules."

EXECUTIVE OVERVIEW

Net income (loss) attributable to controlling interests was $244 million or $3.21 per common unit in 2016 compared to $13 million, or $(0.03) per common unit in 2015. Adjusted earnings, which excluded the impact of the $199 million non-cash impairment charge on our investment in Great Lakes in the fourth quarter 2015, increased by $32 million in 2016 compared to 2015. Cash distributions declared per common unit increased by six percent from $3.51 per common unit in 2015 to $3.71 per common unit in 2016. Please see "Non-GAAP Financial Measures: Adjusted earnings and Adjusted earnings per common unit" for more information.

Our 2016 EBITDA increased by $232 million to $398 million compared to $166 million in 2015 primarily due to the recognition of $199 million non-cash impairment charge to our investment in Great Lakes in 2015. Our Adjusted EBITDA, which excluded the impact of the $199 million non-cash impairment charge on our investment in Great Lakes, increased by nine percent to $398 million and Distributable cash flow increased by eight percent to $313 million. Please see "Non-GAAP Financial Measures: Adjusted earnings and Adjusted earnings per common unit" for more information.

PNGTS – On January 1, 2016, the Partnership completed the $228 million acquisition of a 49.9 percent interest in PNGTS from a subsidiary of TransCanada. The purchase price was comprised of $193 million in cash and the assumption of $35 million in proportional PNGTS debt. This transaction added a new market geography for us, extending our breadth of operations and further diversifying our cash flow stream. During the year ended December 31, 2016, our equity interest in PNGTS contributed $19 million in earnings and $24 million in distributable cash flow.

Tuscarora Rate Case – On January 21, 2016, FERC issued an Order initiating an investigation pursuant to Section 5 of the NGA to determine whether Tuscarora's existing rates for jurisdictional services were just and reasonable. On September 22, 2016, FERC approved the settlement (Tuscarora Settlement) Tuscarora made with its customers that resolved the Section 5 review initiated by FERC. Under the terms of the Tuscarora Settlement, Tuscarora's system-wide unit rate initially decreased by 17 percent, effective August 1, 2016. Unless superseded by a subsequent rate case or settlement, this rate will remain in effect until July 31, 2019, after which time the unit rate will decrease by an additional seven percent from August 1, 2019 through July 31, 2022. The settlement does not contain a rate moratorium and requires Tuscarora to file to establish new rates no later than August 1, 2022. While this new rate structure reduced Tuscarora's cash flows beginning August 1, 2016, the achievement of rate certainty helps ensure predictable cash flows from this pipeline system.

Outlook of Our Business

TransCanada, the ultimate parent company of our General Partner, closed the acquisition of all of the outstanding publicly-held common units of Columbia Pipeline Partners LP on February 17, 2017. This acquisition leaves TransCanada with a single MLP in TC PipeLines, which it describes as a core element of TransCanada's strategy.

TransCanada is advancing CAD $23 billion of near-term capital projects, approximately CAD $5.8 billion of which has been invested to date with the remainder to be spent largely over the next three years. TransCanada says it intends to prudently fund its capital program in a manner that is consistent with maintaining its financial strength, including potential drop downs to the Partnership.

The Partnership's financial performance continues to benefit from its transactions with TransCanada, including the acquisition of an interest in PNGTS from TransCanada effective January 1, 2016. Despite the volatility in energy commodity prices, our portfolio of seven FERC-regulated interstate natural gas pipelines is expected to deliver generally stable results in 2017 due to ship-or-pay contracts with creditworthy customers.

HOW WE EVALUATE OUR OPERATIONS

We use certain non-GAAP financial measures that do not have any standardized meaning under GAAP because we believe they enhance the understanding of our operating performance. We use the following non-GAAP measures:

EBITDA

We use EBITDA as an approximate measure of our operating cash flow and current operating profitability. It measures our earnings from our pipeline systems before certain expenses are deducted.

Adjusted EBITDA, Adjusted earnings and Adjusted earnings per common unit

We have evaluated our financial performance and position inclusive of the impairment charge to our investment in Great Lakes recognized during the fourth quarter of 2015, however, we believe it is not reflective of our underlying operations during the periods presented. Therefore, we have presented adjusted EBITDA, adjusted earnings and adjusted earnings per common unit as non-GAAP measures that exclude the impact of the $199 million non-cash impairment charge.

Distributable Cash Flows

Total distributable cash flow and distributable cash flow provide measures of distributable cash generated during the current earnings period.

Please see "Non-GAAP Financial Measures: EBITDA, Adjusted EBITDA and Distributable Cash Flow" for more information.

RESULTS OF OPERATIONS

Our equity interests in Northern Border, Great Lakes, and effective January 1, 2016, PNGTS, and our full ownership of GTN, Bison, North Baja and Tuscarora were our only material sources of income during the period. Therefore, our results of operations and cash flows were influenced by, and reflect the same factors that influenced, our pipeline systems. See Part 1, Item 1. "Business."

Year Ended December 31, 2016 Compared with the Year Ended December 31, 2015

(unaudited) *(millions of dollars)*	**2016**	2015	$ Change[b]	% Change[b]
Transmission revenues	**357**	344	13	4
Equity earnings	**116**	97	19	20
Impairment of equity-method investment	**–**	(199)	199	100
Operating, maintenance and administrative	**(76)**	(81)	5	6
Depreciation	**(86)**	(85)	(1)	(1)
Financial charges and other	**(67)**	(56)	(11)	(20)
Net income	**244**	20	224	*
Net income attributable to non-controlling interests	**–**	7	(7)	(100)
Net income attributable to controlling interests	**244**	13	231	*
Adjusted earnings[a]	**244**	212	32	15
Net income (loss) per common unit	**3.21**	(0.03)	3.24	*
Adjusted earnings per common unit[a]	**3.12**	3.03	0.09	3

(a) Adjusted earnings and Adjusted earnings per common unit are non-GAAP measures for which reconciliations to the appropriate GAAP measures are provided for below.

(b) Positive number represents a favorable change; bracketed or negative number represents an unfavorable change.

* Change is greater than 100 percent.

Net income attributable to controlling interests increased by $231 million to $244 million in 2016 compared to $13 million in 2015, resulting in net income per common unit during the year of $3.21 after allocations to the General Partner and to the Class B units. This increase was primarily the result of the recognition of a $199 million non-cash impairment charge to our investment in Great Lakes in fourth quarter 2015 which lowered our net income attributable to controlling interests in 2015. (See Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates – Impairment of Equity Investments, Goodwill and Long-Lived Assets – Equity Investments.")

The Partnership's Adjusted earnings were higher by $32 million in 2016 compared to 2015, an increase of $0.09 per common unit mainly due to the following:

Transmission revenues – increase of $13 million primarily due to the net effect of:

- higher discretionary revenues on GTN from short-term services sold to its customers;
- full year of revenues from GTN's Carty lateral system which was placed into service in October 2015; and
- lower transportation rates on GTN as a result of the settlement reached with its customers effective July 1, 2015.

Earnings from equity investments – $19 million increase mainly due to our share of earnings from the acquisition of a 49.9 percent interest in PNGTS effective January 1, 2016.

Operating, maintenance and administrative – generally lower expenses in 2016 as a result of lower operational costs on our consolidated entities. Additionally, dropdown costs were incurred in 2015 related to the PNGTS Acquisition.

Financial charges and other – $11 million increase mainly attributable to additional borrowings to fund a portion of our recent acquisitions.

Net income attributable to non-controlling interests – $7 million decrease due to the 2015 GTN acquisition effective April 1, 2015, whereby the Partnership now owns 100 percent of GTN.

Year Ended December 31, 2015 Compared with the Year Ended December 31, 2014

(unaudited) *(millions of dollars)*	**2015**	2014	$ Change[b]	% Change[b]
Transmission revenues	**344**	336	8	2
Equity earnings	**97**	88	9	10
Impairment of equity-method investment	**(199)**	–	(199)	(100)
Operating, maintenance and administrative	**(81)**	(84)	3	4
Depreciation	**(85)**	(86)	1	1
Financial charges and other	**(56)**	(50)	(6)	(12)
Net income	**20**	204	(184)	(90)
Net income attributable to non-controlling interests	**7**	32	(25)	(78)
Net income attributable to controlling interests	**13**	172	(159)	(92)
Adjusted earnings[a]	**212**	172	40	23
Net income (loss) per common unit	**(0.03)**	2.67	(2.70)	*
Adjusted earnings per common unit[a]	**3.03**	2.67	0.36	13

(a) Adjusted earnings and Adjusted earnings per common unit are non-GAAP measures for which reconciliations to the appropriate GAAP measures are provided for below.

(b) Positive number represents a favorable change; bracketed or negative number represents an unfavorable change.

* Change is greater than 100 percent.

Net income attributable to controlling interests decreased by $159 million to $13 million in 2015 compared to $172 million in 2014, resulting in a net loss per common unit during the year of $0.03 after allocations to the General Partner and to the Class B units. This decrease was primarily the result of the recognition of a $199 million non-cash impairment charge to our investment in Great Lakes in fourth quarter 2015. (See Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates – Impairment of Equity Investments, Goodwill and Long-Lived Assets – Equity Investments.")

The Partnership's Adjusted earnings were higher by $40 million in 2015 compared to 2014, an increase of $0.36 per common unit due to the following:

Transmission revenues – increase of $8 million primarily due to higher discretionary revenues on GTN from short-term services sold to its customers.

Earnings from equity investments – $9 million increase mainly due the net effect of:

- lower equity earnings from Northern Border primarily due to lower revenues from the sale of short-term services as a result of the milder winter in 2015 compared to 2014; and

- higher equity earnings from Great Lakes in 2015 primarily due to additional revenues from new contracts with ANR, a related party.

Operating, maintenance and administrative – $3 million decrease mainly due to:

- lower expenses on Bison related to pipeline integrity program spending; and
- lower property taxes on Bison as compared to 2014.

Financial charges and other – $6 million increase mainly attributable to additional borrowings to fund a portion of our recent acquisitions.

Net income attributable to non-controlling interests – $25 million decrease due to our 100 percent ownership in GTN and Bison effective April 1, 2015 and October 1, 2014, respectively.

Non-GAAP Financial Measures: Adjusted earnings and Adjusted earnings per common unit

Reconciliation of Net income attributable to controlling interest to Adjusted earnings

Year ended December 31 *(unaudited)* *(millions of dollars)*	**2016**	2015	2014
Net income attributable to controlling interests	**244**	13	172
Add: Impairment of equity-method investment	**–**	199	–
Adjusted earnings	**244**	212	172

Reconciliation of Net income (loss) per common unit to Adjusted earnings per common unit

Year ended December 31 *(unaudited)*	**2016**	2015	2014
Net income (loss) per common unit-basic and diluted[(a)]	**3.21**	(.03)	2.67
Add: per unit impact of impairment of equity-method investment[(b)]	**–**	3.06	–
Adjusted earnings per common unit	**3.21**	3.03	2.67

(a) See Note 12 in Part IV, Item 15. "Exhibits and Financial Statement Schedules" for details of the calculation of net income (loss) per common unit **–** basic and diluted.

(b) Computed by dividing the $199 million impairment charge, after deduction of amounts attributable to the General Partner with respect to its effective two percent interest, by the weighted average number of common units outstanding during the period.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our principal sources of liquidity and cash flows include distributions received from our equity investments, operating cash flows from our subsidiaries, public offerings of debt and equity, term loans and our bank credit facility. The Partnership funds its operating expenses, debt service and cash distributions (including those distributions made to TransCanada through our General Partner and as holder of all our Class B units) primarily with operating cash flow. Long-term capital needs may be met through the issuance of long-term debt and/or equity. Overall, we believe that our pipeline systems' ability to obtain financing at reasonable rates, together with a history of consistent cash flow from operating activities, provide a solid foundation to meet future liquidity and capital requirements. We expect to be able to fund our liquidity and capital resource requirements, including our distributions and required debt repayments, at the Partnership level over the next 12 months utilizing our cash flow and, if required, our existing Senior Credit Facility. The following table sets forth the available borrowing capacity under the Partnership's Senior Credit Facility.

(unaudited) *(millions of dollars)*	**December 31, 2016**	December 31, 2015
Total capacity under the Senior Credit Facility	**500**	500
Less: Outstanding borrowings under the Senior Credit Facility	**160**	200
Available capacity under the Senior Credit Facility	**340**	300

Our pipeline systems' principal sources of liquidity are cash generated from operating activities, long-term debt offerings, bank credit facilities and equity contributions from their owners. Our pipeline systems have historically funded operating expenses, debt service and cash distributions to their owners primarily with operating cash flow. However, since the fourth quarter of 2010, Great Lakes has funded its debt repayments with cash calls to its owners.

Capital expenditures are funded by a variety of sources, including cash generated from operating activities, borrowings under bank credit facilities, issuance of senior unsecured notes or equity contributions from our pipeline systems' owners. The ability of our pipeline systems to access the debt capital markets under reasonable terms depends on their financial position and general market conditions.

The Partnership's pipeline systems monitor the creditworthiness of their customers and have credit provisions included in their tariffs which, although limited by FERC, allow them to request credit support as circumstances dictate.

Summarized Cash Flow

Year Ended December 31, *(millions of dollars)*	**2016**	2015	2014
Net cash provided by (used in):			
Operating activities	**381**	319	335
Investing activities	**(229)**	(326)	(261)
Financing activities	**(141)**	20	(73)
Net increase in cash and cash equivalents	**11**	13	1
Cash and cash equivalents at beginning of the period	**39**	26	25
Cash and cash equivalents at end of the period	**50**	39	26

Cash Flow Analysis for the Year Ended December 31, 2016 compared to Same Period in 2015

Operating Cash Flows

Net cash provided by operating activities increased by $62 million in the twelve months ended December 31, 2016 compared to the same period in 2015 primarily due to higher earnings as discussed in more detail in the "Results of Operations" section.

Investing Cash Flows

Net cash used in investing activities decreased by $97 million in the twelve months ended December 31, 2016 compared to the same period in 2015 as we invested a lesser amount for our most recent acquisition of PNGTS compared to our investment during the same period in 2015. In 2015, we paid $264 million to acquire the remaining 30 percent interest in GTN compared to $193 million paid for the acquisition of a 49.9 percent interest in PNGTS in

2016. Additionally, we had higher capital expenditures in 2015 due to expenditures related to the construction of the Carty Lateral.

Financing Cash Flows

Net cash provided by financing activities decreased by $161 million in the twelve months ended December 31, 2016 compared to the same period in 2015 primarily due to the net effect of:

- $259 million decrease in net issuances of debt in 2016 as compared with 2015;
- $123 million increase in our ATM equity issuances in 2016 as compared with 2015;
- $22 million increase in distributions paid to our common units including our General Partner's effective two percent share and its related IDRs;
- $12 million of distributions paid to Class B units in 2016; and
- $9 million of distributions paid to TransCanada in 2015 as the non-controlling interest owner of GTN until March 31, 2015.

Cash Flow Analysis for the Year Ended December 31, 2015 compared to Same Period in 2014

Operating Cash Flows

Net cash provided by operating activities decreased by $16 million in the twelve months ended December 31, 2015 compared to the same period in 2014 primarily due to the timing of working capital changes. The majority of the timing impact relates to the settlement of our accounts payable and accrued liabilities.

Investing Cash Flows

Net cash used in investing activities increased by $65 million in the twelve months ended December 31, 2015 compared to the same period in 2014 as we invested a higher amount on the acquisition of the remaining 30 percent interest in GTN effective April 1, 2015 compared to our investment in the acquisition of the remaining 30 percent interest in Bison. In 2015, we paid $264 million to acquire the remaining 30 percent interest in GTN compared to $217 million the remaining 30 percent interest in Bison. Additionally, we had higher capital expenditures in 2015 due to expenditures related to the construction of the Carty Lateral. We also paid an additional $25 million to TransCanada in 2014 related to our 2013 Acquisition as a result of the attainment of certain events with respect to the Carty Lateral project.

Financing Cash Flows

Net cash provided by financing activities increased by $93 million in the twelve months ended December 31, 2015 compared to the same period in 2014 primarily due to the net effect of:

- $98 million increase in net issuances of debt in 2015 as compared with 2014;
- $29 million decrease in our ATM equity issuances in 2015 as compared with 2014;
- $16 million increase in distributions paid to our common units including our General Partner's effective two percent share and its related IDRs;
- $41 million decrease in distributions paid to TransCanada as the non-controlling interest owner of GTN and Bison until March 31, 2015 and September 30, 2015, respectively.

Capital spending

The Partnership's share in capital spending for maintenance of existing facilities and growth projects was as follows:

Year Ended December 31 *(unaudited)* *(millions of dollars)*	**2016**	2015	2014
Maintenance	**31**	21	18
Growth	**5**	54	4
Total[a]	**36**	75	22

[a] Total maintenance and growth capital expenditures as reflected in this table include amounts attributable to the Partnership's proportionate share of maintenance and growth capital expenditures of the Partnership's equity investments, which are not reflected in our total capital expenditures as presented in our consolidated statement of cash flows.

Year Ended December 31, 2016 Compared with the Year Ended December 31, 2015

Maintenance capital spending increased by $10 million in 2016 compared to 2015 mainly due to major overhauls conducted in 2016 on Northern Border and Great Lakes and costs related to pipe integrity on Great Lakes and North Baja.

In 2015, The Partnership incurred significant spending related to the construction of Carty Lateral. No such significant project occurred in 2016.

Year Ended December 31, 2015 Compared with the Year Ended December 31, 2014

Overall capital spending increased by $53 million in 2015 compared to 2014 mainly due to the cost incurred on the construction of Carty Lateral, which was placed in service in October 2015.

Cash Flow Outlook

Operating Cash Flow Outlook

Northern Border declared its December 2016 distribution of $16 million on January 9, 2017, of which the Partnership received its 50 percent share or $8 million. The distribution was paid on January 31, 2017.

Northern Border declared its January 2017 distribution of $18 million on February 15, 2017, of which the Partnership received its 50 percent share or $9 million on February 28, 2017.

Great Lakes declared its fourth quarter 2016 distribution of $14 million on January 9, 2017, of which the Partnership received its 46.45 percent share or $7 million. The distribution was paid on February 1, 2017.

PNGTS declared its fourth quarter 2016 distribution of $6 million on December 16, 2016, of which the Partnership received its 49.9 percent share or $3 million. The distribution was paid on January 18, 2017.

Investing Cash Flow Outlook

The Partnership expects to fund $9 million contribution in 2017 to fund debt repayments of Great Lakes which is consistent with prior years.

In 2017, our pipeline systems expect to invest approximately $111 million in maintenance of existing facilities and approximately $23 million in growth projects, of which the Partnership's share would be $79 million and $17 million, respectively. Our consolidated entities have commitments of $1 million as of December 31, 2016 in connection with various maintenance and general plant projects.

Financing Cash Flow Outlook

On January 23, 2017, the board of directors of our General Partner declared the Partnership's fourth quarter 2016 cash distribution in the amount of $0.94 per common unit which was paid on February 14, 2017 to unitholders of record as of February 2, 2017.

On January 23, 2017, the board of directors of our General Partner declared distributions to Class B unitholders in the amount of $22 million which was paid on February 14, 2017. The Class B distribution represents an amount equal to 30 percent of GTN's distributable cash flow during the year ended December 31, 2016 less the threshold level of $20 million. For 2017, the threshold level is the same and we anticipate such threshold will be exceeded in the third quarter of 2017.

Please read Notes 6, 9 12 and 13 within Part IV, Item 15. "Exhibits and Financial Statements Schedules" for more detailed disclosures on the Class B units.

Non-GAAP Financial Measures: EBITDA, Adjusted EBITDA and Distributable Cash Flow

EBITDA is an approximate measure of our operating cash flow during the current earnings period and reconciles directly to the most comparable measure of net income. It measures our earnings before deducting interest, depreciation and amortization, net income attributable to non-controlling interests, and it includes earnings from our equity investments. Our Adjusted EBITDA excludes the impact of the $199 million non-cash impairment charge we recognized in fourth quarter 2015 on our investment in Great Lakes. We believe the charge is significant but not reflective of our underlying operations.

Total distributable cash flow and distributable cash flow provide measures of distributable cash generated during the current earnings period and reconcile directly to the net income amount presented.

Total distributable cash flow includes our Adjusted EBITDA *plus:*

- Distributions from our equity investments

less:

- Earnings from our equity investments,
- Equity allowance for funds used during construction (Equity AFUDC),
- Interest expense,
- Distributions to non-controlling interests, and
- Maintenance capital expenditures.

Distributable cash flow is computed net of distributions declared to the General Partner and distributions allocable to Class B units. Distributions declared to the General Partner are based on its effective two percent interest plus an amount equal to incentive distributions. Distributions allocable to the Class B units equal 30 percent of GTN's distributable cash flow for the year ended December 31, 2016 less $20 million (2015- less $15 million).

Distributable cash flow, EBITDA and Adjusted EBITDA are performance measures presented to assist investors in evaluating our business performance. We believe these measures provide additional meaningful information in evaluating our financial performance and cash generating performance.

The non-GAAP measures described above are provided as a supplement to GAAP financial results and are not meant to be considered in isolation or as substitutes for financial information prepared in accordance with GAAP. Additionally, these measures as presented may not be comparable to similarly titled measures of other companies.

The following table represents a reconciliation of our EBITDA, Adjusted EBITDA, Total distributable cash flow and Distributable cash flow to the most directly comparable GAAP financial measure, Net income, for the periods presented:

Reconciliations of Net Income to EBITDA, Adjusted EBITDA and Distributable Cash Flow

The following table presents a reconciliation of the non-GAAP financial measures of EBITDA, Adjusted EBITDA and Distributable Cash Flow, to the GAAP financial measure of net income.

Year Ended December 31 *(unaudited)* *(millions of dollars)*	**2016**	2015	2014
Net income	**244**	20	204
Add:			
Interest expense[(a)]	**68**	61	51
Depreciation and amortization	**86**	85	86
EBITDA	**398**	166	341
Impairment of equity investment	**–**	199	–
Adjusted EBITDA	**398**	365	341
Add:			
Distributions from equity investments[(b)]			
Northern Border	**91**	91	88
Great Lakes	**34**	40	29
PNGTS[(c)]	**24**	–	–
	149	131	117
Less:			
Equity earnings:			
Northern Border	**(69)**	(66)	(69)
Great Lakes	**(28)**	(31)	(19)
PNGTS	**(19)**	–	–
	(116)	(97)	(88)
Less:			
Equity AFUDC	**–**	(1)	–
Interest expense[(a)]	**(68)**	(61)	(51)
Distributions to non-controlling interests[(d)]	**–**	(11)	(51)
Maintenance capital expenditures[(e)]	**(16)**	(16)	(8)
Total Distributable Cash Flow[(h)]	**347**	310	260
General Partner distributions declared[(f)]	**(12)**	(8)	(5)
Distributions allocable to Class B units[(g)]	**(22)**	(12)	–
Distributable Cash Flow[(h)]	**313**	290	255

(a) Interest expense as presented includes net realized loss related to the interest rates swaps. Please read Notes 11 and 18 within Part IV, Item 15. "Exhibits and Financial Statements Schedules" for information.

(b) These amounts are calculated in accordance with the cash distribution policies of these entities. Distributions from each of our equity investments represent our respective share of these entities' quarterly distributable cash during the current reporting period.

(c) Our equity investee PNGTS had $22 million of senior secured notes payment due in 2016, of which the Partnership's share was approximately $11 million. PNGTS has historically funded its scheduled debt repayments and other cash needs by adjusting its available cash for distribution, which effectively reduces the net cash that we actually receive as distributions from PNGTS. Accordingly, these amounts represent our 49.9 percent share of distributions from PNGTS' available cash before our proportionate share of the total debt repayment of PNGTS.

(d) Distributions to non-controlling interests represent the respective share of our consolidated entities' quarterly distributable cash not owned by us during the current reporting period.

(e) The Partnership's maintenance capital expenditures include cash expenditures made to maintain, over the long term, our assets' operating capacity, system integrity and reliability. Accordingly, this amount represents the Partnership's and its consolidated subsidiaries' maintenance capital expenditures and does not include the Partnership's share of maintenance capital expenditures on our equity investments. Such amounts are reflected in "Distributions from equity investments" as those amounts are withheld by those entities from their quarterly distributable cash.

Please read the Capital spending section within Part II, Item 7. "Management Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources" for more information regarding the Partnership's total proportionate share of maintenance capital expenditures from our consolidated entities and equity investments.

(f) Distributions declared to the General Partner for the year ended December 31, 2016 included an incentive distribution of approximately $6 million (2015 – $2 million).

(g) During the twelve months ended December 31, 2016, 30 percent of GTN's total distributions was $42 million; therefore the distributions allocable to the Class B units was $22 million, representing the amount that exceeded the threshold level of $20 million. During the nine months ended December 31, 2015, 30 percent of GTN's total distributions was $27 million; therefore the distributions allocable to the Class B units was $12 million, representing the amount that exceeded the threshold level of $15 million. The Class B distribution is determined and payable annually.

On January 23, 2017, the board of directors of our General Partner declared distributions to Class B unitholders in the amount of $22 million which was paid on February 14, 2017. The 2015 Class B distribution amounting to $12 million was paid by the Partnership on February 12, 2016. Please read Notes 6, 9, 12 and 13 within Part IV, Item 15. "Exhibits and Financial Statements Schedules" for more detailed disclosures on the Class B units.

(h) "Total Distributable Cash Flow" and "Distributable Cash Flow" represent the amount of distributable cash generated by the Partnership subsidiaries and equity investments during the current earnings period and thus reconcile directly to the net income amount presented. The calculation differs from the previous 2014 non-GAAP measures "Partnership Cash Flows before General Partner distributions" and "Partnership Cash Flows" as the previously used measures primarily reflected cash received during the period through distributions from our subsidiaries and equity investments that were generated from the prior quarter's financial results. The 2014 amounts reflected here have been adjusted to reflect the calculation as described above and to present the comparable "Total Distributable Cash flow" and "Distributable Cash Flow" from the previous periods.

Year Ended December 31, 2016 Compared with the Year Ended December 31, 2015

EBITDA increased by $232 million to $398 million in 2016 compared to $166 million in 2015. The increase was primarily the result of the recognition of a $199 million non-cash impairment charge in 2015 to our investment in Great Lakes which lowered EBITDA in 2015 accordingly (See Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates – Impairment of Equity Investments, Goodwill and Long-Lived Assets – Equity Investments.")

Adjusted EBITDA increased by $33 million compared to the same period in 2015 due to higher transmission revenues and higher earnings from our equity investments as discussed in more detail in the Results of Operations section.

Distributable cash flow increased by $23 million in the twelve months ended December 31, 2016 compared to the same period in 2015 primarily due to the net effect of:

- the cash impact of higher Adjusted EBITDA from our subsidiaries and equity investments;
- no distributions paid to non-controlling interest as a result of the Partnership owning 100 percent of GTN beginning April 1, 2015;
- higher interest expense related to higher borrowings as a result of the recent acquisitions;
- higher General Partner distributions due to higher IDRs in the current period; and
- higher distributions allocable to the Class B units during the current period.

Year Ended December 31, 2015 Compared with the Year Ended December 31, 2014

EBITDA decreased by $175 million to $166 million in 2015 compared to $341 million in 2014. The decrease was primarily the result of the recognition of a $199 million non-cash impairment charge to our investment in Great Lakes in fourth quarter 2015 (See Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates – Impairment of Equity Investments, Goodwill and Long-Lived Assets – Equity Investments.")

Adjusted EBITDA increased by $24 million compared to the same period in 2014 due higher transmission revenues and higher earnings from our equity investments as discussed in more detail in the Results of Operations section.

Distributable cash flow increased by $35 million in the twelve months ended December 31, 2015 compared to the same period in 2014 primarily due to the net effect of:

- the cash impact of higher Adjusted EBITDA from our subsidiaries and equity investments;
- lower distributions to non-controlling interests as a result of the 2015 GTN Acquisition and the 2014 Bison Acquisition;
- higher maintenance capital expenditures primarily due to major compression equipment overhauls on GTN's pipeline system in 2015;
- higher interest expense related to additional borrowings to fund a portion of the 2014 Bison Acquisition and the 2015 GTN Acquisition;
- higher General Partner distributions due to higher IDRs in the current period; and
- distributions allocable to the Class B units during the current period.

Contractual Obligations

The Partnership's Contractual Obligations

The Partnership's contractual obligations as of December 31, 2016 included the following:

		Payments Due by Period			
(millions of dollars)	Total	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years
Senior Credit Facility due 2021	160	–	–	160	–
2013 Term Loan Facility due 2018	500	–	500	–	–
2015 Term Loan Facility due 2018	170	–	170	–	–
4.65% Senior Notes due 2021	350	–	–	350	–
4.375% Senior Notes due 2025	350	–	–	–	350
5.29% Senior Notes due 2020	100	–	–	100	–
5.69% Senior Notes due 2035	150	–	–	–	150
Unsecured Term Loan Facility due 2019	65	10	55	–	–
Unsecured Term Loan due 2019	10	1	9	–	–
3.82% Series D Senior Notes due 2017	12	12	–	–	–
Interest on Debt Obligations[(a)]	435	66	119	82	168
Operating Leases	8	1	2	1	4
	2,310	90	855	693	672

(a) Interest payments on floating-rate debt are estimated using interest rates effective as of December 31, 2016.

On November 10, 2016, the Partnership's Senior Credit Facility was amended to extend the maturity period through November 10, 2021. The Facility consists of a $500 million senior revolving credit facility with a banking syndicate, under which $160 million was outstanding at December 31, 2016 (December 31, 2015 – $200 million), leaving $340 million available for future borrowing.

At the Partnership's option, the interest rate on the outstanding borrowings under the Senior Credit Facility may be lenders' base rate or the London Interbank Offered Rate (LIBOR) plus, in either case, an applicable margin that is based on the Partnership's long-term unsecured credit ratings. The Senior Credit Facility permits the Partnership to specify the portion of the borrowings to be covered by specific interest rate options and, for LIBOR-based borrowings, to specify the interest rate period. The Partnership is required to pay a commitment fee based on its credit rating and on the unused principal amount of the commitments under the Senior Credit Facility. The Senior Credit Facility has a feature whereby at any time, so long as no event of default has occurred and is continuing, the Partnership may request an increase in the Senior Credit Facility of up to $500 million, but no lender has an obligation to increase their respective share of the facility.

The LIBOR-based interest rate on the Senior Credit Facility was 1.92 percent at December 31, 2016 (December 31, 2015 – 1.50 percent).

On July 1, 2013, the Partnership entered into a term loan agreement with a syndicate of lenders for a $500 million term loan credit facility (2013 Term Loan Facility). On July 2, 2013, the Partnership borrowed $500 million under the 2013 Term Loan Facility, to pay a portion of the purchase price of the 2013 Acquisition, maturing on July 1, 2018. The 2013 Term Loan Facility bears interest based, at the Partnership's election, on the LIBOR or the base rate plus, in either case, an applicable margin. The base rate equals the highest of (i) SunTrust Bank's prime rate, (ii) 0.50 percent above the federal funds rate and (iii) 1.00 percent above one-month LIBOR. The applicable margin for the term loan is based on the Partnership's senior debt rating and ranges between 1.125 percent and 2.000 percent for LIBOR borrowings and 0.125 percent and 1.000 percent for base rate borrowings.

As of December 31, 2016, the variable interest rate exposure related to 2013 Term Loan Facility was hedged by fixed interest rate swap arrangements and our effective interest rate was 2.31 percent (2015 – 2.79 percent). Prior to hedging activities, the LIBOR-based interest rate was 1.87 percent at December 31, 2016 (December 31, 2015 – 1.50 percent).

On September 30, 2015, the Partnership entered into an agreement for a $170 million term loan credit facility (2015 Term Loan Facility). The Partnership borrowed $170 million under the 2015 Term Loan Facility to refinance its Short-Term Loan Facility which matured on September 30, 2015. The 2015 Term Loan Facility matures on October 1, 2018. The LIBOR-based interest rate on the 2015 Term Loan Facility was 1.77 percent at December 31, 2016 (December 31, 2015 – 1.39 percent).

The 2013 Term Loan Facility and the 2015 Term Loan Facility (Term Loan Facilities) and the Senior Credit Facility require the Partnership to maintain a certain leverage ratio (debt to adjusted cash flow [net income plus cash distributions received, extraordinary losses, interest expense, expense for taxes paid or accrued, and depreciation and amortization expense less equity earnings and extraordinary gains]) no greater than 5.00 to 1.00 for each fiscal quarter, except for the fiscal quarter and the two following fiscal quarters in which one or more acquisitions has been executed, in which case the leverage ratio is to be no greater than 5.50 to 1.00. The leverage ratio was 4.01 to 1.00 as of December 31, 2016.

The Senior Credit Facility and the Term Loan Facilities contain additional covenants that include restrictions on entering into mergers, consolidations and sales of assets, granting liens, material amendments to the Partnership Agreement, incurrence of additional debt by the Partnership's subsidiaries and distributions to unitholders. Upon any breach of these covenants, amounts outstanding under the Senior Credit Facility and the Term Loan Facilities may become immediately due and payable.

On March 13, 2015, the Partnership closed a $350 million public offering of senior unsecured notes bearing an interest rate of 4.375 percent maturing March 13, 2025. The net proceeds of $346 million were used to fund a portion of the

2015 GTN Acquisition and to reduce the amount outstanding under our Senior Credit Facility. The indenture for the notes contains customary investment grade covenants.

On June 1, 2015, GTN's 5.09 percent unsecured Senior Notes matured. Also, on June 1, 2015, GTN entered into a $75 million unsecured variable rate term loan facility (Unsecured Term Loan Facility), which requires yearly principal payments until its maturity on June 1, 2019. The variable interest is based on LIBOR plus an applicable margin. The LIBOR-based interest rate on the Unsecured Term Loan Facility was 1.57 percent at December 31, 2016 (December 31, 2015 – 1.19 percent). GTN's Unsecured Senior Notes, along with this new Unsecured Term Loan Facility contain a covenant that limits total debt to no greater than 70 percent of GTN's total capitalization. GTN's total debt to total capitalization ratio at December 31, 2016 is 44.5 percent.

Tuscarora's Series D Senior Notes, which require yearly principal payments until maturity, are secured by Tuscarora's transportation contracts, supporting agreements and substantially all of Tuscarora's property. The note purchase agreements contain certain provisions that include, among other items, limitations on additional indebtedness and distributions to partners. The Series D Senior Notes contain a covenant that limits total debt to no greater than 45 percent of Tuscarora's total capitalization. Tuscarora's total debt to total capitalization ratio at December 31, 2016 was 21.22 percent. Additionally, the Series D Senior Notes require Tuscarora to maintain a Debt Service Coverage Ratio (cash available from operations divided by a sum of interest expense and principal payments) of greater than 3.00 to 1.00. The ratio was 4.15 to 1.00 as of December 31, 2016.

On April 29, 2016, Tuscarora entered into a $9.5 million unsecured variable rate term loan facility which requires yearly principal payments until its maturity on April 29, 2019. The variable interest is based on LIBOR plus an applicable margin and was 1.90 percent at December 31, 2016.

At December 31, 2016, the Partnership was in compliance with its financial covenants, in addition to the other covenants which include restrictions on entering into mergers, consolidations and sales of assets, granting liens, material amendments to the Partnership Agreement, incurring additional debt and distributions to unitholders.

The fair value of the Partnership's long-term debt is estimated by discounting the future cash flows of each instrument at estimated current borrowing rates. The estimated fair value of the Partnership's long-term debt at December 31, 2016 was $1,908 million. As of February 28, 2017, the Partnership had $120 million outstanding under the Senior Credit Facility.

Summary of Northern Border's Contractual Obligations

Northern Border's contractual obligations as of December 31, 2016 included the following:

		Payments Due by Period[a]			
(millions of dollars)	Total	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years
7.50% Senior Notes due 2021	250	–	–	250	–
$200 million Credit Agreement due 2020	181	–	–	181	–
Interest payments on debt	103	22	44	37	–
Operating leases[b]	55	3	5	5	42
	589	25	49	473	42

(a) Represents 100 percent of Northern Border's contractual obligations.

(b) Future minimum payments for office space and rights-of-way under non-cancelable operating leases

Northern Border has commitments of $8 million as of December 31, 2016 in connection with various pipeline, metering and overhaul projects.

Senior Notes

All of Northern Border's outstanding debt securities are senior unsecured notes with similar terms except for interest rates, maturity dates and prepayment premiums. The indentures for the notes do not limit the amount of unsecured debt Northern Border may incur, but do restrict secured indebtedness. At December 31, 2016, Northern Border was in compliance with all of its financial covenants.

At December 31, 2016, the aggregate estimated fair value of Northern Border's long-term debt was approximately $464 million (2015 – $426 million). In 2016, interest expense related to the senior notes was $23 million (2015 – $25 million; 2014 – $25 million).

Credit Agreement

Northern Border's credit agreement consists of a $200 million revolving credit facility. At December 31, 2016, $181 million was outstanding leaving $19 million available for future borrowings. At Northern Border's option, the interest rate on the outstanding borrowings may be the lenders' base rate or LIBOR plus, in either case, an applicable margin that is based on Northern Border's long-term unsecured credit ratings. The interest rate on Northern Border's credit agreement at December 31, 2016 was 1.90 percent (2015 – 1.74 percent). At December 31, 2016, Northern Border was in compliance with all of its financial covenants.

2016 Credit Facility

On November 15, 2016, Northern Border entered into a $100 million 364-day revolving credit facility expiring on November 14, 2017, which utilizes the same covenants as the $200 million revolving credit facility. As a result of the shared covenants, the $200 million revolving credit facility was amended for the second time to include the cross default with the new $100 million 364-day revolving credit facility. At December 31, 2016, the $100 million 364-day revolving credit facility has not been utilized.

Summary of Great Lakes' Contractual Obligations

Great Lakes' contractual obligations as of December 31, 2016 included the following:

		Payments Due by Period[a]			
(millions of dollars)	Total	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years
6.73% series Senior Notes due 2016 to 2018	18	9	9	–	–
9.09% series Senior Notes due 2016 to 2021	50	10	20	20	–
6.95% series Senior Notes due 2019 to 2028	110	–	11	22	77
8.08% series Senior Notes due 2021 to 2030	100	–	–	10	90
Interest payments on debt	141	21	38	31	51
	419	40	78	83	218

(a) Represents 100 percent of Great Lakes' contractual obligations.

Great Lakes has commitments of $1 million as of December 31, 2016 in connection with pipeline integrity and overhaul projects.

Long-Term Financing

All of Great Lakes' outstanding debt securities are senior unsecured notes with similar terms except for interest rates, maturity dates and prepayment premiums.

Great Lakes is required to comply with certain financial, operational and legal covenants. Under the most restrictive covenants in the senior note agreements, approximately $150 million of Great Lakes' partners' capital was restricted as to distributions as of December 31, 2016 (2015 – $160 million). Great Lakes was in compliance with all of its financial covenants at December 31, 2016.

The aggregate estimated fair value of Great Lakes' long-term debt was $354 million at December 31, 2016 (2015 – $362 million). The aggregate annual required repayment of senior notes is $19 million for each year 2017 and 2018 and $21 million for each year 2019 and 2020 and $31 million for 2021. Aggregate required repayments of senior notes thereafter total $167 million. In 2016, interest expense related to Great Lakes' senior notes was $22 million (2015 – $24 million; 2014 – $25 million).

Other

Great Lakes has a cash management agreement with TransCanada whereby Great Lakes' funds are pooled with other TransCanada affiliates. The agreement also gives Great Lakes the ability to obtain short-term borrowings to provide liquidity for Great Lakes' operating needs. At December 31, 2016 and 2015, Great Lakes has an outstanding receivable from this arrangement amounting to $27 million and $51 million, respectively.

Summary of PNGTS' Contractual Obligations

PNGTS' contractual obligations related to debt as of December 31, 2016 included the following:

		Payments Due by Period[(a)]			
(millions of dollars)	Total	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years
5.90% Senior Secured Notes due 2018	53	23	30	–	–
Interest payments on debt	4	3	1	–	–
Operating leases	1	–	–	–	1
	58	26	31	–	1

(a) Represents 100 percent of PNGTS' contractual obligations.

PNGTS has no material commitments as of December 31, 2016.

The Partnership's equity investee PNGTS has $23 million of senior secured notes due in 2017, of which the Partnership's share is approximately $11 million.

Additionally, PNGTS is restricted under the terms of its note purchase agreement from making cash distributions to its partners unless certain conditions are met. Before a distribution can be made, the debt service reserve account must be fully funded and the PNGTS debt service coverage ratio for the preceding and succeeding twelve months must be 1.30 or greater. At December 31, 2016, the debt service coverage ratio was 1.82 for the twelve preceding months and 1.79 for the twelve succeeding months. Therefore, PNGTS was not restricted to make any cash distributions.

Cash Distribution Policy of the Partnership

The following table illustrates the percentage allocations of available cash from operating surplus between the common unitholders and our General Partner based on the specified target distribution levels. The percentage interests set forth below for our General Partner include its two percent general partner interest and IDRs, and assume our General Partner has contributed any additional capital necessary to maintain its two percent general partner interest. The distribution to the General Partner illustrated below, other than in its capacity as a holder of 5,797,106 common units that are in excess of its effective two percent general partner interest, represents the IDRs.

	Total Quarterly Distribution Per Unit Target Amount	Marginal Percentage Interest in Distribution	
		Common Unitholders	General Partner
Minimum Quarterly Distribution	$0.45	98%	2%
First Target Distribution	above $0.45 up to $0.81	98%	2%
Second Target Distribution	above $0.81 up to $0.88	85%	15%
Thereafter	above $0.88	75%	25%

The following table provides information about our distributions (in millions, except per unit distributions amounts).

			Limited Partners		General Partner		
Declaration Date	**Payment Date**	**Per Unit Distribution**	**Common Units**	**Class B Units[(c)]**	**2%**	**IDRs[(a)]**	**Total Cash Distribution**
1/16/2014	2/14/2014	$0.81	$50	$ –	$ 1	$ –	$ 51
4/25/2014	5/15/2014	$0.81	$51	$ –	$ 1	$ –	$ 52
7/23/2014	8/14/2014	$0.84	$53	$ –	$ 1	$ –	$ 54
10/23/2014	11/14/2014	$0.84	$53	$ –	$ 1	$ 1	$ 55
1/22/2015	2/13/2015	$0.84	$54	$ –	$ 1	$ –	$ 55
4/23/2015	5/15/2015	$0.84	$54	$ –	$ 1	$ –	$ 55
7/23/2015	8/14/2015	$0.89	$56	$ –	$ 2	$ 1	$ 59
10/22/2015	11/13/2015	$0.89	$57	$ –	$ 1	$ 1	$ 59
1/21/2016	2/12/2016	$0.89	$57	$ 12[(d)]	$ 1	$ 1	$ 71
4/21/2016	5/13/2016	$0.89	$58	$ –	$ 1	$ 1	$ 60
7/21/2016	8/12/2016	$0.94	$62	$ –	$ 1	$ 2	$ 65
10/20/2016	11/14/2016	$0.94	$63	$ –	$ 1	$ 2	$ 66
1/23/2017[(b)]	2/14/2017[(b)]	$0.94	$64	$ 22[(e)]	$ 2	$ 2	$ 90

(a) The distributions paid for the year ended December 31, 2016 included incentive distributions to the General Partner of $6 million (2015 – $2 million, 2014 – $1 million).

(b) On February 14, 2017, we paid a cash distribution of $0.94 per unit on our outstanding common units to unitholders of record at the close of business on February 2, 2017. Please read Note 23 within Part IV, Item 15. "Exhibits and Financial Statement Schedules" for more detailed disclosures this distribution.

(c) The Class B units issued by us on April 1, 2015 represent limited partner interests in us and entitle TransCanada to an annual distribution which is an amount based on 30 percent of GTN's annual distributions after exceeding certain annual thresholds. Please read Notes 6, 9 and 12 within Part IV, Item 15. "Exhibits and Financial Statement Schedules" for more detailed disclosures on the Class B units.

(d) On February 12, 2016, we paid TransCanada $12 million representing 30 percent of GTN's total distributable cash flows for the nine months ended December 31, 2015 less $15 million. Please read Notes 6, 9 and 12 within Part IV, Item 15. "Exhibits and Financial Statement Schedules" for more detailed disclosures on the Class B units.

(e) On February 14, 2017, we paid TransCanada $22 million representing 30 percent of GTN's total distributable cash flows for the year ended December 31, 2016 less $20 million Please read Notes 6, 9 and 12 within Part IV, Item 15. "Exhibits and Financial Statement Schedules" for more detailed disclosures on the Class B units.

Distribution Policies of Our Pipeline Systems

Distributions of available cash are made to partners on a pro rata basis according to each partner's ownership percentage, approximately one month following the end of a quarter. Our pipeline systems' respective management committees determine the amounts and timing of cash distributions, where the amounts of such distributions are based on distributable cash flow as determined by a prescribed formula. Any changes to, or suspension of our pipeline systems' cash distribution policies requires the unanimous approval of their respective management committees.

GTN, Bison, and North Baja's distribution policies require the pipelines to distribute 100 percent of distributable cash flow based on earnings before depreciation and amortization less allowance for funds used during construction (AFUDC) and maintenance capital expenditures. This defined formula is subject to management committee approval and can be modified to ensure minimum cash balances, equity balances and ratios are maintained.

Tuscarora's distribution policy requires the distribution of 100 percent of distributable cash flow based on earnings before depreciation and amortization less debt repayment, AFUDC and maintenance capital expenditures. This defined formula is subject to management committee approval and can be modified to ensure minimum cash balances, equity balances and ratios are maintained.

Northern Border's distribution policy requires Northern Border to distribute on a monthly basis, 100 percent of the distributable cash flow based on earnings before interest, taxes, depreciation and amortization less interest expense and maintenance capital expenditures. Northern Border adopted certain changes related to equity contributions that defined minimum equity to total capitalization ratios to be used by the Northern Border management committee to determine the amount of required equity contributions, timing of the required contributions and for any shortfall due to the inability to refinance maturing debt to be funded by equity contributions.

Great Lakes' distribution policy requires the distribution of 100 percent of distributable cash flow based on earnings before income taxes, depreciation, AFUDC less capital expenditures and debt repayments not funded with cash calls to its partners. This defined formula is subject to management committee approval and can be modified to ensure minimum cash balances, equity balances and ratios are maintained.

PNGTS distributes its available cash less any required reserves that are necessary to comply with its debt covenants and/or appropriately conduct its business, as determined and approved by its management committee. While PNGTS debt repayments are not funded with cash calls to its owners, PNGTS has historically funded its scheduled debt repayments by adjusting its available cash for distribution, which effectively reduces the net cash the Partnership receives as distributions from PNGTS.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions with respect to values or conditions which cannot be known with certainty, that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates and assumptions also affect the reported amounts of revenue and expenses during the reporting period. Although we believe these estimates and assumptions are reasonable, actual results could differ.

We believe our critical accounting estimates discussed in the following paragraphs require us to make the most significant assumptions when preparing our financial statements and changes in these assumptions could have a material impact on the financial statements. These critical accounting estimates should be read in conjunction with our accounting policies summarized on Notes 2 and 3 of Part IV, Item 15. "Exhibits and Financial Statement Schedules."

Regulation

Our pipeline systems' accounting policies conform to *Accounting Standards Codification (ASC) 980 – Regulated Operations*. As a result, our pipeline systems record assets and liabilities that result from the regulated ratemaking process that may not be recorded under GAAP for non-regulated entities. Regulatory assets generally represent incurred costs that have been deferred because such costs are probable of future recovery in customer rates. Regulatory liabilities generally represent obligations to make refunds to customers or for instances where the regulator provides current rates that are intended to recover costs that are expected to be incurred in the future. Our pipeline systems consider several factors to evaluate their continued application of the provisions of ASC 980 such as potential deregulation of their pipelines; anticipated changes from cost-based ratemaking to another form of regulation; increasing competition that limits their ability to recover costs; and regulatory actions that limit rate relief to a level insufficient to recover costs.

Certain assets that result from the ratemaking process are reflected on the balance sheets of our pipeline systems. If it is determined that future recovery of these assets is no longer probable as a result of discontinuing application of ASC 980 or other regulatory actions, our pipeline systems would be required to write off the regulatory assets at that time.

As of December 31, 2016, our equity investees have regulatory assets amounting to $15 million (2015 – $16 million).

As of December 31, 2016, our equity investees have regulatory liabilities amounting to $27 million (2015 – $22 million).

At December 31, 2016, the Partnership had $1 million regulatory assets reported as part of other current assets on the balance sheet representing volumetric fuel tracker assets that are settled with in-kind exchanges with customers continually (2015 – $2 million). As of December 31, 2016, the Partnership had regulatory liabilities of $25 million mostly relating to estimated costs associated with future removal of transmission and gathering facilities or allowed to be collected by FERC in depreciation rates (2015 – $24 million).

Impairment of Equity Investments, Goodwill and Long-Lived Assets

Equity Investments

We review our equity method investments when a significant event or change in circumstances has occurred that may have an adverse effect on the fair value of each investment. When such events or changes occur, we compare the estimated fair value to the carrying value of the related investment. We calculate the estimated fair value of an investment in an equity method investee using an income approach and market approach. The development of fair value estimates requires significant judgment including estimates of future cash flows, which is dependent on internal forecasts, estimates of the long-term rate of growth for the investee, estimates of the useful life over which cash flows will occur, and determination of weighted average cost of capital. The estimates used to calculate the fair value of an investee can change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and our assessment as to whether an investment in an equity method investee has suffered impairment.

If the estimated fair value of an investment is less than its carrying value, we are required to determine if the decline in fair value is other than temporary. This determination considers the aforementioned valuation methodologies, the length of time and the extent to which fair value has been less than carrying value, the financial condition and near-term prospects of the investee, including any specific events which may influence the operations of the investee, the intent and ability of the holder to retain its investment in the investee for a period of time sufficient to allow for any anticipated recovery in market value, and other facts and circumstances. If the fair value of an investment is less than its carrying value and the decline in value is determined to be other than temporary, we record an impairment charge.

During the fourth quarter of 2015, we determined that our investment in Great Lakes' long-term value had been adversely impacted by the changing natural gas flows in its market region. Additionally, we concluded that other strategic alternatives to increase its utilization or revenue were no longer feasible. As a result, we determined that the carrying value of our investment in Great Lakes was in excess of its fair value and the decline was temporary. Accordingly, we concluded that the carrying value of our investment in Great Lakes was impaired.

Our analysis resulted in an impairment charge of $199 million reflected as Impairment of equity-method investment on our Statement of Income for the year ended December 31, 2015. The impairment charge reduced the difference between the carrying value of our investment in Great Lakes and the underlying equity in the net assets, to $260 million. The difference represents the equity method goodwill remaining in our investment in Great Lakes.

The assumptions we used in 2015 related to the estimated fair value of our remaining equity investment in Great Lakes could be negatively impacted by near and long-term conditions including:

- future regulatory rate action or settlement,
- valuation of Great Lakes in future transactions,
- changes in customer demand at Great Lakes for pipeline capacity and services,
- changes in North American natural gas production in the major producing basins,
- changes in natural gas prices and natural gas storage market conditions, and
- changes in other long-term strategic objectives.

Great Lakes' evolving market conditions and other factors relevant to Great Lakes' long term financial performance have remained relatively stable during the year. Accordingly, our estimation of the fair value of our investment in Great Lakes has not materially changed from 2015. There is a risk that reductions in future cash flow forecasts and other adverse changes in these key assumptions could result in additional future impairment of the carrying value of our investment in Great Lakes.

As of December 31, 2016, no impairment charge has been recorded related to any of our other equity investments.

Goodwill

We test goodwill for impairment annually based on *ASC 350 – Intangibles – Goodwill and Other*, or more frequently if events or changes in circumstances lead us to believe it might be impaired. We assess qualitative factors to determine whether events or changes in circumstances indicate that goodwill might be impaired, and if we do not conclude that it is more likely than not that the fair value of the reporting unit is greater than the carrying value, we use a two-step process to test for impairment:

1. First, we compare the fair value of the reporting unit, including its goodwill, to its book value. If the fair value is less than book value, we consider our goodwill to be impaired.
2. Next, we measure the amount of the impairment by calculating the implied fair value of the reporting unit's goodwill. We do this by deducting the fair value of the tangible and intangible net assets of the reporting unit from the fair value calculated in the first step. If the goodwill's carrying value exceeds its implied fair value we record an impairment charge.

We base these valuations on our projection of future cash flows which involves making estimates and assumptions about:

- discount rates;
- commodity and capacity prices;
- market supply and demand assumptions;
- growth opportunities;
- output levels;
- competition from other companies;
- regulatory changes; and
- regulatory rate action or settlement.

If our assumptions are not appropriate, or future events indicate that our goodwill is impaired, our net income would be impacted by the amount by which the carrying value exceeds the fair value of reporting unit, to the extent of the balance of goodwill.

At December 31, 2016 and 2015, we had $130 million of goodwill recorded on our consolidated balance sheet related to the North Baja and Tuscarora acquisitions. No impairment of goodwill existed at December 31, 2016.

As discussed more fully in Note 20 within Part IV, Item 15. "Exhibits and Financial Statements Schedules" of this Annual Report on Form 10-K, the reduction in Tuscarora's future cash flows as a result of the Tuscarora Settlement constituted a triggering event in the second quarter of 2016 that led us to evaluate, for possible impairment, the $82 million of goodwill related to our acquisition of Tuscarora.

Our second quarter analysis, which was also reviewed for any material updates as part of our annual impairment test on goodwill, resulted in the estimated fair value of Tuscarora exceeding its carrying value but the excess was less than 10 percent. The fair value was measured using a discounted cash flow analysis and included revenues expected from Tuscarora's current and expected future contracting level. There is a risk that reductions in future cash flow forecasts as a result of Tuscarora not being able to maintain its current contracting level and/or not being able to realize other opportunities on the system, together with adverse changes in other key assumptions such as expected outcome of future rate proceedings, projected operating costs and estimated rate of return on invested capital, could result in a future impairment of the goodwill balance relating to Tuscarora.

Long-Lived Assets

We assess our long-lived assets for impairment based on *ASC 360-10-35 Property, Plant, and Equipment – Overall – Subsequent Measurement* when events or changes in circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows expected to be generated by that asset or asset group is less than the carrying value of the assets, an impairment charge is recognized for the excess of the carrying value over the fair value of the assets. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals as considered necessary.

Our management evaluates changes in our business and economic conditions and their implications for recoverability of our long-lived assets' carrying values when assessing these assets for impairments. The development of fair value estimates requires significant judgement in estimating future cash flows, In order to determine the estimated future cash flows, management must make certain estimates and assumptions, which include, but are not limited to, demand, competition, contract renewals and other factors.

Any changes we make to these estimates and assumptions could materially affect future cash flows, which could result to the recognition of an impairment loss in our statement of income.

As of December 31, 2016, there were no indicators of impairment for our long-lived assets.

Contingencies

Our pipeline systems' accounting for contingencies covers a variety of business activities, including contingencies for legal and environmental liabilities. Our pipeline systems accrue for these contingencies when their assessments indicate that it is probable that a liability has been incurred or an asset will not be recovered and an amount can be reasonably estimated in accordance with *ASC 450 – Contingencies*. Our pipeline systems base their estimates on currently available facts and their estimates of the ultimate outcome or resolution. Actual results may differ from our pipeline systems' estimates resulting in an impact, positive or negative, on earnings and cash flow.

CONTINGENCIES

Legal

Various legal actions or governmental proceedings involving our pipeline systems that have arisen in the ordinary course of business are pending. Our pipeline systems believe that the resolution of these issues will not have a material adverse impact on their results of operations or financial position. Please read Part I, Item 3. "Legal Proceedings" for additional information.

Environmental

We do not believe that compliance with existing environmental laws and regulations will have a material adverse effect on our pipeline systems. Because of the inherent uncertainties as to the final outcome of proposed environmental regulations and legislation, we cannot estimate the range of possible costs, if any, from the proposals. Please read Part I, Item 1. "Business – Government Regulation" for additional information.

Greenhouse Gas Regulation

Through the EPA, the U.S. Government has imposed various measures related to GHG emissions, including emission monitoring and reporting requirements, preconstruction and operating permits for certain large stationary sources. The EPA has also proposed rules requiring the control of methane emissions from and leak detection and repair requirements for certain oil and natural gas production, processing, transmission and storage activities, as well as leak detection and repair requirements. These final and proposed rules, as well as additional legislation or regulations for the control of GHG emissions could materially increase our operating costs, including our cost of environmental compliance by requiring us to install additional equipment and potentially purchase emission allowances or offset credits. The regulation or restriction of GHG emissions could also result in changes to the consumption and demand for natural gas. This could have either positive or adverse effects on our pipeline systems, our financial position, results of operations and future prospects. Please read Part I, Item 1. "Business – Government Regulation" for additional information.

RELATED PARTY TRANSACTIONS

Please read Part III, Item 13. "Certain Relationships and Related Transactions, and Director Independence" and Note 16 within Part IV, Item 15. "Exhibits and Financial Statement Schedules" for more information regarding related party transactions.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

OVERVIEW

The Partnership and our pipeline systems are exposed to market risk, counterparty credit risk and liquidity risk. Our exposure to market risk discussed below includes forward-looking statements and is not necessarily indicative of actual results, which may not represent the maximum possible gains and losses that may occur, since actual gains and losses will differ from those estimated, based on actual market conditions.

Our primary risk management objective is to mitigate the impact of these risks on earnings and cash flow, and ultimately, unitholder value. We do not use financial instruments for trading purposes.

We record derivative financial instruments on the balance sheet as assets and liabilities at fair value. We estimate the fair value of derivative financial instruments using available market information and appropriate valuation techniques. Changes in the fair value of derivative financial instruments are recognized in earnings unless the instrument qualifies as a hedge and meets specific hedge accounting criteria. Qualifying derivative financial instruments' gains and losses may offset the hedged items' related results in earnings for a fair value hedge or be deferred in accumulated other comprehensive income for a cash flow hedge.

MARKET RISK

From time to time, and in order to finance our business and that of our pipeline systems, the Partnership and our pipeline systems issue debt to invest in growth opportunities and provide for ongoing operations. The issuance of debt exposes the Partnership and our pipeline systems to market risk from changes in interest rates which affect earnings and the value of the financial instruments we hold.

Market risk is the risk that changes in market interest rates may result in fluctuations in the fair values or cash flows of financial instruments. We regularly assess the impact of interest rate fluctuations on future cash flows and evaluate hedging opportunities to mitigate our interest rate risk.

As of December 31, 2016, the Partnership's interest rate exposure resulted from our floating rate Senior Credit Facility, 2015 Term Loan Facility, GTN's Unsecured Term Facility and Tuscarora's Unsecured Term Facility, under which $404 million, or 22 percent, of our outstanding debt was subject to variability in LIBOR interest rates. As of December 31, 2015, the Partnership's interest rate exposure results from our floating rate Senior Credit Facility, the unhedged portion ($350 million) of our 2013 Term Loan Facility, our 2015 Term Loan Facility and GTN's Unsecured Term Facility, under which $795 million, or 42 percent, of our outstanding debt was subject to variability in LIBOR interest rates.

As of December 31, 2016, the variable interest rate exposure related to 2013 Term Loan Facility was hedged by fixed interest rate swap arrangements and our effective interest rate was 2.31 percent. If interest rates hypothetically increased (decreased) by one percent, 100 basis points, compared with rates in effect at December 31, 2016, The Partnership's annual interest expense on its remaining debt with variable interest exposure would increase (decrease) and net income would decrease (increase) by approximately $4 million.

As of December 31, 2016, $181 million, or 42 percent of Northern Border's outstanding debt was at floating rates (2015 – $61 million or 15 percent). If interest rates hypothetically increased (decreased) by one percent, 100 basis points, compared with rates in effect at December 31, 2016, Northern Border's annual interest expense would increase (decrease) and its net income would decrease (increase) by approximately $2 million.

GTN's Unsecured Senior Notes, Northern Border's Senior Notes, Tuscarora's Series D Senior Notes and all of Great Lakes' and PNGTS' notes represent fixed-rate debt; therefore, they are not exposed to market risk due to floating interest rates. Interest rate risk does not apply to Bison and North Baja, as they currently do not have any debt.

The Partnership and our pipeline systems use derivatives as part of our overall risk management policy to assist in managing exposures to market risk resulting from these activities within established policies and procedures. Derivative contracts used to manage market risk generally consist of the following:

- Swaps – contractual agreements between two parties to exchange streams of payments over time according to specified terms.

- Options – contractual agreements to convey the right, but not the obligation, for the purchaser to buy or sell a specific amount of a financial instrument at a fixed price, either at a fixed date or at any time within a specified period.

The Partnership and our pipeline systems enter into interest rate swaps and option agreements to mitigate the impact of changes in interest rates.

The interest rate swaps are structured such that the cash flows of the derivative instruments match those of the variable rate of interest on the 2013 Term Loan Facility. The Partnership hedged interest payments on the variable-rate 2013 Term Loan Facility with interest rate swaps maturing July 1, 2018, at a weighted average fixed interest rate of 2.31 percent. At December 31, 2016, the fair value of the interest rate swaps accounted for as cash flow hedges was an asset of $1 million and a liability of $1 million (on a gross basis) and an asset of nil million (on a net basis). At December 31, 2015, the fair value of the interest rate swaps accounted for as cash flow hedges was a liability of $1 million both on a gross and net basis. The Partnership did not record any amounts in net income related to ineffectiveness for interest rate hedges for the years ended December 31, 2016, 2015 and 2014. The net change in fair value of interest rate derivative instruments recognized in other comprehensive income was a gain of $2 million for the year ended December 31, 2016 (2015 –nil million, 2014 – loss of $1 million). In 2016, the net realized loss related to the interest rate swaps was $3 million, and was included in financial charges and other (2015 – $2 million, 2014 – $2 million).

The Partnership has no master netting agreements, however, contracts contain provisions with rights of offset. The Partnership has elected to present the fair value of derivative instruments with the right to offset on a gross basis in the balance sheet. Had the Partnership elected to present these instruments on a net basis, there would be net asset of nil million as of December 31, 2016 and there would be no effect on the consolidated balance sheet as of December 31, 2015.

The Partnership is influenced by the same factors that influence our pipeline systems. None of our pipeline systems own any of the natural gas they transport; therefore, they do not assume any of the related natural gas commodity price risk with respect to transported natural gas volumes.

COUNTERPARTY CREDIT RISK AND LIQUIDITY RISK

Counterparty credit risk represents the financial loss that the Partnership and our pipeline systems would experience if a counterparty to a financial instrument failed to meet its obligations in accordance with the terms and conditions of the financial instruments with the Partnership or its pipeline systems. The Partnership and our pipeline systems have significant credit exposure to financial institutions as they provide committed credit lines and critical liquidity in the interest rate derivative market, as well as letters of credit to mitigate exposures to non-creditworthy customers. The Partnership closely monitors the creditworthiness of our counterparties, including financial institutions. However, we cannot predict to what extent our business would be impacted by uncertainty in energy commodity prices, including possible declines in our customers' credit worthiness.

Our maximum counterparty credit exposure with respect to financial instruments at the balance sheet date consists primarily of the carrying amount, which approximates fair value, of non-derivative financial assets, such as cash and cash equivalents and receivables, as well as the fair value of derivative financial assets. We review our accounts receivable regularly and record allowances for doubtful accounts using the specific identification method. At December 31, 2016, we had not incurred any significant credit losses and had no significant amounts past due or impaired. At December 31, 2016, we had a credit risk concentration on one of our customers, Anadarko Energy Services Company, which owed us approximately $4 million and this amount represented greater than 10 percent of our trade accounts receivable.

Liquidity risk is the risk that the Partnership and our pipeline systems will not be able to meet our financial obligations as they become due. Our approach to managing liquidity risk is to ensure that we always have sufficient cash and credit facilities to meet our obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to our reputation. At December 31, 2016, the Partnership had a Senior Credit Facility of $500 million maturing in 2021 and the outstanding balance on this facility was $160 million. In addition, at December 31, 2016, Northern Border had a committed revolving bank line of $200 million maturing in 2020 and $181 million was drawn and an additional $100 million 364-day revolving credit facility with no current borrowings. Both the Senior Credit Facility and the Northern Border $200 million credit facility have accordion features for additional capacity of $500 million and $100 million respectively, subject to lender consent.

Item 8. Financial Statements and Supplementary Data

The financial statements required by this item are included in Part IV, Item 15 of this report on page F-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

As required by Rule 13a-15(e) under the Exchange Act, the management of our General Partner, including the principal executive officer and principal financial officer, evaluated as of the end of the period covered by this report the effectiveness of our disclosure controls and procedures. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. The Partnership's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives. Based upon and as of the date of the evaluation, the management of our General Partner, including the principal executive officer and principal financial officer, concluded that the Partnership's disclosure controls and procedures as of the end of the year covered by this annual report were effective to provide reasonable assurance that the information required to be disclosed by the Partnership in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is (a) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (b) accumulated and communicated to the management of our General Partner, including the principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

During the quarter ended December 31, 2016, there was no change in the Partnership's internal control over financial reporting that has materially impacted or is reasonably likely to materially impact our internal control over financial reporting.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934. Internal control over financial reporting, no matter how well designed, has inherent limitations and can only provide reasonable assurance with respect to the preparation and fair presentation of published financial statements. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on our assessment according to the above framework, management has concluded that our internal control over financial reporting was effective as of December 31, 2016 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. There were no material weaknesses.

Our independent registered public accounting firm, KPMG LLP (KPMG), independently assessed the effectiveness of the Partnership's internal control over financial reporting. KPMG has issued an attestation report concurring with management's assessment, which is included on page F-2 of the financial statements included in this Form 10-K.

Item 9B. Other Information

On November 10, 2016, the Partnership amended and restated its Senior Credit Facility. Please see "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Contractual Obligations – The Partnership's Contractual Obligations" for additional information regarding the amended and restated Senior Credit Facility.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The Partnership is a limited partnership and as such has no officers, directors or employees. Set forth below is certain information concerning the directors and officers of the General Partner who manage the operations of the Partnership. Each director holds office for a one-year term or until his or her successor is earlier appointed. All officers of the General Partner serve at the discretion of the board of directors of the General Partner which is an indirect wholly-owned subsidiary of TransCanada.

Name	Age	Position with General Partner
Karl Johannson	56	Chair and Director
Jack F. Stark	66	Independent Director
Malyn K. Malquist	64	Independent Director
Walentin (Val) Mirosh	71	Independent Director
Brandon M. Anderson	44	President, Principal Executive Officer and Director
M. Catharine Davis	52	Director
Joel E. Hunter	50	Director
Janine M. Watson	47	Vice-President and General Manager
Nathaniel A. Brown	40	Controller, Principal Financial Officer
Nancy F. Priemer	58	Vice-President, Taxation
Jon A. Dobson	50	Secretary
William C. Morris	54	Treasurer

Mr. Johannson was appointed a director and Chair of the Board of Directors of the General Partner in March 2013. Mr. Johannson's principal occupation is Executive Vice-President and President, Natural Gas Pipelines for TransCanada a position he has held since November 2012, prior to which he served in various roles with TransCanada. He is accountable for TransCanada's natural gas pipelines and regulated natural gas storage business in Canada, the U.S. and Mexico Mr. Johannson has extensive senior management experience in the pipelines and energy industries as a result of his service as an executive of TransCanada and its affiliates. His experience in his prior roles at TransCanada provides him with intimate knowledge of the Partnership, including its strategies, operations and markets. Mr. Johannson's industry knowledge, management experience and leadership skills are highly valuable in assessing our business strategies and accompanying risks.

Mr. Stark was appointed a director of the General Partner in July 1999. Mr. Stark served as Chief Financial Officer of Imergy Power Systems, formerly Deeya Energy, an energy storage systems company from December 2013 to July 2016. Mr. Stark was Chief Financial Officer of BrightSource Energy Inc., a provider of technology for use in large-scale solar thermal power plans from May 2007 to November 2013 and Chief Financial Officer of Silicon Valley Bancshares, a diversified financial services provider, from April 2004 to May 2007. Mr. Stark is also director of TerraForm Power, Inc. and TerraForm Global, Inc. Through his current and prior roles as chief financial officer of numerous companies, Mr. Stark brings valuable financial expertise and management experience, including extensive knowledge regarding financial operations, investor relations, energy risk management, regulatory affairs and knowledge of the natural gas industry. Mr. Stark also has prior audit committee experience, which further enhances his qualifications to serve as a member of our Board and our Audit Committee. His valuable management and financial expertise includes an understanding of the accounting and financial matters that the Partnership and industry address on a regular basis.

Mr. Malquist was appointed a director of the General Partner in April 2011. Mr. Malquist is an executive with more than 30 years of experience serving in a variety of business, operations and financial roles. Mr. Malquist currently serves on the Board of Directors of Headwaters Incorporated, an NYSE-listed company that provides products, technologies and services in the light building products, heavy construction materials and energy industries. From May 2006 to March 2009, Mr. Malquist served as Executive Vice-President of Avista Corporation (Avista), energy production, transmission and distribution company. He also served as Chief Financial Officer of Avista from November 2002 to September 2008, Treasurer from February 2004 to January 2006 and Senior Vice-President from September 2002 to May 2006. Prior to his employment at Avista, Mr. Malquist held various positions at Sierra Pacific Resources, (electricity provider), including President, Chief Executive Officer and Chief Operating Officer from January 1998 to April 2000 and various Senior Vice-President positions from 1994 to 1998. Through his extensive prior management experience, including serving as chief financial officer and chief executive officer of various energy companies, Mr. Malquist brings extensive knowledge regarding financial operations, energy risk management and knowledge of the energy industry to the Board of Directors and the Audit Committee. His valuable management and financial expertise includes an understanding of the accounting and financial matters that the Partnership and industry address on a regular basis. In addition, Mr. Malquist's experience in the energy industry is beneficial to the service he provides to the Board of Directors.

Mr. Mirosh was appointed a director of the General Partner in September 2004. Mr. Mirosh's principal occupation is President of Mircan Resources Ltd., (private consulting company), a position he has held since 2009. From April 2008 to December 2009, he was Vice-President and Special Advisor to the President and Chief Operating Officer of NOVA Chemicals Corporation (a commodity chemicals and plastics company). From July 2003 to April 2008, Mr. Mirosh was President of Olefins and Feedstocks, a division of NOVA Chemicals Corporation. Mr. Mirosh is also a director of Superior Plus Income Fund (energy services, specialty chemicals and construction products distribution) and Murphy Oil Corporation (an international oil and gas company). Mr. Mirosh's extensive experience in the natural gas transmission sector enhances the knowledge of the Board in this area of the industry. As a current and former executive and director of various companies, his breadth of experience is applicable to many of the matters routinely facing the Partnership. Moreover, Mr. Mirosh's experience and industry knowledge, complemented by an engineering and legal educational background, enable Mr. Mirosh to provide the Board of Directors and Audit Committee with executive counsel on a full range of business, financial, technical and professional matters.

Mr. Anderson was appointed President, Principal Executive Officer and a Director of the General Partner in January 2016. Mr. Anderson also holds the position of Senior Vice-President and General Manager, U.S. Natural Gas Storage, Midstream for TransCanada. From July 2015 to July 2016, Mr. Anderson was Senior Vice-President and General Manager, U.S. Natural Gas Pipelines for TransCanada. Mr. Anderson has over 20 years of energy industry experience and, since joining TransCanada in 2002, has held a variety of leadership positions in energy marketing and trading, business development, electricity, gas storage and TransCanada's Mexico pipeline operations. Mr. Anderson served as Senior Vice President and General Manager, Mexico Gas and Power from May 2013 to July 2015, Senior Vice President, Western Power and Gas Storage from January 2011 to May 2013 and Vice President, Gas Storage from March 2006 to January 2011.

Ms. Davis was appointed a director of the General Partner in April 2014. Ms. Davis' principal occupation is Vice-President, Law, Natural Gas Pipelines for TransCanada. Ms. Davis is responsible for the regulatory, compliance, commercial, safety, environment, and business development law services provided to TransCanada's existing and proposed natural gas pipelines in Canada, the U.S., and Mexico. She is Chief Compliance Officer for the TransCanada Mainline and NGTL systems. From November of 2012 to October of 2015, Ms. Davis was the Vice-President, Law, Canadian Pipelines, Corporate Services Division for TransCanada, responsible for the regulatory, commercial, Aboriginal, land, safety, and environment law services provided to TransCanada's existing and proposed oil pipelines both in Canada and the U.S., and to its existing and proposed Canadian natural gas pipelines. From February 2007 to November 2012, Ms. Davis was Chief Compliance Officer and Associate General Counsel, and later Vice President, U.S. Pipelines Law for TransCanada's U.S. natural gas pipelines and storage companies. Prior to joining TransCanada in February 2007, Ms. Davis held various legal positions at Great Lakes Gas Transmission Company, most recently as Associate General Counsel and Chief Compliance Officer. Prior to 1992, she worked in the Federal Energy Regulatory Commission's Office of Administrative Law Judges, as a law clerk.

Mr. Hunter was appointed a director of the General Partner in April 2014. Mr. Hunter's principal occupation is the Vice-President, Finance, and Treasurer, for TransCanada, and is responsible for Corporate Finance, Corporate Planning, Trading and Financial Risk Management, Cash Management and Pension Asset Management. Since joining TransCanada in 1997, Mr. Hunter has held a number of positions of increasing responsibility, including Director of Corporate Finance from January 2008 to July 2010.

Ms. Watson was appointed Vice-President and General Manager for the General Partner in October 2015. Her principal occupation is Director, LP Management & Pricing for TransCanada, a position she has held since October 2015. Ms. Watson has served in progressively senior positions in the natural gas pipeline and energy business segments of TransCanada since 1997. Prior to joining TransCanada, Ms. Watson was an attorney at the Calgary office of McCarthy Tétrault and clerked at the Alberta Court of Appeal.

Mr. Brown was appointed the Controller and Principal Financial Officer of the General Partner in May 2014. His principal occupation is Director of Financial Services for TransCanada's U.S. Pipelines. In that capacity, Mr. Brown is responsible for accounting, financial reporting, planning and budgeting. Previously, Mr. Brown was Manager of accounting for TransCanada's U.S. Pipelines West from November 2009 through May 2014. In this role, he also provides regulatory accounting support for rate filings, settlement negotiations, and other regulatory proceedings. Prior to joining TransCanada, Mr. Brown spent eight years in public accounting, most recently as an audit manager for Grant Thornton LLP and Ernst &Young.

Ms. Priemer was appointed Vice-President, Taxation of the General Partner in February 2016. Ms. Priemer's principal occupation is Director, U.S. Natural Gas Pipelines Taxation of TransCanada, a position she has held since July 2009. Prior to this position Ms. Priemer was a Tax Director of an affiliate located in Michigan, a position she held since 1998. Prior to joining TransCanada, Ms. Priemer spent 18 years in both public accounting and industry.

Mr. Dobson was appointed Secretary of the General Partner in May 2014, prior to which he served as Assistant Secretary of the General Partner since April 2012. Mr. Dobson's principal occupation is Director, U.S., Governance, and Corporate and Securities Law and Corporate Secretary for TransCanada's U.S. subsidiaries. Prior to joining TransCanada in January 2011, Mr. Dobson spent 18 years practicing law in various corporate and law firm positions, including Vice President and Assistant General Counsel of Nash Finch Company; Vice President, General Counsel and Secretary of BMC Industries, Inc.; and associate attorney at Lindquist & Vennum, PLLP.

Mr. Morris was appointed Treasurer of the General Partner in December 2012. Mr. Morris' principal occupation is Director, Finance and Assistant Treasurer of TransCanada, a position he has held since November 2015, and previous to that as Director, Corporate Finance since November 2012. From 2001 to 2012, Mr. Morris was Director of Risk Management for TransCanada and Manager, Risk Management for TransCanada for the previous five years. Prior to joining TransCanada, Mr. Morris spent 12 years in both the public accounting and banking industries.

GOVERNANCE MATTERS

We are a limited partnership and a 'controlled company' as that term is used in NYSE Rule 303A.00, because all of our voting shares are owned by the General Partner. As such, the NYSE listing standards do not require that we or the General Partner have a majority of independent directors or a nominating or compensation committee of the General Partner's board of directors.

The NYSE listing standards require our principal executive officer to annually certify that he is not aware of any violation by the Partnership of the NYSE corporate governance listing standards. This certification was provided to the NYSE on March 24, 2016.

AUDIT COMMITTEE FINANCIAL EXPERT

The board of directors of the General Partner has determined that Malyn Malquist and Jack Stark are "audit committee financial experts," are "independent" and are "financially sophisticated" as defined under applicable SEC rules and NYSE Corporate Governance Standards. The board's affirmative determination for both Malyn Malquist and Jack Stark was based on their respective education and extensive experience as chief financial officers for corporations that presented a breadth and level of complexity of accounting issues that are generally comparable to those of the Partnership.

CODE OF ETHICS AND CORPORATE GOVERNANCE GUIDELINES

The Partnership believes that director, management and employee honesty and integrity are important factors in ensuring good corporate governance. The directors, officers, employees and contractors of the General Partner are subject to TransCanada's Code of Business Ethics (COBE), which also has been adopted for the Partnership by our General Partner. Our COBE is published on our website at www.transcanada.com. If any substantive amendments are made to the COBE for senior officers or if any waivers are granted, the amendment or waiver will be published on the Partnership's website or filed in a report on Form 8-K.

We also have a statement of Corporate Governance Guidelines that sets forth the expectation of how our Board of Directors should function and its position with respect to key corporate governance issues. A copy of the Corporate Governance Guidelines is available on our website at www.tcpipelineslp.com. If any amendments are made to the Corporate Governance Guidelines, the amendment will be published on the Partnership's website or filed in a report on Form 8-K.

AUDIT COMMITTEE

The General Partner of the Partnership has a separately designated audit committee consisting of three independent Board members. The members of the committee are Malyn Malquist, as Chair, Jack Stark and Walentin (Val) Mirosh. All members of the Audit Committee meet the criteria for independence as set forth under the rules of the SEC and those of the NYSE. None of the Audit Committee members have participated in the preparation of the financial statements of the Partnership or any of its subsidiaries at any time during the past three years. In addition, all members of the Audit Committee are able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.

The Audit Committee has adopted a charter which specifically provides that it is responsible for the appointment, compensation, retention and oversight of the independent public accountants engaged in preparing and issuing the Partnership's audit report, that the committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and for the committee to be responsible for establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by employees of the General Partner of concerns regarding questionable accounting or auditing matters. The committee has adopted TransCanada's Ethics Help-Line in fulfillment of its responsibility to establish a confidential and anonymous whistle blowing process. The toll free Ethics Help-Line number and the audit committee's charter are published on the Partnership's website at www.tcpipelineslp.com.

EXECUTIVE SESSIONS OF NON-MANAGEMENT DIRECTORS

The independent directors of the General Partner meet at regularly scheduled executive sessions without management. Jack Stark serves as the presiding director at those executive sessions. Persons wishing to communicate with the General

Partner's independent directors may do so by writing in care of Secretary, Board of Directors, TC PipeLines, GP, Inc., 700 Louisiana Street, Suite 700, Houston, TX 77002, or via fax at 1.508.871.7047.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act, as amended, requires the General Partner's directors and executive officers, and persons who beneficially own more than ten percent of the common units, to file reports of ownership and changes in ownership with the SEC and to furnish us with copies of all such reports. Based solely upon a review of the copies of the reports received by us, we believe that all such filing requirements were satisfied during 2016.

Item 11. Executive Compensation

COMPENSATION DISCUSSION AND ANALYSIS

We are a master limited partnership and are managed by the executive officers of our General Partner. We do not directly employ any of the individuals responsible for managing or operating our business. The executive officers of our General Partner are compensated directly by TransCanada.

The compensation policies and philosophy of TransCanada govern the types and amount of compensation granted to each of the named executive officers. Since these policies and philosophy are those of TransCanada, we refer you to a discussion of those items as set forth in the Executive Compensation section of the TransCanada "Management Information Circular" on the TransCanada website at www.tcpipelineslp.com. The TransCanada "Management Information Circular" is prepared by TransCanada pursuant to applicable Canadian securities regulations and is not incorporated into this document by reference or deemed furnished or filed by us under the Securities Exchange Act of 1934, as amended; rather the reference is to provide our investors with an understanding of the compensation policies and philosophy of the ultimate parent of our General Partner.

The Board of Directors of our General Partner does not have a separate compensation committee, nor does it make any determination with respect to the amount of compensation to be paid to our executive officers. The Board of our General Partner does have responsibility for evaluating and determining the reasonableness of the total amount we are charged for managerial, administrative and operational support provided by TransCanada and its affiliates, including our General Partner. We are allocated and reimburse TransCanada for a percentage of the compensation, including base salary and certain benefit and incentive compensation expenses related to the officers of our General Partner and employees of TransCanada who perform services on our behalf. The base salaries that are allocable to us vary for each officer or employee performing services on our behalf and are based on the estimated amount of time an employee devotes to matters related to our business as compared to the amount of time such employee devotes to matters related to the business of TransCanada and its other affiliates. The Board of Directors of our General Partner specifically approves the percentage allocation to the Partnership of the compensation of the executive officers of the General Partner on an annual basis. Please read Part III, Item 13. "Certain Relationships and Related Transactions, and Director Independence" for more information regarding this arrangement.

The following table summarizes the salary allocated to, and paid by, us in 2016, 2015 and 2014 for our President and Principal Executive Officer, Controller and Principal Financial Officer and other executive officers of our General Partner for whom salaries and benefits of more than $100,000 were allocated to us.

Summary Compensation Table

		Compensation Allocated to the Partnership				
Name and Principal Position	**Year**	**Base Salary**	**Benefits[a][b]**	**Incentive Compensation[a][c]**	**Approximate Percentage of Time Devoted to the Partnership**	**Total Compensation**
Brandon Anderson[d] President and Principal Executive Officer	**2016**	**102,000**	**46,920**	**51,000**	**30%**	**199,920**
Janine Watson[e][h] Vice-President and General Manager	**2016**	**89,018**	**22,255**	**44,509**	**50%**	**155,782**
Nathan A. Brown[f] Controller and Principal Financial Officer	**2016**	**57,481**	**26,441**	**28,741**	**35%**	**112,663**
	2015	56,765	26,112	31,221	35%	114,098
	2014	45,514	20,936	25,033	35%	91,483
Jon A. Dobson[g] Secretary	**2016**	**122,054**	**56,145**	**61,027**	**60%**	**239,226**
	2015	103,508	47,614	56,929	50%	208,051
William C. Morris[h] Treasurer	**2016**	**87,403**	**21,851**	**43,702**	**50%**	**152,956**
	2015	89,990	23,397	49,494	50%	162,881
	2014	90,765	26,322	49,921	45%	167,008

(a) We reimburse TransCanada for benefit and incentive compensation expenses based on a set formula. These expenses include employment-related expenses, including TransCanada's restricted stock unit and stock option awards, retirement plans, health and welfare plans, employer-related payroll taxes, matching contributions made under TransCanada's employee savings plan, and premiums for health and life insurance.

(b) The benefit reimbursement is determined monthly and calculated based on total monthly base salary allocated to us multiplied by a factor applicable to benefits of US and Canadian employees.

(c) The incentive compensation reimbursement is determined monthly and calculated based on total monthly salary allocated to us multiplied by a factor of 0.50 for incentive compensation in 2016 (2015 and 2014 – 0.55).

(d) Appointed as President and Principal Executive Officer effective January 1, 2016.

(e) Appointed as Vice – President in October 2015.

(f) Appointed as Controller and Principal Financial Officer in May 2014.

(g) Appointed as Secretary in May 2014.

(h) Amounts presented have been converted to U.S. Dollars from Canadian dollars using the average exchange rate for the applicable year.

Compensation Committee Report

Neither we, nor our General Partner, have a compensation committee. The board of directors of our General Partner has reviewed and discussed the Compensation Discussion and Analysis set forth above and based on this review and discussion has approved it for inclusion in this Form 10-K.

The board of directors of TC PipeLines GP, Inc:

Brandon Anderson
M. Catharine Davis
Joel E. Hunter
Karl R. Johannson
Malyn K. Malquist
Walentin (Val) Mirosh
Jack F. Stark

Independent Director Compensation[a]

For the year ended December 31, 2016 *(in dollars)*	Earned or Paid in Cash	Unit Awards[b]	Total
Malyn K. Malquist	83,000	76,000	159,000
Jack F. Stark[c]	89,000	65,000	154,000
Walentin (Val) Mirosh	79,000	65,000	144,000

(a) Employee directors do not receive any additional compensation for serving on the board of directors of our General Partner; therefore, no amounts are shown for Karl R. Johannson, Brandon Anderson, M. Catharine Davis and Joel E. Hunter. Amounts paid as reimbursable business expenses to each director for attending board functions are not reflected in this table. Our General Partner does not consider the directors' reimbursable business expenses for attending board functions and other business expenses required to perform board duties to have a personal benefit and thus be considered a perquisite.

(b) Amounts presented reflect the compensation expense recognized related to the DSUs granted during 2016 under the DSU Plan. All of the DSUs granted to Mr. Malquist, Mr. Stark and Mr. Mirosh were outstanding at December 31, 2016.

At December 31, 2016, Mr. Malquist, Mr. Stark and Mr. Mirosh held 9,062, 17,815 and 11,637 DSUs, respectively. The fair market value of the DSUs held by Mr. Malquist, Mr. Stark and Mr. Mirosh at December 31, 2016 was $533,206, $1,048,252 and $684,735, respectively. Amounts also include amounts credited to each independent director's DSU account equal to the distributions payable on the DSUs previously granted or credited. In this regard, Mr. Malquist was credited 580 DSUs, Mr. Stark was credited 1,210 DSUs and Mr. Mirosh was credited 772 DSUs. All DSUs credited during 2016 were outstanding at December 31, 2016.

(c) Lead Independent Director and Chair of the Conflicts Committee.

Cash Compensation

In 2016, each director who was not an employee of TransCanada, the General Partner or its affiliates (independent director) was entitled to a directors' retainer fee of $120,000 per annum, of which $65,000 was automatically granted in DSUs (see DSUs section below). The independent director appointed as Lead Independent Director and chair of the Conflicts Committee and the independent director appointed as chair of the Audit Committee were each entitled to an additional fee of $10,000 and $15,000 per annum, respectively. Each independent director was also paid a fee of $1,500 for attendance at each meeting of the board of directors and a fee of $1,500 for attendance at each meeting of a committee of the board. The independent directors are reimbursed for out-of-pocket expenses incurred in the course of attending such meetings. All fees are paid by the Partnership on a quarterly basis. The independent directors are permitted to elect to receive any portion of their fees in the form of DSUs pursuant to the DSU Plan. On November 3, 2016, the board approved an increase in the independent directors' 2017 annual DSU retainer fee of $5,000 per annum. As a result, commencing January 1, 2017, the retainer fee is $125,000 per annum, of which $70,000 is automatically be granted in DSUs.

Deferred Share Units

The DSU Plan was established in 2007 with the first grant occurring in January 2008. The DSU Plan was amended and restated in its entirety effective as of January 1, 2014. In 2016, as part of the retainer fee, each independent director received an automatic grant of DSUs with a value of $65,000, which was paid quarterly. Commencing January 1, 2017, the retainer fee increased to $125,000 per annum, of which $70,000 is automatically granted in DSUs.

At the time of grant, the value of a DSU is equal to the market value of a common unit at the time the independent director is credited with the units. The value of a DSU when redeemed is equivalent to the market value of a common unit at the time the redemption takes place. DSUs cannot be redeemed until the director ceases to be a member of the Board. Directors may redeem DSUs for cash or common units at their option. DSUs redeemed for common units would be purchased by the Partnership in the open market.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information as of February 24, 2017 regarding the (i) beneficial ownership of our common units and shares of TransCanada by the General Partner's directors, the named executive officers and directors and executive officers as a group and (ii) beneficial ownership of our common units by all persons known by the General Partner to own beneficially at least five percent of our common units.

	Amount and Nature of Beneficial Ownership			
	TC Pipelines, LP		TransCanada Corporation	
Name and Business Address	**Number of Units[a]**	**Per cent of Class[b]**	**Common Shares**	**Per cent of class**
TransCan Northern Ltd[c] 450-1st Street SW Calgary, Alberta T2P 5H1	11,287,725	17.6	–	–
TC Pipelines GP, Inc.[d] 450-1st Street SW Calgary, Alberta T2P 5H1	5,797,106	9.0	–	–
OppenheimerFunds, Inc.[e] Two World Financial Center 225 Liberty Street New York, NY 10281	10,373,369	15.48	–	–
Center Coast Capital Advisors, LP[f] 1600 Smith Street, Suite 3800 Houston, TX 77002	3,220,289	4.81	–	–
ALPS Advisors, Inc.[g] 1290 Broadway, Suite 1100 Denver, CO 80203	3,371,450	5.03	–	–
Malyn K. Malquist[h]	10,198	*	–	–
Jack F. Stark[i]	18,373	*	–	–
Walentin (Val) Mirosh[j]	11,812	*	995	*
Karl R. Johannson[k]	–	–	505,081	*
Brandon M. Anderson[l]	–	–	104,764	*
M. Catharine Davis[m]	–	–	27,288	*
Joel E. Hunter[n]	–	–	53,941	*
Nathaniel A. Brown	–	–	–	*
Jon A. Dobson[o]	–	–	388	*
Nancy F. Priemer	–	–	–	*
William C. Morris[p]	–	–	16,684	*
Janine M. Watson[q]			2,326	
Directors and Executive officers as a Group[r] (12 people)	40,383	*	711,467	*

(a) A total of 68,424,792 common units are issued and outstanding. For certain beneficial owners, the number of common units includes DSUs, which are a bookkeeping entry, equivalent to the value of a Partnership common unit, and do not entitle the holder to voting or other unitholder rights, other than the accrual of additional DSUs for the value of distributions. A director cannot redeem DSUs until the director ceases to be a member of the Board. Directors can then redeem their units for cash or common units.

(b) Any DSUs shall be deemed to be outstanding for the purpose of computing the percentage of outstanding common units owned by such person, but shall not be deemed to be outstanding for the purpose of computing the percentage of common units by any other person.

(c) TransCan Northern Ltd. is a wholly-owned indirect subsidiary of TransCanada.

(d) TC PipeLines GP, Inc. is a wholly-owned indirect subsidiary of TransCanada and also owns an effective two percent general partner interest of the Partnership.

(e) Based on a Schedule 13G/A filed with the SEC on January 26, 2017 by OppenheimerFunds, Inc. In this Schedule 13G/A, OppenheimerFunds, Inc. disclaims beneficial ownership, and has shared power to vote and to dispose of the 10,373,369 common units.

(f) Based on a Schedule 13G filed with the SEC on January 17, 2017 by Center Coast Capital Advisors, LP. In this Schedule 13G Center Coast Capital Advisors, LP disclaims beneficial ownership, and has shared power to vote and to dispose of the 3,220,289 common units.

(g) Based on a Schedule 13G filed with the SEC on January 26, 2017 by ALPS Advisors, Inc. In this Schedule 13G ALPS Advisors, Inc. disclaims beneficial ownership, and has shared power to vote and to dispose of the 3,371,450 common units.

(h) Includes 9,198 DSUs and 1,000 common units of the Partnership.

(i) Includes 18,083 DSUs and 290 common units of the Partnership.

(j) Includes 11,812 DSUs and 995 TransCanada common shares.

(k) Includes 475,497 options exercisable within 60 days for TransCanada common shares and 29,584 TransCanada common shares held in his Employee Share Savings Plan account.

(l) Includes 95,692 options exercisable within 60 days for TransCanada common shares, 6,014 TransCanada common shares held directly, 3,058 TransCanada common shares held in his Employee Share Savings Plan accounts.

(m) Includes 26,712 options exercisable within 60 days for TransCanada common shares and 576 TransCanada common shares held in her TransCanada 401(k) and Savings Plan.

(n) Includes 53,772 options exercisable within 60 days for TransCanada common shares and 169 TransCanada common shares held in his Employee Share Savings Plan accounts.

(o) Includes 388 TransCanada common shares held in his TransCanada 401K and Savings Plan.

(p) Includes 8,184 TransCanada common shares held in his Employee Share Savings Plan account and 8,500 TransCanada common shares held jointly with his spouse.

(q) Includes 572 TransCanada common shares held in her Employee Share Savings Plan account and 1,754 TransCanada common shares held by her spouse.

(r) Includes 39,093 DSUs and 1,290 common units of the Partnership, 7,009 TransCanada common shares held directly, 8,500 TransCanada common shares held with a spouse, 651,673 options exercisable within 60 days for TransCanada common shares, 1,754 TransCanada common shares owned by immediate family members of which beneficial ownership of no common shares is disclaimed, and 41,567 TransCanada common shares held in the TransCanada Employee Share Savings Plan and 964 TransCanada common shares held in the 401K and Savings Plan.

* Less than one percent.

Item 13. Certain Relationships and Related Transactions, and Director Independence

As of February 24, 2017, subsidiaries of TransCanada own 17,084,831, or 25.0 percent, of our outstanding common units, including 5,797,106 common units held by the General Partner. In addition, the General Partner owns 100 percent of our IDRs and an effective two percent general partner interest in the Partnership through which it manages and operates the Partnership. TransCanada also owns 100 percent of our Class B units. For more details regarding the Class B units, see Notes 6, 9, 12 and 13 within Part IV, Item 15. "Exhibits and Financial Statement Schedules."

Distributions and Payments to Our General Partner and Its Affiliates

The following table summarizes the distributions and payments made or to be made by us to our General Partner and its affiliates, which includes TransCanada, in connection with the ongoing operation and, if applicable, upon liquidation of the Partnership. These distributions and payments were determined by and among affiliated entities and, consequently, are not the result of arms-length negotiations.

Operational Stage

Distributions of average Cash to our General Partner and its affiliates	We generally make cash distributions of 98 percent to common unitholders, including our general partner with its affiliates as holders of an aggregate of 17,084,831 common units, and the remaining 2 percent to our General Partner. Additionally, the Class B units entitle TransCanada to receive an annual distribution based on 30 percent of GTN's annual distributions exceeding certain thresholds.
Payments to our General Partner and its affiliates	If distributions exceed the minimum quarterly distribution and other higher target levels, our General Partner will be entitled to increasing percentages of the distributions, up to 25 percent of the distributions above the highest target level. We refer to the rights to the increasing distributions as "incentive distribution rights". For further information about distributions, please read Part II Item 5. "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities."
Withdrawal or removal of our General Partner	If our General Partner withdraws or is removed, its General Partner interest and its incentive distribution rights will either be sold to the new general partner for cash or converted into common units, in each case for an amount equal to the fair market value of those interests.

Liquidation Stage

Liquidation	Upon our liquidation, the partners, including our General Partner, will be entitled to receive liquidating distributions according to their particular capital account balances. The Class B units rank equally with common units upon liquidation.

Reimbursement of Operating and General and Administrative Expense

The Partnership does not have any employees. The management and operating functions are provided by the General Partner. The General Partner does not receive a management fee in connection with its management of the Partnership. The Partnership reimburses the General Partner for all costs of services provided, including the costs of employee, officer and director compensation and benefits, and all other expenses necessary or appropriate to the conduct of the business of, and allocable to, the Partnership. Such costs include (i) overhead costs (such as office space and equipment) and (ii) out-of-pocket expenses related to the provision of such services. The Partnership Agreement provides that the General Partner will determine the costs that are allocable to the Partnership in any reasonable manner determined by the General Partner in its sole discretion. Total costs charged to the Partnership by the General Partner were $3 million for the year ended December 31, 2016.

Cash Management Programs

Great Lakes has a cash management agreement with TransCanada whereby its funds are pooled with other TransCanada affiliates. The agreement gives Great Lakes the ability to obtain short-term borrowings to provide liquidity for its operating needs. At December 31, 2016 and 2015, Great Lakes has an outstanding receivable from this arrangement amounting to $27 million and $51 million, respectively.

Transportation Agreements

Great Lakes earns significant transportation revenues from TransCanada and its affiliates, some of which are provided at discounted rates and some at maximum recourse rates. For the year ended December 31, 2016, Great Lakes earned 68 percent of its transportation revenues from TransCanada and its affiliates (2015 – 71 percent; 2014 – 49 percent). Additionally, Great Lakes earned approximately one percent of its total revenues as affiliated rental revenue in 2016 (2015 – 1 percent and 2014 – 1 percent).

At December 31, 2016, $19 million was included in Great Lakes' receivables in regards to the transportation contracts with TransCanada and its affiliates (December 31, 2015 – $17 million).

Great Lakes operates under a FERC approved 2013 rate settlement that includes a revenue sharing mechanism that requires Great Lakes to share with its shippers certain percentages of any qualifying revenues earned above a certain ROEs. A refund of $2.5 million was paid to shippers in 2016 relating to the year ended December 31, 2015, of which approximately 85 percent was made to affiliates of Great Lakes. For the year ended December 31, 2016, Great Lakes has recorded an estimated revenue sharing provision amounting to $7.2 million and Great Lakes expect that a significant percentage of the refund will be to its affiliates as well.

Acquisitions

We have participated in several business acquisitions with TransCanada that were accounted for as transactions between entities under common control. For more details regarding the transactions' size, structure and terms, see Notes 6 within Part IV, Item 15. "Exhibits and Financial Statement Schedules."

Operating Agreements with Our Pipeline Companies

Our pipeline systems are operated by TransCanada and its affiliates pursuant to operating agreements. Under these agreements, our pipeline systems are required to reimburse TransCanada for their costs including payroll, employee benefit costs, and other costs incurred on behalf of our pipeline systems. Costs for materials, services and other charges that are third-party charges are invoiced directly to each of our pipeline systems.

Total costs charged to our pipeline systems for the years ended December 31, 2016, 2015 and 2014 by TransCanada's subsidiaries and amounts payable to TransCanada's subsidiaries at December 31, 2016 and 2015 are summarized in Note 16 within Part IV, Item 15. "Exhibits and Financial Statement Schedules."

Other Agreements

Our pipeline systems currently have interconnection, operational balancing agreements, transportation and exchange agreements and/or other inter-affiliate agreements with affiliates of TransCanada. In addition, each of our pipeline systems currently has other routine agreements with TransCanada that arise in the ordinary course of business, including agreements for services and other transportation and exchange agreement and interconnection and balancing agreements.

Relationship with our General Partner and TransCanada and Conflicts of Interest Resolution

Our Partnership Agreement contains specific provisions that address potential conflicts of interest between our General Partner and its affiliates, including TransCanada, on one hand, and us and our subsidiaries, on the other hand. Whenever such a conflict of interest arises, our General Partner will resolve the conflict. Our General Partner may, but is not required to, seek the approval of such resolution from the conflicts committee of the board of directors of our General Partner (Special Approval), which is comprised of independent directors.

Any conflict of interest and any resolution of such conflict of interest shall be conclusively deemed fair and reasonable if such conflict of interest or resolution is approved by Special Approval:

- on terms no less favorable to the Partnership than those generally being provided to or available from unrelated third parties; or
- fair to us, taking into account the totality of the relationships between the parties involved, including other transactions that may be particularly favorable or advantageous to us.

The General Partner may also adopt a resolution or course of action that has not received Special Approval.

In acting for the Partnership, the General Partner is accountable to us and the unitholders as a fiduciary. Neither the Delaware Revised Uniform Limited Partnership Act (Delaware Act) nor case law defines with particularity the fiduciary duties owed by general partners to limited partners of a limited partnership. The Delaware Act does provide that Delaware limited partnerships may, in their partnership agreements, restrict or expand the fiduciary duties owed by a general partner to limited partners and the partnership.

In order to induce the General Partner to manage the business of the Partnership, the Partnership Agreement contains various provisions restricting the fiduciary duties that might otherwise be owed by the General Partner. The following is a summary of the material restrictions of the fiduciary duties owed by the General Partner to the limited partners:

- The Partnership Agreement permits the General Partner to make a number of decisions in its "sole discretion." This entitles the General Partner to consider only the interests and factors that it desires and it shall have no duty or obligation to give any consideration to any interest of, or factors affecting, the Partnership, its affiliates or any limited partner. Other provisions of the Partnership Agreement provide that the General Partner's actions must be made in its reasonable discretion.
- The Partnership Agreement generally provides that affiliated transactions and resolutions of conflicts of interest not involving a required vote of unitholders must be "fair and reasonable" to the Partnership. In determining whether a transaction or resolution is "fair and reasonable" the General Partner may consider interests of all parties involved, including its own. Unless the General Partner has acted in bad faith, the action taken by the General Partner shall not constitute a breach of its fiduciary duty.

  The Partnership Agreement specifically provides that it shall not be a breach of the General Partner's fiduciary duty if its affiliates engage in business interests and activities in competition with, or in preference or to the exclusion of, the Partnership. Further, the General Partner and its affiliates have no obligation to present business opportunities to the Partnership.
- The Partnership Agreement provides that the General Partner and its officers and directors will not be liable for monetary damages to the Partnership, the limited partners or assignees for errors of judgment or for any acts or omissions if the General Partner and those other persons acted in good faith.

The Partnership is required to indemnify the General Partner and its officers, directors, employees, affiliates, partners, members, agents and trustees (collectively referred to hereafter as the General Partner and others), to the fullest extent permitted by law, against liabilities, costs and expenses incurred by the General Partner and others. This indemnification is required if the General Partner and others acted in good faith and in a manner they reasonably believed to be in, or (in the case of a person other than the General Partner) not opposed to, the best interests of the Partnership. Indemnification is required for criminal proceedings if the General Partner and others had no reasonable cause to believe their conduct was unlawful. Please read Part III, Item 10. "Directors, Executive Officers and Corporate Governance" for additional information.

Director Independence

Please read Part III, Item 10. "Directors, Executive Officers and Corporate Governance" for information about the independence of our General Partner's board of directors and its committees, which information is incorporated herein by reference in its entirety.

Item 14. Principal Accountant Fees and Services

The following table sets forth, for the periods indicated, the fees billed by the principal accountants:

Year ended December 31 *(thousands of dollars)*	**2016**	2015	2014
Audit Fees[(a)(b)(c)]	**1,071**	1,067	922
Audit Related Fees	**–**	–	–
Tax Fees[(d)]	**–**	–	–
All Other Fees	**–**	–	–
Total	**1,071**	1,067	922

(a) $320 thousand of the 2016 audit fees relate to ATM equity financing (2015 and 2014 – $200 thousand).

(b) $150 thousand of the 2015 audit fees relate to issuance of senior unsecured notes in connection with 2015 GTN Acquisition.

(c) $26 thousand of 2015 audit fees related to advisory services for Class B issuance.

(d) The Partnership did not engage its external auditors for any tax or other services in 2016, 2015 or 2014.

AUDIT FEES

Audit fees include fees for the audit of annual GAAP financial statements, reviews of the related quarterly financial statements and related consents and comfort letters for documents filed with the SEC. Before our independent registered public accounting firm is engaged each year for annual audit and any non-audit services, these services and fees are reviewed and approved by our Audit Committee.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) (1) *Financial Statements*

See "Index to Financial Statements" set forth on Page F-1.

(2) *Financial Statement Schedules*

All schedules are omitted because they are either not applicable or the required information is shown in the consolidated financial statements or notes thereto.

(3) *Exhibits*

The exhibit list required by this Item is incorporated by reference to the Exhibit Index that follows the financial statements files as a part of this report.

No.	Description
*2.1	Agreement for purchase and sale of membership interest dated as of May 15, 2013 between TransCanada American Investments Ltd., as Seller, and TC PipeLines Intermediate Limited Partnership, as Buyer (Exhibit 2.1 to TC PipeLines, LP's Form 8-K filed on May 15, 2013).
*2.2	Agreement for purchase and sale of membership interest dated as of May 15, 2013 between TC Continental Pipeline Holdings Inc., as Seller, and TC PipeLines Intermediate Limited Partnership, as Buyer (Exhibit 2.2 to TC PipeLines, LP's Form 8-K filed on May 15, 2013).
*3.1	Third Amended and Restated Agreement of Limited Partnership of TC PipeLines, LP dated April 1, 2015 (Incorporated by reference from Exhibit 3.1 to TC PipeLines, LP's Form 8-K filed April 1, 2015).
*3.2	Certificate of Limited Partnership of TC PipeLines, LP (Incorporated by reference to Exhibit 3.2 to TC PipeLines, LP's Form S-1 Registration Statement, filed on December 30, 1998).
*3.3	First Amended and Restated General Partnership Agreement of Northern Border Pipeline Company by and between Northern Border Intermediate Limited Partnership and TC Pipelines Intermediate Limited Partnership dated April 6, 2006 (Incorporated by reference to Exhibit 3.1 to Northern Border Pipeline Company's Form 8-K filed on April 12, 2006).
*4.1	Indenture, dated as of June 17, 2011, between the Partnership and The Bank of New York Mellon, as trustee (Incorporated by reference to Exhibit 4.1 to TC PipeLines, LP's Form 8-K filed on June 17, 2011).
*4.2	Supplemental Indenture, dated as of June 17, 2011 relating to the issuance of $350,000,000 aggregate principal amount of 4.65% Senior Notes due 2021 (Incorporated by reference to Exhibit 4.2 to TC PipeLines, LP's Form 8-K filed on June 17, 2011).
*4.3	Specimen of 4.65% Senior Notes due 2021 (Incorporated by reference to Exhibit A to the Supplemental Indenture filed as Exhibit 4.2 to TC PipeLines, LP's Form 8-K filed on June 17, 2011).
*4.4	Form of indenture for senior debt securities (Incorporated by reference to Exhibit 4.1 to TC PipeLines, LP's Form 8-K filed on June 14, 2011).
*4.5	Second Supplemental Indenture, dated March 13, 2015, between TC PipeLines, LP and The Bank of New York Mellon (incorporated by reference from Exhibit 4.1 to TC PipeLines, LP's Form 8-K filed March 13, 2015).

*10.1	Amended and Restated Agreement of Limited Partnership of Great Lakes Gas Transmission Limited Partnership between TransCanada GL, Inc., TC GL Intermediate Limited Partnership and Great Lakes Gas Transmission Company dated February 22, 2007 (Incorporated by reference to Exhibit 10.9 to TC PipeLines, LP's Form 10-Q filed on April 30, 2007).
*10.1.1	Amendment No. 1 to the Amended and Restated Agreement of Limited Partnership of Great Lakes Gas Transmission Partnership between TransCanada GL, Inc., TC GL Intermediate Limited Partnership and Great Lakes Gas Transmission Company dated October 25, 2010 (Incorporated by reference to Exhibit 10.1.1 to TC PipeLines, LP's Form 10-K filed on February 25, 2011).
*10.2	Operating Agreement between Great Lakes Gas Transmission Limited Partnership and Great Lakes Gas Transmission Company dated April 5, 1990 (Incorporated by reference to Exhibit 10.10 to TC PipeLines, LP's Form 10-Q filed on April 30, 2007).
*10.3	Operating Agreement by and between Northern Border Pipeline Company and TransCan Northwest Border Ltd. dated April 6, 2006 (Incorporated by reference to Exhibit 10.2 to Northern Border Pipeline Company's Form 8-K filed on April 12, 2006).
*10.3.1	Amendment No.1 to Northern Border Pipeline Company Operating Agreement by and between Northern Border Pipeline Company and TransCanada Northern Border Inc. dated April 22, 2008 (Incorporated by reference to Exhibit 10.9.1 to TC PipeLines, LP's Form 10-K filed on February 27, 2009).
*10.3.2	Second Amendment of Operating Agreement by and between Northern Border Pipeline Company and TransCanada Northern Border Inc. dated February 10, 2010 (Incorporated by reference to Exhibit 10.9.2 to TC PipeLines, LP's Form 10-K filed on February 26, 2010).
*10.4	Operating Agreement by and between Tuscarora Gas Transmission Company and TransCan Northwest Border Ltd. dated December 19, 2006 (Incorporated by reference to Exhibit 10.11 to TC PipeLines, LP's Form 10-K filed on March 2, 2007).
*10.4.1	First Amendment to Operating Agreement by and between Tuscarora Gas Transmission Company and TransCanada Northern Border Inc. (formerly TransCan Northwest Border Ltd.) dated June 21, 2007 (Incorporated by reference to Exhibit 10.10.1 to TC PipeLines, LP's Form 10-K filed on February 27, 2009).
*10.4.2	Second Amendment to Operating Agreement by and between Tuscarora Gas Transmission Company and TransCanada Northern Border Inc. (formerly TransCan Northwest Border Ltd.) dated December 31, 2007 (Incorporated by reference to Exhibit 10.10.2 to TC PipeLines, LP's Form 10-K filed on February 27, 2009).
*10.4.3	Third Amendment to Operating Agreement by and between Tuscarora Gas Transmission Company and TransCanada Northern Border Inc. dated December 31, 2008 (Incorporated by reference to Exhibit 10.10.3 to TC PipeLines, LP's Form 10-K filed on February 27, 2009).
*10.4.4	Fourth Amendment to Operating Agreement by and between Tuscarora Gas Transmission Company and TransCanada Northern Border Inc. dated December 31, 2009 (Incorporated by reference to Exhibit 10.10.4 to TC PipeLines, LP's Form 10-K filed on February 26, 2010).
*10.4.5	Fifth Amendment to Operating Agreement by and between Tuscarora Gas Transmission Company and TransCanada Northern Border Inc. dated December 31, 2010 (Incorporated by reference to Exhibit 10.1 to TC PipeLines, LP's Form 10-Q filed on April 27, 2011).

*10.5	Management Services Agreement by and between Gas Transmission Service Company, LLC (formally PG&E Gas Transmission Service Company, LLC) and North Baja Pipeline, LLC dated January 1, 2002 (Incorporated by reference to Exhibit 10.2 to TC PipeLines, LP's Form 10-Q filed on August 4, 2009).
*10.6	Contribution, Conveyance and Assumption Agreement among TC PipeLines, LP and certain other parties dated May 28, 1999 (Incorporated by reference to Exhibit 10.2 to TC PipeLines, LP's Form 10-K filed on March 28, 2000).
*10.7	Form of Conveyance, Contribution and Assumption Agreement among Northern Plains Natural Gas Company, Northwest Border Pipeline Company, Pan Border Gas Company, Northern Border Partners, L.P., and Northern Border Intermediate Limited Partnership (Incorporated by reference to Exhibit 10.16 to Northern Border Pipeline Company's Form S-1 Registration Statement filed on July 16, 1993 (Registration No. 33-66158)).
*10.8	Form of Contribution, Conveyance and Assumption Agreement by and among TransCanada Border Pipeline Ltd., TransCan Northern Ltd., TransCanada PipeLines Limited, TC PipeLines, L.P., TC PipeLines Intermediate Limited Partnership and TC PipeLines GP, Inc. (Incorporated by reference to Exhibit 10.2 to TC PipeLines, LP's Form S-1/A filed on May 3, 1999).
*10.9	Membership Interest Purchase Agreement by and between Northern Border Pipeline Company and TransCanada Pipeline USA Ltd. dated August 28, 2008, (Incorporated by reference to Exhibit 10.1 to TC PipeLines, LP's Form 10-Q filed on November 3, 2008).
*10.10	Common Unit Purchase Agreement by and between TC PipeLines, LP and TransCan Northern Ltd. dated July 1, 2009 (Incorporated by reference to Exhibit 10.1 to TC PipeLines, LP's Form 8-K filed on July 1, 2009).
*10.11	Exchange Agreement by and between TC PipeLines, LP and TC PipeLines GP, Inc. dated July 1, 2009 (Incorporated by reference to Exhibit 10.2 to TC PipeLines, LP's Form 8-K filed on July 1, 2009).
10.11.1	First Amendment to Term Loan Agreement, dated as of November 10, 2016, by and among TC PipeLines, LP, the Required Lenders and SunTrust Bank, as administrative agent for the Lenders.
*10.12	Guaranty by TransCanada Pipeline USA Ltd. dated May 15, 2013 with respect to the obligations of TransCanada American Investments Ltd. (Incorporated by reference to Exhibit 10.1 to TC PipeLines, LP's Form 8-K filed on May 15, 2013).
*10.13	Guaranty by TransCanada Pipeline USA Ltd. dated May 15, 2013 with respect to the obligations of TC Continental Pipeline Holdings Inc. (Incorporated by reference to Exhibit 10.1 to TC PipeLines, LP's Form 8-K filed on May 15, 2013).
*10.14	Term Loan Agreement, dated as of July 1, 2013, between the Partnership and the lenders (Incorporated by reference to Exhibit 10.1 to TC PipeLines, LP's Form 8-K filed on July 3, 2013).
*10.15	TC PipeLines GP, Inc. Deferred Share Unit Plan for Non-Employee Directors (2013), effective as of January 1, 2014, as amended on December 16, 2013. (Incorporated by reference to Exhibit 10.19 to TC PipeLines, LP's Form 10-K filed on February 28, 2014).
*10.16	Agreement for purchase and sale of membership interest dated as of October 1, 2014 between TC Continental Pipeline Holdings Inc. and TC PipeLines Intermediate Limited Partnership (Incorporated by reference to Exhibit 10.1 to the TC PipeLines, LP's Form 8-K filed October 1, 2014).
*10.17	Agreement for Purchase and Sale of Membership Interest dated as of February 24, 2015 between TransCanada American Investments Ltd., as Seller, and the Partnership, as Buyer (Incorporated by reference to Exhibit 2.1 to TC PipeLines, LP's Form 8-K filed February 25, 2015).

*10.18	Contribution Agreement dated April 1, 2015 by and among TC PipeLines, LP, TC PipeLines GP, Inc. and TC PipeLines Intermediate Limited Partnership. (Incorporated by reference to Exhibit 10.1 to TC PipeLines, LP's Form 10-Q filed August 7, 2015).
*10.19	Term Loan Agreement dated September 30, 2015 between the Partnership and Bank of America, N.A. (Incorporated by reference to Exhibit 10.1 to TC PipeLines, LP's Form 10-Q filed November 6, 2015).
*10.20	Agreement for Purchase and Sale of Partnership Interest by and between TCPL Portland Inc., as Seller, and TC PipeLines Intermediate Limited Partnership, as Buyer (Exhibit 10.1 to TC PipeLines LP's Form 8-K filed on November 6, 2015).
10.21	Third Amended and Restated Revolving Credit and Term Loan Agreement, dated as of November 10, 2016, by and among TC PipeLines, LP, the Lenders, and SunTrust Bank, as administrative agent for the Lenders.
12.1	Computation of Ratio of Earnings to Fixed Charges.
21.1	Subsidiaries of the Registrant.
23.1	Consent of KPMG LLP with respect to the financial statements of TC PipeLines, LP.
23.2	Consent of KPMG LLP with respect to the financial statements of Northern Border Pipeline Company.
23.3	Consent of KPMG LLP with respect to the financial statements of Great Lakes Gas Transmission Limited Partnership.
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*99.1	Transportation Service Agreement FT17196 between Great Lakes Gas Transmission Limited Partnership and ANR Pipeline Company, dated December 3, 2012. (Incorporated by reference to Exhibit 99.17 to TC PipeLines, LP's Form 10-K filed on February 28, 2013).
99.2	Transportation Service Agreement FT9141 between Great Lakes Gas Transmission Limited Partnership and ANR Pipeline Company, effective date April 01, 2017.
99.3	Transportation Service Agreement FT16128 between Great Lakes Transmission Limited Partnership and TransCanada PipeLines Limited, effective date November 01, 2016.
99.4	Transportation Service Agreement FT17190 between Great Lakes Gas Transmission Limited Partnership and TransCanada Pipelines Limited, effective date November 01, 2016.
99.5	Transportation Service Agreement FT17193 between Great Lakes Gas Transmission Limited Partnership and TransCanada Pipelines Limited, effective date November 01, 2016.
99.6	Transportation Service Agreement FT17593 between Great Lakes Gas Transmission Limited Partnership and ANR Pipeline Company, effective date November 01, 2017.
99.7	Transportation Service Agreement FT18138 between Great Lakes Gas Transmission Limited Partnership and ANR Pipeline Company, effective date January 31, 2017.
99.8	Transportation Service Agreement FT18139 between Great Lakes Gas Transmission Limited Partnership and ANR Pipeline Company, effective date January 31, 2017.

99.9	Transportation Service Agreement FT18147 between Great Lakes Gas Transmission Limited Partnership and ANR Pipeline Company, effective date November 01, 2016.
99.10	Transportation Service Agreement FT18150 between Great Lakes Gas Transmission Limited Partnership and ANR Pipeline Company, effective date November 01, 2016.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

* Indicates exhibits incorporated by reference.

Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 28th day of February 2017.

TC PIPELINES, LP
(A Delaware Limited Partnership)
by its General Partner, TC PipeLines GP, Inc.

By: /s/ Brandon Anderson

Brandon Anderson
President
TC PipeLines GP, Inc. (Principal Executive Officer)

By: /s/ Nathaniel A. Brown

Nathaniel A. Brown
Controller
TC PipeLines GP, Inc. (Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Karl R. Johannson Karl R. Johannson	Chair	February 28, 2017
/s/ Brandon Anderson Brandon Anderson	President and Principal Executive Officer	February 28, 2017
/s/ Nathaniel A. Brown Nathaniel A. Brown	Controller and Principal Financial Officer	February 28, 2017
/s/ M. Catharine Davis M. Catharine Davis	Director	February 28, 2017
/s/ Joel E. Hunter Joel E. Hunter	Director	February 28, 2017
/s/ Walentin (Val) Mirosh Walentin (Val) Mirosh	Director	February 28, 2017
/s/ Jack F. Stark Jack F. Stark	Director	February 28, 2017
/s/ Malyn K. Malquist Malyn K. Malquist	Director	February 28, 2017

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Unitholders
TC PipeLines GP, Inc. General Partner of TC PipeLines, LP:

We have audited the accompanying consolidated balance sheets of TC PipeLines, LP (a Delaware limited partnership) and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, changes in partners' equity, and cash flows for each of the years in the three-year period ended December 31, 2016. We also have audited TC PipeLines, LP's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management of the General Partner of TC PipeLines, LP is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on TC PipeLines, LP's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TC PipeLines, LP and subsidiaries as of December 31, 2016 and 2015, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 3 to the financial statements, TC PipeLines, LP changed its method of accounting for the classification of distributions received from equity method investments effective January 1, 2014 due to the adoption of FASB ASU 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments*.

Also in our opinion, TC PipeLines, LP maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

/s/ KPMG LLP

Houston, Texas
February 28, 2017

TC PIPELINES, LP
CONSOLIDATED BALANCE SHEETS

December 31 (millions of dollars)	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	**50**	39
Accounts receivable and other (Note 19)	**37**	33
Distribution receivable from affiliate	**3**	–
Inventories	**7**	7
Other	**5**	2
	102	81
Equity investments (Note 4)	**1,044**	965
Plant, property and equipment, net (Note 5)	**1,881**	1,949
Goodwill	**130**	130
Other assets (Note 3)	**1**	1
	3,158	3,126
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	**27**	32
Accounts payable to affiliates (Note 16)	**7**	5
Accrued interest	**9**	8
Current portion of long-term debt (Note 7)	**23**	14
	66	59
Long-term debt (Note 7)	**1,835**	1,889
Other liabilities (Note 8)	**28**	27
	1,929	1,975
Common units subject to rescission (Note 9)	**83**	–
Partners' Equity (Note 9)		
Common units	**1,002**	1,021
Class B units	**117**	107
General partner	**27**	25
Accumulated other comprehensive loss (Note 10)	**–**	(2)
Controlling interests	**1,146**	1,151
	3,158	3,126

Contingencies (Note 21)
Variable Interest Entities (Note 22)
Subsequent Events (Note 23)

The accompanying notes are an integral part of these consolidated financial statements.

TC PIPELINES, LP
CONSOLIDATED STATEMENTS OF INCOME

Year ended December 31 (millions of dollars except per common unit amounts)	**2016**	**2015**	**2014**
Transmission revenues	**357**	344	336
Equity earnings (Note 4)	**116**	97	88
Impairment of equity-method investment (Note 4)	**–**	(199)	–
Operation and maintenance expenses	**(50)**	(53)	(54)
Property taxes	**(19)**	(19)	(21)
General and administrative	**(7)**	(9)	(9)
Depreciation	**(86)**	(85)	(86)
Financial charges and other (Note 11)	**(67)**	(56)	(50)
Net income	**244**	20	204
Net income attributable to non-controlling interests	**–**	7	32
Net income attributable to controlling interests	**244**	13	172
Net income (loss) attributable to controlling interest allocation (Note 12)			
Common units	**211**	(2)	168
General Partner	**11**	3	4
Class B units	**22**	12	–
	244	13	172
Net income (loss) per common unit (Note 12) – basic and diluted	**$3.21**	$(0.03)	$2.67
Weighted average common units outstanding *(millions)* – basic and diluted	**65.7**	63.9	62.7
Common units outstanding, end of year *(millions)*	**67.4**	64.3	63.6

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended December 31 (millions of dollars)	2016	2015	2014
Net income	**244**	20	204
Other comprehensive income			
Change in fair value of cash flow hedges (Notes 10 and 18)	**3**	–	(1)
Reclassification to net income of gains and losses on cash flow hedges (Note 10)	**(1)**	–	–
Comprehensive income	**246**	20	203
Comprehensive income attributable to non-controlling interests	**–**	7	32
Comprehensive income attributable to controlling interests	**246**	13	171

The accompanying notes are an integral part of these consolidated financial statements.

TC PIPELINES, LP
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended December 31 (millions of dollars)	**2016**	**2015**	**2014**
Cash Generated From Operations			
Net income	**244**	20	204
Depreciation	**86**	85	86
Impairment of equity-method investment (Note 4)	**–**	199	–
Amortization of debt issue costs reported as interest expense (Note 11)	**2**	1	1
Accrual of costs related to acquisition of 49.9% interest in PNGTS (Note 6)	**–**	2	–
Equity earnings from equity investments (Note 4)	**(116)**	(97)	(88)
Distributed earnings received from equity investments (Note 3)	**163**	119	115
Equity allowance for funds used during construction	**–**	(1)	–
Change in operating working capital (Note 14)	**2**	(9)	17
	381	319	335
Investing Activities			
Investment in Great Lakes (Note 4)	**(9)**	(9)	(9)
Acquisition of 49.9 percent interest in PNGTS (Note 6)	**(193)**	–	–
Acquisition of the remaining 30 percent interest in GTN (Note 6)	**–**	(264)	–
Acquisition of the remaining 30 percent interest in Bison (Note 6)	**–**	–	(217)
Adjustment to the 2013 Acquisition	**–**	–	(25)
Capital expenditures	**(28)**	(54)	(10)
Other	**1**	1	–
	(229)	(326)	(261)
Financing Activities			
Distributions paid (Note 13)	**(250)**	(228)	(212)
Distributions paid to Class B units (Note 9 and 13)	**(12)**	–	–
Distributions paid to non-controlling interests	**–**	(9)	(50)
Common unit issuance, net (Note 9)	**84**	44	73
Common unit issuance subject to rescission, net (Note 9)	**83**	–	–
Equity contribution by the General Partner (Note 6)	**–**	2	–
Long-term debt issued, net of discount (Note 7)	**209**	618	35
Short-term loan issued (Note 7)	**–**	–	170
Long-term debt repaid (Note 7)	**(254)**	(404)	(89)
Debt issuance costs	**(1)**	(3)	–
	(141)	20	(73)
Increase/(decrease) in cash and cash equivalents	**11**	13	1
Cash and cash equivalents, beginning of year	**39**	26	25
Cash and cash equivalents, end of year	**50**	39	26
Interest payments made	**63**	54	47
Supplemental information about non-cash investing and financing activities			
Accrual for costs related to construction of GTN's Carty Lateral (Note 14)	**–**	10	–
Issuance of Class B units to TransCanada (Note 9)	**–**	95	–

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN PARTNERS' EQUITY

(millions of units) *(millions of dollars)* *(unaudited)*	Limited Partners				General Partner	Accumulated Other Comprehensive Loss[a]	Non-Controlling Interest	Total Equity
	Common Units		Class B Units					
Partners' Equity at December 31, 2013	62.3	1,322	–	–	28	(1)	440	1,789
Net income	–	168	–	–	4	–	32	204
Other Comprehensive Loss, net	–	–	–	–	–	(1)	–	(1)
ATM Equity Issuance, net (Note 9)	1.3	71	–	–	2	–	–	73
Acquisition of the remaining interest in Bison (Note 6)	–	(29)	–	–	–	–	(188)	(217)
Distributions	–	(207)	–	–	(5)	–	(50)	(262)
Partners' Equity at December 31, 2014	63.6	1,325	–	–	29	(2)	234	1,586
Issuance of Class B Units (Note 6 and 9)	–	–	1.9	95	–	–	–	95
Net income (loss)	–	(2)	–	12	3	–	7	20
Other Comprehensive Loss, net	–	–	–	–	–	–	–	–
ATM Equity Issuance, net (Note 9)	0.7	43	–	–	1	–	–	44
Acquisition of the remaining interest in GTN (Note 6)	–	(124)	–	–	(3)	–	(232)	(359)
Equity Contribution (Note 6)	–	–	–	–	2	–	–	2
Distributions	–	(221)	–	–	(7)	–	(9)	(237)
Partners' Equity at December 31, 2015	64.3	1,021	1.9	107	25	(2)	–	1,151
Net income (loss)	–	211	–	22	11	–	–	244
Other Comprehensive Income, net	–	–	–	–	–	2	–	2
Common unit issuance subject to rescission, net[b] (Note 9)	1.6	81	–	–	2	–	–	83
Reclassification of common unit issuance subject to rescission, net[b] (Note 9)		(81)	–	–	(2)	–	–	(83)
ATM Equity Issuance, net (Note 9)	1.5	82	–	–	2	–	–	84
Acquisition of 49.9 percent interest in PNGTS (Note 6)	–	(72)	–	–	(1)	–	–	(73)
Distributions	–	(240)	–	(12)	(10)	–	–	(262)
Partners' Equity at December 31, 2016	**67.4**	**1,002**	**1.9**	**117**	**27**	**–**	**–**	**1,146**

(a) Losses related to cash flow hedges reported in Accumulated Other Comprehensive Loss and expected to be reclassified to net income in the next 12 months are estimated to be nil. These estimates assume constant interest rates over time; however, the amounts reclassified will vary based on actual value of interest rates at the date of settlement.

(b) These units are treated as outstanding for financial reporting purposes.

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 ORGANIZATION

TC PipeLines, LP and its subsidiaries are collectively referred to herein as the Partnership. The Partnership was formed by TransCanada PipeLines Limited, a wholly-owned subsidiary of TransCanada Corporation (TransCanada Corporation together with its subsidiaries collectively referred to herein as TransCanada), to acquire, own and participate in the management of energy infrastructure assets in North America.

The Partnership owns interests in the following natural gas pipeline systems through three intermediate limited partnerships (ILPs), TC GL Intermediate Limited Partnership, TC PipeLines Intermediate Limited Partnership and TC Tuscarora Intermediate Limited Partnership:

Pipeline	Length	Description	Ownership
Gas Transmission Northwest LLC (GTN)	1,377 miles	Extends between an interconnection near Kingsgate, British Columbia, Canada at the Canadian border to a point near Malin, Oregon at the California border and delivers natural gas to the Pacific Northwest and to California.	100 percent
Bison Pipeline LLC (Bison)	303 miles	Extends from a location near Gillette, Wyoming to Northern Border's pipeline system in North Dakota. Bison can transport natural gas from the Powder River Basin to Midwest markets.	100 percent
North Baja Pipeline, LLC (North Baja)	86 miles	Extends between an interconnection with the El Paso Natural Gas Company pipeline near Ehrenberg, Arizona and an interconnection with a natural gas pipeline near Ogilby, California on the Mexican border transporting natural gas in the southwest. North Baja is a bi-directional pipeline.	100 percent
Tuscarora Gas Transmission Company (Tuscarora)	305 miles	Extends between the GTN pipeline near Malin, Oregon to its terminus near Reno, Nevada and delivers natural gas in northeastern California and northwestern Nevada.	100 percent
Northern Border Pipeline Company (Northern Border)	1,412 miles	Extends between the Canadian border near Port of Morgan, Montana to a terminus near North Hayden, Indiana, south of Chicago. Northern Border is capable of receiving natural gas from Canada, the Williston Basin and Rocky Mountain area for deliveries to the Midwest. ONEOK Partners, L.P. owns the remaining 50 percent of Northern Border.	50 percent
Portland Natural Gas Transmission System (PNGTS)	295 miles	Connects with the TransQuebec and Maritimes Pipeline (TQM) at the Canadian border to deliver natural gas to customers in the U.S. northeast. TransCanada owns 11.81 percent of PNGTS. Northern New England Investment Company, Inc. owns the remaining 38.29 percent of PNGTS.	49.9 percent
Great Lakes Gas Transmission Limited Partnership (Great Lakes)	2,115 miles	Connects with the TransCanada Mainline at the Canadian border near Emerson, Manitoba, Canada and St. Clair, Michigan, near Detroit. Great Lakes is a bi-directional pipeline that can receive and deliver natural gas at multiple points along its system. TransCanada owns the remaining 53.55 percent of Great Lakes.	46.45 percent

The Partnership is managed by its General Partner, TC PipeLines GP, Inc. (General Partner), an indirect wholly-owned subsidiary of TransCanada. The General Partner provides management and operating services to the Partnership and is reimbursed for its costs and expenses. The General Partner owns 5,797,106 of our common units, 100 percent of our IDRs and an effective two percent general partner interest in the Partnership at December 31, 2016. TransCanada also indirectly holds an additional 11,287,725 common units, for total ownership of 25.3 percent of our outstanding common units and 100 percent of our Class B units at December 31, 2016 (Refer to Note 6).

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements and related notes have been prepared in accordance with United States generally accepted accounting principles (GAAP) and amounts are stated in U.S. dollars. The financial statements and notes present the financial position of the Partnership as of December 31, 2016 and 2015 and the results of its operations, cash flows and changes in partners' equity for the years ended December 31, 2016, 2015 and 2014. Certain prior year amounts have been reclassified to conform to the current year presentation.

(a) Basis of Presentation

The Partnership consolidates its interests on entities over which it is able to exercise control. To the extent there are interests owned by other parties, these interests are included in non-controlling interests. The Partnership uses the equity method of accounting for its investments in entities over which it is able to exercise significant influence.

On January 1, 2016, the Partnership acquired a 49.9 percent interest in PNGTS (PNGTS Acquisition) from a subsidiary of TransCanada. The PNGTS Acquisition was accounted for as a transaction between entities under common control, similar to a pooling of interests, whereby the equity investment in PNGTS was recorded at TransCanada's carrying value and the total excess purchase price paid was recorded as a reduction in Partners' Equity. Refer to Note 6 for additional disclosure regarding the PNGTS Acquisition.

On April 1, 2015 and October 1, 2014, the Partnership acquired the remaining 30 percent interest in GTN and Bison, respectively, from subsidiaries of TransCanada. These acquisitions resulted in GTN and Bison being wholly-owned by the Partnership. Prior to these transactions, the remaining 30 percent interests held by subsidiaries of TransCanada were reflected as non-controlling interests in the Partnership's consolidated financial statements. The acquisitions of these already-consolidated entities were accounted as a transaction between entities under common control, similar to a pooling of interests, whereby the acquired interests were recorded at TransCanada's carrying value and the total excess purchase price paid was recorded as a reduction in Partners' Equity. Refer to Note 6 for additional disclosures regarding these acquisitions.

(b) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although management believes these estimates are reasonable, actual results could differ from these estimates.

(c) Cash and Cash Equivalents

The Partnership's cash and cash equivalents consist of cash and highly liquid short-term investments with original maturities of three months or less and are recorded at cost, which approximates fair value.

(d) Trade Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. We review our accounts receivable regularly and record allowances for doubtful accounts using the specific identification method.

(e) Natural gas imbalances

Natural gas imbalances occur when the actual amount of natural gas delivered to or received from a pipeline system differs from the amount of natural gas scheduled to be delivered or received. The Partnership values these imbalances due to or from shippers and interconnecting parties at current index prices. Imbalances are settled in kind, subject to the terms of the pipelines' tariff.

Imbalances due from others are reported as trade accounts receivable or accounts receivable from affiliates under the caption accounts receivable and other on the balance sheets. Imbalances owed to others are reported on the balance sheets as accounts payable and accrued liabilities and accounts payable to affiliates. In addition, the Partnership classifies all imbalances as current as the Partnership expects to settle them within a year.

(f) Inventories

Inventories primarily consist of materials and supplies and are carried at the lower of weighted average cost or market.

(g) Plant, Property and Equipment

Plant, property and equipment are stated at original cost. Costs of restoring the land above and around the pipeline are capitalized to pipeline facilities and depreciated over the remaining life of the related pipeline facilities. Pipeline facilities and compression equipment have an estimated useful life of 20 to 77 years and metering and other equipment ranges from 5 to 77 years. Depreciation is calculated on a straight-line composite basis over the assets' estimated useful lives. Repair and maintenance costs are expensed as incurred. Costs that are considered a betterment are capitalized.

The Partnership's subsidiaries capitalize a carrying cost on funds invested in the construction of long lived assets. This carrying cost includes a return on the investment financed by debt and equity allowance for funds used during construction (AFUDC), calculated based the average cost of debt and equity. Capitalized carrying costs for AFUDC debt and equity are reflected as an increase in the cost of plant, property and equipment on the balance sheets. Amounts included in construction work in progress are not amortized until transferred into service.

(h) Impairment of Equity Method Investments

We review our equity method investments when a significant event or change in circumstances has occurred that may have an adverse effect on the fair value of each investment. When such events or changes occur, we compare the estimated fair value to the carrying value of the related investment. We calculate the estimated fair value of an investment in an equity method investee using an income approach and market approach. The development of fair value estimates requires significant judgment including estimates of future cash flows, which is dependent on internal forecasts, estimates of the long-term rate of growth for the investee, estimates of the useful life over which cash flows will occur, and determination of weighted average cost of capital. The estimates used to calculate the fair value of an investee can change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and our assessment as to whether an investment in an equity method investee has suffered an impairment.

If the estimated fair value of an investment is less than its carrying value, we are required to determine if the decline in fair value is other than temporary. This determination considers the aforementioned valuation methodologies, the length of time and the extent to which fair value has been less than carrying value, the financial condition and near-term prospects of the investee, including any specific events which may influence the operations of the investee, the intent and ability of the holder to retain its investment in the investee for a period of time sufficient to allow for any anticipated recovery in market value, and other facts and circumstances. If the fair value of an investment is less than its carrying value and the decline in value is determined to be other than temporary, we record an impairment charge.

(i) Impairment of Long-lived Assets

The Partnership reviews long-lived assets, such as plant, property and equipment for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the assets, an impairment loss is recognized for the excess of the carrying value over the fair value of the assets.

(j) Partners' Equity

Costs incurred in connection with the issuance of units are deducted from the proceeds received.

(k) Revenue Recognition

Transmission revenues are recognized in the period in which the service is provided. When a rate case is pending final FERC approval, a portion of the revenue collected is subject to possible refund. As of December 31, 2016, 2015 and 2014, the Partnership has not recognized any transmission revenue that is subject to possible refund.

(l) Income Taxes

The Partnership is not subject to federal or state income tax. The tax effect of the Partnership's activities accrues to its partners. The Partnership's taxable income or loss, which may vary substantially from the net income or loss reported in the consolidated statement of income, is includable in the federal income tax returns of each partner. The aggregate difference in the basis of the Partnership's net assets for financial and income tax purposes cannot be readily determined because all information regarding each partner's tax attributes related to the partnership is not available.

(m) Acquisitions and Goodwill

The Partnership accounts for business acquisitions from third parties using the acquisition method of accounting and, accordingly, the assets and liabilities of the acquired entities are recorded at their estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of net assets acquired is attributed to goodwill. Goodwill is not amortized and is tested on an annual basis for impairment or more frequently if any indicators of impairment are evident. The Partnership initially assesses qualitative factors to determine whether events or changes in circumstances indicate that the goodwill might be impaired. If the Partnership does not conclude that it is more likely than not that fair value of the reporting unit is greater than its carrying value, the first step of the two-step impairment test is performed by comparing the fair value of the reporting unit to its book value, which includes goodwill. If the fair value is less than book value, an impairment is indicated and a second step is performed to measure the amount of the impairment. In the second step, the implied fair value of goodwill is calculated by deducting the recognized amounts of all tangible and intangible net assets of the reporting unit from the fair value determined in the initial assessment. If the carrying value of goodwill exceeds the calculated implied fair value of goodwill, an impairment charge is recorded.

At December 31, 2016 and 2015, we had $130 million of goodwill recorded on our consolidated balance sheet related to the North Baja ($48 million) and Tuscarora ($82 million) acquisitions. No impairment of goodwill existed at December 31, 2016 (Refer also to Note 20).

The Partnership accounts for business acquisitions between itself and TransCanada, also known as "dropdowns", as transactions between entities under common control. Using this approach, the assets and liabilities of the acquired entities are recorded at TransCanada's carrying value. In the event recasting is required, the Partnership's historical financial information will be recast, except net income (loss) per common unit, to include the acquired entities for all periods presented. If the fair market value paid for the acquired entities is greater than the recorded net assets of the acquired entities, the excess purchase price paid is recorded as a reduction in Partners' Equity. Similarly, if the fair market value paid for the acquired entities is less than the recorded net assets of the acquired entities, the excess of assets acquired is recorded as an increase in Partners' Equity.

(n) Fair Value Measurements

For cash and cash equivalents, receivables, accounts payable, certain accrued expenses and short-term debt, the carrying amount approximates fair value due to the short maturities of these instruments. For long-term debt instruments and the interest rate swap agreements, fair value is estimated based upon market values (if applicable) or on the current interest rates available to us for debt with similar terms and remaining maturities. Considerable judgment is required in developing these estimates.

(o) Derivative Financial Instruments and Hedging Activities

The Partnership recognizes all derivative instruments as either assets or liabilities in the balance sheet at their respective fair values. For derivatives designated in hedging relationships, changes in the fair value are either offset through earnings against the change in fair value of the hedged item attributable to the risk being hedged or recognized in accumulated other comprehensive income, to the extent the derivative is effective at offsetting the changes in cash flows being hedged until the hedged item affects earnings.

The Partnership only enters into derivative contracts that it intends to designate as a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). For all hedging relationships, the Partnership formally documents the hedging relationship and its risk management objective and strategy for undertaking the hedge, the hedging instrument, the hedged transaction, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively, and a description of the method used to measure ineffectiveness. The Partnership also formally assesses, both at the inception of the hedging relationship and on an ongoing basis, whether the derivatives that are used in hedging relationships are highly effective in offsetting changes in cash flows of hedged transactions. For derivative instruments that are designated and qualify as part of a cash flow hedging relationship, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings.

The Partnership discontinues hedge accounting prospectively when it determines that the derivative is no longer effective in offsetting cash flows attributable to the hedged risk, the derivative expires or is sold, terminated, or exercised, the cash flow hedge is de-designated because a forecasted transaction is not probable of occurring, or management determines to remove the designation of the cash flow hedge.

In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Partnership continues to carry the derivative at its fair value on the balance sheet and recognizes any subsequent changes in its fair value in earnings. When it is probable that a forecasted transaction will not occur, the Partnership discontinues hedge accounting and recognizes immediately in earnings gains and losses that were accumulated in other comprehensive income related to the hedging relationship.

(p) Asset Retirement Obligation

The Partnership recognizes the fair value of a liability for asset retirement obligations in the period in which it is incurred, when a legal obligation exists and a reasonable estimate of fair value can be made. The fair value is added to the carrying amount of the associated asset and the liability is accreted through charges to operating expenses.

The Partnership has determined it has legal obligations associated with its natural gas pipelines and related transmission facilities. The obligations relate primarily to purging and sealing the pipelines if they are abandoned. The Partnership is also required to operate and maintain its natural gas pipeline system, and intends to do so as long as supply and demand for natural gas exists, which the Partnership expects for the foreseeable future. Therefore, the Partnership believes its natural gas pipeline system assets have indeterminate lives and, accordingly, has recorded no asset retirement obligation as of December 31, 2016 and 2015.

(q) Government Regulation

The Partnership's subsidiaries are subject to regulation by FERC. Under regulatory accounting principles, certain assets or liabilities that result from the regulated ratemaking process may be recorded that would not be recorded under GAAP for non-regulated entities. The timing of recognition of certain revenues and expenses in our regulated business may differ from that otherwise expected under GAAP to appropriately reflect the economic impact of the regulators' decisions regarding revenues and rates. The Partnership regularly evaluates the continued applicability of regulatory accounting, considering such factors as regulatory changes, the impact of competition, and the ability to recover regulatory assets. At December 31, 2016, the Partnership had regulatory assets amounting to $1 million reported as part of other current assets in the balance sheet representing volumetric fuel tracker assets that are settled with in-kind exchanges with customers continually (2015 – $2 million). Regulatory liabilities are included in other long-term liabilities (refer to Note 8). AFUDC is capitalized and included in plant, property and equipment.

(r) Debt Issuance Costs

Costs related to the issuance of debt are deferred and amortized using the effective interest rate method over the term of the related debt. Refer also to Note 3 – Imputation of Interest for the change in accounting policy related to debt issuance costs.

NOTE 3 ACCOUNTING PRONOUNCEMENTS

Changes in Accounting Policies effective January 1, 2016

Consolidation

In February 2015, the Financial Accounting Standards Board (FASB) issued new guidance on consolidation, which requires that an entity evaluate whether it should consolidate certain legal entities. All legal entities are subject to reevaluation under the revised consolidation model. This guidance became effective beginning January 1, 2016 and was applied retrospectively to all financial statements presented. The application of this guidance did not result in any change to the Partnership's consolidation conclusions. Refer to Note 22, Variable Interest Entities.

In October 2016, the FASB issued an updated guidance on consolidation, under which a single decision maker is not required to consider indirect interests held through related parties that are under common control with the single decision maker to be the equivalent of direct interests in their entirety. Instead, a single decision maker is required to include those interests on a proportionate basis consistent with indirect interests held through other related parties. Entities that already have adopted the amendments in February 2015 update are required to apply the amendments in this update retrospectively to all relevant prior periods beginning with the fiscal year in which the amendments were applied. The application of this guidance did not result in any change to the Partnership's consolidation conclusions. Refer to Note 22, Variable Interest Entities.

Imputation of interest

In April 2015, the FASB issued an amendment of previously issued guidance on imputation of interest, which requires debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of debt liabilities, consistent with debt discount or premiums. In addition, amortization of debt issuance costs should be reported as interest expense. The recognition and measurement for debt issuance costs would not be affected. This guidance is effective from January 1, 2016 and was applied retrospectively resulting in a reclassification of debt issuance costs previously recorded in other assets to an offset of their respective debt liabilities on the Partnership's consolidated balance sheet. Amortization of debt issuance costs was reported as interest expense in all periods presented in the Partnership's consolidated statement of income.

As a result of the application of this guidance and similar to the presentation of debt discounts, debt issuance costs of $7 million at December 31, 2015 previously reported as other assets in the balance sheet were reclassified as an offset against their respective debt liabilities.

Earnings per share

In April 2015, the FASB issued an amendment of previously issued guidance on earnings per share (EPS) as it is being calculated by master limited partnerships. This updated guidance specifies that for purposes of calculating historical EPS under the two-class method, the earnings (losses) of a transferred business before the date of a dropdown transaction should be allocated entirely to the general partner interest, and previously reported EPS of the limited partners would not change as a result of a dropdown transaction. Qualitative disclosures about how the rights to the earnings (losses) differ before and after the dropdown transaction occurs are also required. This guidance became effective on January 1, 2016 and applies to all dropdown transactions requiring recast. The retrospective application of this guidance did not have a material impact on the Partnership's consolidated financial statements as our current accounting policy is consistent with the new guidance.

Business combinations

In September 2015, the FASB issued new guidance which replaces the requirement that an acquirer in a business combination account for measurement period adjustments retrospectively with a requirement that an acquirer recognize adjustments to the provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The amended guidance requires that the acquirer record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. The new guidance is effective January 1, 2016 and was applied prospectively. The application of this guidance did not have a material impact on the Partnership's consolidated financial statements.

Statement of Cash Flows

In August 2016, the FASB issued an amendment of previously issued guidance, which intends to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. The new guidance is effective January 1, 2018, however since early adoption is permitted, the Partnership elected to retrospectively apply this guidance effective December 31, 2016. The application of this guidance will not have a material impact on the classification of debt pre-payments or extinguishment costs, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims and proceeds from the settlement of corporate owned life insurance. The Partnership has elected to classify distributions received from equity method investees using the nature of distributions approach as it is more representative of the nature of the underlying activities of the investees that generated the distributions. As a result, certain comparative period distributions received from equity method investees, amounting to $25 million and $27 million in 2015 and 2014, respectively, have been reclassified from investing activities to cash generated from operations in the consolidated statement of cash flows.

Future accounting changes

Revenue from contracts with customers

In 2014, the FASB issued new guidance on revenue from contracts with customers. Current guidance allows for revenue recognition when certain criteria are met. The new guidance requires that an entity recognize revenue in accordance with a five-step model. This model is used to depict the transfer of promised goods or services to customers in an amount that reflects the total consideration to which it expects to be entitled, during the term of the contract, in exchange for those goods or services. The Partnership will adopt the new standard on the effective date of January 1, 2018. There are two methods in which the new standard can be applied: (1) retrospectively to each prior reporting period presented, or (2) retrospectively with the cumulative effect recognized at the date of initial application. The Partnership is evaluating both methods of adoption as it works through its analysis. The Partnership has identified all existing customer contracts that are within the scope of the new guidance and has begun to analyze individual contracts or groups of contracts to identify any significant differences and the impact on revenues as a result of implementing the new standard. As the Partnership continues its contract analysis, it will also quantify the impact, if any, on prior period revenues. The Partnership will address any system and process changes necessary to compile the information to meet the disclosure requirements of the new standard. As the Partnership is currently evaluating the impact of this standard, it has not yet determined the effect on its consolidated financial statements.

Leases

In February 2016, the FASB issued new guidance, which requires lessees to recognize most leases, including operating leases, on the balance sheet as lease assets and lease liabilities. In addition, lessees will be required to reassess assumptions associated with existing leases as well as to provide expanded qualitative and quantitative disclosures. The new standard does not make extensive changes to lessor accounting. The new guidance is effective January 1, 2019, however the Partnership is evaluating the option to early adopt. The Partnership is currently identifying existing lease agreements that are within the scope of the new guidance that may have an impact on its consolidated financial statements as a result of adopting this new guidance.

Equity method and joint ventures

In March 2016, the FASB issued new guidance that simplifies the transition to equity method accounting. The new guidance eliminates the requirement to retroactively apply the equity method of accounting when an increase in ownership interest in an investment qualifies for equity method accounting. This new guidance is effective January 1, 2017 and will be applied prospectively. The Partnership does not expect the adoption of this new standard to have a material impact on its consolidated financial statements.

NOTE 4 EQUITY INVESTMENTS

Northern Border, Great Lakes and PNGTS are regulated by FERC and are operated by subsidiaries of TransCanada. The Partnership uses the equity method of accounting for its interests in its equity investees. The Partnership's equity investments are held through our ILPs that are considered to be variable interest entities (VIEs). Refer to Note 3, Accounting Pronouncements and Note 22, Variable Interest Entities.

		Equity Earnings from Unconsolidated Affiliates[b]			Investment in Unconsolidated Affiliates	
		Year ended December 31			December 31	
(millions of dollars)	Ownership Interest at December 31, 2016	2016	2015	2014	2016	2015
Northern Border[a]	50.00%	**69**	66	69	**444**	480
Great Lakes	46.45%	**28**	31	19	**474**	485 [c]
PNGTS[d]	49.90%	**19**	–	–	**126**	–
		116	97	88	**1,044**	965

(a) Equity earnings from Northern Border is net of the 12-year amortization of a $10 million transaction fee paid to the operator of Northern Border at the time of the Partnership's additional 20 percent acquisition in April 2006.

(b) Equity Earnings represents our share in investee's earnings and does not include any impairment charge on the equity method investment recorded as a reduction of carrying value of these investments. Accordingly, no impairment charge was recorded by the Partnership on its equity investees for all the periods presented here except the impairment recognized in 2015 on our investment in Great Lakes as discussed below.

(c) During the fourth quarter of 2015, we recognized an impairment charge on our investment in Great Lakes amounting to $199 million. See discussion below.

(d) On January 1, 2016, the Partnership acquired a 49.9 percent interest in PNGTS (Refer to Note 6). For the year ended December 31, 2016, the Partnership recorded no undistributed earnings from PNGTS.

Northern Border

The Partnership, through its interest in TC PipeLines Intermediate Limited Partnership owns a 50 percent general partner interest in Northern Border. The other 50 percent partnership interest in Northern Border is held by ONEOK Partners, L.P., a publicly traded limited partnership. TC PipeLines Intermediate Limited Partnership, as one of the general partners, may be exposed to the commitments and contingencies of Northern Border. The Partnership holds a 98.9899 percent limited partnership interest in TC PipeLines Intermediate Limited Partnership.

Northern Border has a FERC-approved settlement agreement which established maximum long-term transportation rates and charges on the Northern Border system effective January 1, 2013. Northern Border is required to file for new rates no later than January 1, 2018.

The Partnership recorded no undistributed earnings from Northern Border for the years ended December 31, 2016, 2015 and 2014. At December 31, 2016 and 2015, the Partnership had a $116 million difference between the carrying value of Northern Border and the underlying equity in the net assets primarily resulting from the recognition and inclusion of goodwill in the Partnership's investment in Northern Border relating to the Partnership's April 2006 acquisition of an additional 20 percent general partnership interest in Northern Border. As of December 31, 2016, no impairment has been identified in our investment in Northern Border.

The summarized financial information for Northern Border is as follows:

December 31 (millions of dollars)	**2016**	**2015**
Assets		
Cash and cash equivalents	**14**	27
Other current assets	**36**	33
Plant, property and equipment, net	**1,089**	1,124
Other assets[(a)]	**14**	16
	1,153	1,200
Liabilities and Partners' Equity		
Current liabilities	**38**	39
Deferred credits and other	**28**	26
Long-term debt, net[(a),(b)]	**430**	409
Partners' equity		
Partners' capital	**659**	728
Accumulated other comprehensive loss	**(2)**	(2)
	1,153	1,200

(a) As a result of the application of ASU No. 2015-03 and similar to the presentation of debt discounts, debt issuance costs of $2 million at December 31, 2015 previously reported as other assets in the balance sheet were reclassified as an offset against their respective debt liabilities.

(b) Includes current maturities of $100 million senior notes at December 31, 2015. During August 2016, the $100 million senior notes were refinanced with a draw on Northern Border's $200 million revolving credit agreement that expires in 2020.

Year ended December 31 (millions of dollars)	**2016**	**2015**	**2014**
Transmission revenues	**292**	286	293
Operating expenses	**(72)**	(70)	(72)
Depreciation	**(59)**	(60)	(59)
Financial charges and other	**(21)**	(22)	(22)
Net income	**140**	134	140

Great Lakes

The Partnership, through its interest in TC GL Intermediate Limited Partnership owns a 46.45 percent general partner interest in Great Lakes. TransCanada owns the other 53.55 percent partnership interest. TC GL Intermediate Limited Partnership, as one of the general partners, may be exposed to the commitments and contingencies of Great Lakes. The Partnership holds a 98.9899 percent limited partnership interest in TC GL Intermediate Limited Partnership.

Great Lakes operates under rates established pursuant to a settlement approved by FERC in November 2013. Under the settlement, Great Lakes is required to file for new rates to be effective no later than January 1, 2018.

The Partnership recorded no undistributed earnings from Great Lakes for the years ended December 31, 2016, 2015, and 2014.

The Partnership made equity contributions to Great Lakes of $4 million and $5 million in the first and fourth quarter of 2016, respectively. These amounts represent the Partnership's 46.45 percent share of a $9 million and $10 million cash call from Great Lakes to make scheduled debt repayments.

During the fourth quarter of 2015, we have determined that our investment in Great Lakes' long-term value has been adversely impacted by the changing natural gas flows in its market region. Additionally, we have concluded that other strategic alternatives to increase its utilization or revenue were no longer feasible. As a result, we determined that the carrying value of our investment in Great Lakes was in excess of its fair value and the decline is not temporary. Accordingly, we concluded that the carrying value of our investment in Great Lakes was impaired.

Our analysis resulted in an impairment charge of $199 million reflected as Impairment of equity-method investment on our Statement of Income for the year ended December 31, 2015. The impairment charge reduced the difference between the carrying value of our investment in Great Lakes and the underlying equity in the net assets, to $260 million and the difference represents the equity method goodwill remaining in our investment in Great Lakes relating to the Partnership's February 2007 acquisition of a 46.45 percent general partner interest in Great Lakes.

The assumptions we used in 2015 related to the estimated fair value of our remaining equity investment in Great Lakes could be negatively impacted by near and long-term conditions including:

- future regulatory rate action or settlement,
- valuation of Great lakes in future transactions,
- changes in customer demand at Great Lakes for pipeline capacity and services,
- changes in North American natural gas production in the major producing basins,
- changes in natural gas prices and natural gas storage market conditions, and
- changes in other long-term strategic objectives.

Great Lakes' evolving market conditions and other factors relevant to Great Lakes' long term financial performance have remained relatively stable during the year. Accordingly, our estimation of the fair value of our investment in Great Lakes has not materially changed from 2015. There is a risk that reductions in future cash flow forecasts and other adverse changes in these key assumptions could result in additional future impairment of the carrying value of our investment in Great Lakes.

The summarized financial information for Great Lakes is as follows:

December 31 (millions of dollars)	2016	2015
Assets		
Current assets	66	86
Plant, property and equipment, net	714	727
	780	813
Liabilities and Partners' Equity		
Current liabilities	40	31
Long-term debt, net[(a),(b)]	278	297
Partners' equity	462	485
	780	813

(a) The application of ASU No. 2015-03 did not have a material effect on Great Lakes' financial statements.

(b) Includes current maturities of $19 million as of December 31, 2016 (December 31, 2015 – $19 million).

Year ended December 31 (millions of dollars)	2016	2015	2014
Transmission revenues	179	177	146
Operating expenses	(69)	(59)	(53)
Depreciation	(28)	(28)	(28)
Financial charges and other	(21)	(23)	(25)
Net income	61	67	40

NOTE 5 PLANT, PROPERTY AND EQUIPMENT

The following table includes plant, property and equipment of our consolidated entities:

	2016			2015		
December 31 (millions of dollars)	**Cost**	**Accumulated Depreciation**	**Net Book Value**	Cost	Accumulated Depreciation	Net Book Value
Pipeline	**2,091**	**(701)**	**1,390**	2,086	(638)	1,448
Compression	**519**	**(148)**	**371**	516	(134)	382
Metering and other	**159**	**(43)**	**116**	156	(39)	117
Construction in progress	**4**	**–**	**4**	2	–	2
	2,773	**(892)**	**1,881**	2,760	(811)	1,949

NOTE 6 ACQUISITIONS

PNGTS Acquisition

On January 1, 2016, the Partnership acquired a 49.9 percent interest in PNGTS from a subsidiary of TransCanada. The total purchase price of the PNGTS Acquisition was $228 million and consisted of $193 million in cash (including the final purchase price adjustment of $5 million) and the assumption of $35 million in proportional PNGTS debt.

The Partnership funded the cash portion of the transaction using proceeds received in 2015 from our ATM Program and additional borrowings under our Senior Credit Facility. The purchase agreement provides for additional payments to TransCanada ranging from $5 million up to a total of $50 million if pipeline capacity is expanded to various thresholds during the fifteen year period following the date of closing.

The acquisition was accounted for as a transaction between entities under common control, whereby the equity investment in PNGTS was recorded at TransCanada's carrying value and the total excess purchase price paid was recorded as a reduction in Partners' Equity.

The net purchase price was allocated as follows:

(millions of dollars)	
Net Purchase Price[a]	193
Less: TransCanada's carrying value of PNGTS' net assets at January 1, 2016	120
Excess purchase price[b]	73

[a] Total purchase price of $228 million less the assumption of $35 million of proportional PNGTS debt by the Partnership.

[b] The excess purchase price of $73 million was recorded as a reduction in Partners' Equity.

2015 GTN Acquisition

On April 1, 2015, the Partnership acquired the remaining 30 percent interest in GTN from a subsidiary of TransCanada (2015 GTN Acquisition), which resulted in GTN being wholly-owned by the Partnership. The total purchase price of the 2015 GTN Acquisition was $446 million plus the final purchase price adjustment of $11 million, for a total of $457 million. The purchase price consisted of $264 million in cash (including the final purchase price adjustment of $11 million), the assumption of $98 million in proportional GTN debt and the issuance of 1,900,000 new Class B units to TransCanada valued at $50 each, representing a limited partner interest in the Partnership with a total value of $95 million.

The Partnership funded the cash portion of the transaction using a portion of the proceeds received on our March 13, 2015 debt offering (refer to Note 7). The Class B units entitle TransCanada to a distribution based on 30 percent of GTN's annual distributions as follows: (i) 100 percent of distributions above $20 million through March 31, 2020; and (ii) 25 percent of distributions above $20 million thereafter. Under the terms of the Third Amended and Restated Agreement of Limited Partnership of the Partnership (Partnership Agreement), the Class B distribution was initially calculated to equal 30 percent of GTN's distributable cash flow for the nine months ended December 31, 2015, less $15 million.

Prior to this transaction, the remaining 30 percent interest held by a subsidiary of TransCanada was reflected as a non-controlling interest in the Partnership's consolidated financial statements. The 2015 GTN Acquisition of this already-consolidated entity was accounted as a transaction between entities under common control, similar to a pooling of interests, whereby the acquired interest was recorded at TransCanada's carrying value and the total excess purchase price paid was recorded as a reduction in Partners' Equity.

The net purchase price was allocated as follows:

(millions of dollars)

Net Purchase Price[(a)]	359
Less: TransCanada's carrying value of non-controlling interest at April 1, 2015	232
Excess purchase price[(b)]	127

(a) Total purchase price of $457 million less the assumption of $98 million of proportional GTN debt by the Partnership.

(b) The excess purchase price of $127 million was recorded as a reduction in Partners' Equity.

Our General Partner also contributed approximately $2 million to maintain its effective two percent interest in the Partnership.

2014 Bison Acquisition

On October 1, 2014, the Partnership acquired the remaining 30 percent interest in Bison from a subsidiary of TransCanada. The total purchase price of the 2014 Bison Acquisition was $215 million plus purchase price adjustments of $2 million. The acquisition of Bison was financed through combinations of (i) net proceeds from the ATM Program (refer to Note 9), and (ii) short-term financing.

Prior to this transaction, the remaining 30 percent interest held by a subsidiary of TransCanada was reflected as non-controlling interest in the Partnership's consolidated financial statements. The 2014 Bison Acquisition of this already-consolidated entity was accounted as a transaction between entities under common control, similar to a pooling of interests, whereby the acquired interest was recorded at TransCanada's carrying value and the total excess purchase price paid was recorded as a reduction in Partners' Equity.

The purchase price was allocated as follows:

(millions of dollars)

Total cash consideration	217
TransCanada's carrying value of non-controlling interest at October 1, 2014	188
Excess purchase price	29

The excess purchase price of $29 million was recorded as a reduction in Partners' Equity.

NOTE 7 DEBT AND CREDIT FACILITIES

(unaudited) (millions of dollars)	December 31, 2016	Weighted Average Interest Rate for the Year Ended December 31, 2016	December 31, 2015	Weighted Average Interest Rate for the Year Ended December 31, 2015
TC PipeLines, LP				
Senior Credit Facility due 2021	**160**	1.72%	200	1.44%
2013 Term Loan Facility due 2018	**500**	1.73%	500	1.44%
2015 Term Loan Facility due 2018	**170**	1.63%	170	1.47%
4.65% Unsecured Senior Notes due 2021	**350**	4.65%[(b)]	350	4.65%[(b)]
4.375% Unsecured Senior Notes due 2025	**350**	4.375%[(b)]	350	4.375%[(b)]
GTN				
5.29% Unsecured Senior Notes due 2020	**100**	5.29%[(b)]	100	5.29%[(b)]
5.69% Unsecured Senior Notes due 2035	**150**	5.69%[(b)]	150	5.69%[(b)]
Unsecured Term Loan Facility due 2019	**65**	1.43%	75	1.15%
Tuscarora				
Unsecured Term Loan due 2019	**10**	1.64%	–	–
3.82% Series D Senior Notes due 2017	**12**	3.82%[(b)]	16	3.82%[(b)]
	1,867		1,911	
Less: unamortized debt issuance costs and debt discount[(a)]	**9**		8	
Less: current portion	**23**		14	
	1,835		1,889	

(a) As a result of the application of ASU No. 2015-03 and similar to the presentation of debt discounts, debt issuance costs of $7 million at December 31, 2015 previously reported as other assets in the balance sheet were reclassified as an offset against debt. Refer to Note 3, Accounting Pronouncements.

(b) Fixed interest rate.

On November 10, 2016, the Partnership's Senior Credit Facility was amended to extend the maturity period through November 10, 2021. The Facility consists of a $500 million senior revolving credit facility with a banking syndicate, under which $160 million was outstanding at December 31, 2016 (December 31, 2015 – $200 million), leaving $340 million available for future borrowing.

At the Partnership's option, the interest rate on the outstanding borrowings under the Senior Credit Facility may be lenders' base rate or the London Interbank Offered Rate (LIBOR) plus, in either case, an applicable margin that is based on the Partnership's long-term unsecured credit ratings. The Senior Credit Facility permits the Partnership to specify the portion of the borrowings to be covered by specific interest rate options and, for LIBOR-based borrowings, to specify the interest rate period. The Partnership is required to pay a commitment fee based on its credit rating and on the unused principal amount of the commitments under the Senior Credit Facility. The Senior Credit Facility has a feature whereby at any time, so long as no event of default has occurred and is continuing, the Partnership may request an increase in the Senior Credit Facility of up to $500 million, but no lender has an obligation to increase their respective share of the facility.

The LIBOR-based interest rate on the Senior Credit Facility was 1.92 percent at December 31, 2016 (December 31, 2015 – 1.50 percent).

On July 1, 2013, the Partnership entered into a term loan agreement with a syndicate of lenders for a $500 million term loan credit facility (2013 Term Loan Facility). On July 2, 2013, the Partnership borrowed $500 million under the 2013 Term Loan Facility, to pay a portion of the purchase price of the 2013 Acquisition, maturing on July 1, 2018. The 2013 Term Loan Facility bears interest based, at the Partnership's election, on the LIBOR or the base rate plus, in either case, an applicable margin. The base rate equals the highest of (i) SunTrust Bank's prime rate, (ii) 0.50 percent above the federal funds rate and (iii) 1.00 percent above one-month LIBOR. The applicable margin for the term loan is based on the Partnership's senior debt rating and ranges between 1.125 percent and 2.000 percent for LIBOR borrowings and 0.125 percent and 1.000 percent for base rate borrowings.

As of December 31, 2016, the variable interest rate exposure related to 2013 Term Loan Facility was hedged by fixed interest rate swap arrangements and our effective interest rate was 2.31 percent (2015-2.79 percent). Prior to hedging activities, the LIBOR-based interest rate was 1.87 percent at December 31, 2016 (December 31, 2015 – 1.50 percent).

On September 30, 2015, the Partnership entered into an agreement for a $170 million term loan credit facility (2015 Term Loan Facility). The Partnership borrowed $170 million under the 2015 Term Loan Facility to refinance its Short-Term Loan Facility which matured on September 30, 2015. The 2015 Term Loan Facility matures on October 1, 2018. The LIBOR-based interest rate on the 2015 Term Loan Facility was 1.77 percent at December 31, 2016 (December 31, 2015 – 1.39 percent).

The 2013 Term Loan Facility and the 2015 Term Loan Facility (Term Loan Facilities) and the Senior Credit Facility require the Partnership to maintain a certain leverage ratio (debt to adjusted cash flow [net income plus cash distributions received, extraordinary losses, interest expense, expense for taxes paid or accrued, and depreciation and amortization expense less equity earnings and extraordinary gains]) no greater than 5.00 to 1.00 for each fiscal quarter, except for the fiscal quarter and the two following fiscal quarters in which one or more acquisitions has been executed, in which case the leverage ratio is to be no greater than 5.50 to 1.00. The leverage ratio was 4.01 to 1.00 as of December 31, 2016.

The Senior Credit Facility and the Term Loan Facilities contain additional covenants that include restrictions on entering into mergers, consolidations and sales of assets, granting liens, material amendments to the Partnership Agreement, incurrence of additional debt by the Partnership's subsidiaries and distributions to unitholders. Upon any breach of these covenants, amounts outstanding under the Senior Credit Facility and the Term Loan Facilities may become immediately due and payable.

On March 13, 2015, the Partnership closed a $350 million public offering of senior unsecured notes bearing an interest rate of 4.375 percent maturing March 13, 2025. The net proceeds of $346 million were used to fund a portion of the 2015 GTN Acquisition (refer to Note 6) and to reduce the amount outstanding under our Senior Credit Facility. The indenture for the notes contains customary investment grade covenants.

On June 1, 2015, GTN's 5.09 percent unsecured Senior Notes matured. Also, on June 1, 2015, GTN entered into a $75 million unsecured variable rate term loan facility (Unsecured Term Loan Facility), which requires yearly principal payments until its maturity on June 1, 2019. The variable interest is based on LIBOR plus an applicable margin. The LIBOR-based interest rate on the Unsecured Term Loan Facility was 1.57 percent at December 31, 2016 (December 31, 2015 – 1.19 percent). GTN's Unsecured Senior Notes, along with this new Unsecured Term Loan Facility contain a covenant that limits total debt to no greater than 70 percent of GTN's total capitalization. GTN's total debt to total capitalization ratio at December 31, 2016 is 44.5 percent.

Tuscarora's Series D Senior Notes, which require yearly principal payments until maturity, are secured by Tuscarora's transportation contracts, supporting agreements and substantially all of Tuscarora's property. The note purchase agreements contain certain provisions that include, among other items, limitations on additional indebtedness and distributions to partners. The Series D Senior Notes contain a covenant that limits total debt to no greater than 45 percent of Tuscarora's total capitalization. Tuscarora's total debt to total capitalization ratio at December 31, 2016 was 21.22 percent. Additionally, the Series D Senior Notes require Tuscarora to maintain a Debt Service Coverage Ratio (cash available from operations divided by a sum of interest expense and principal payments) of greater than 3.00 to 1.00. The ratio was 4.15 to 1.00 as of December 31, 2016.

On April 29, 2016, Tuscarora entered into a $9.5 million unsecured variable rate term loan facility which requires yearly principal payments until its maturity on April 29, 2019. The variable interest is based on LIBOR plus an applicable margin and was 1.90 percent at December 31, 2016.

At December 31, 2016, the Partnership was in compliance with its financial covenants, in addition to the other covenants which include restrictions on entering into mergers, consolidations and sales of assets, granting liens, material amendments to the Partnership Agreement, incurring additional debt and distributions to unitholders.

The principal repayments required by the Partnership on its debt are as follows:

(millions of dollars)

2017	23
2018	691
2019	43
2020	100
2021	510
Thereafter	500
	1,867

NOTE 8 OTHER LIABILITIES

December 31 (millions of dollars)	2016	2015
Regulatory liabilities	25	24
Other liabilities	3	3
	28	27

The Partnership collects estimated future removal costs related to its transmission and gathering facilities in its current rates and recognizes regulatory liabilities in this respect in the balance sheet. Estimated costs associated with the future removal of transmission and gathering facilities are collected through depreciation as allowed by FERC. These amounts do not represent asset retirement obligations as defined by FASB ASC 410, *Accounting for Asset Retirement Obligations*.

NOTE 9 PARTNERS' EQUITY

At December 31, 2016, the Partnership had 67,454,831common units outstanding, of which 50,370,000 were held by non-affiliates and 17,084,831 common units were held by subsidiaries of TransCanada, including 5,797,106 common units held by our General Partner. Additionally, TransCanada, through our General Partner, owns 100 percent of our IDRs and an effective two percent general partner interest in the Partnership. TransCanada also holds 100 percent of our 1,900,000 outstanding Class B units.

ATM Equity Issuance Program (ATM Program)

In August 2014, the Partnership launched its $200 million ATM program pursuant to which, the Partnership may from time to time, offer and sell, through sales agents, common units, representing limited partner interests.

On August 5, 2016, the Partnership entered into a new $400 million Equity Distribution Agreement (EDA) with five financial institutions (the Managers). Sales of the common units will be issued pursuant to the Partnership's shelf registration statement on Form S-3 (Registration No. 333-211907), which was declared effective by the SEC on August 4, 2016.

In 2016, the Partnership issued 3.1 million common units under the ATM Program generating net proceeds of approximately $164 million, plus an additional $3 million from the General Partner's to maintain its effective two percent interest. The commissions to our sales agents were approximately $2 million. The net proceeds were used to repay a portion of the borrowings under the Senior Credit Facility for the PNGTS Acquisition and for general partnership purposes. The 3.1 million common units issued include the 1.6 million common units subject to rescission as discussed below.

In 2015, the Partnership issued 0.7 million common units under the ATM Program generating net proceeds of approximately $43 million, plus an additional $1 million from the General Partner's to maintain its effective two percent interest. The commissions to our sales agents were approximately $0.4 million. The net proceeds were used for general partnership purposes.

In 2014, the Partnership issued 1.3 million common units under the ATM Program generating net proceeds of approximately $71 million, plus an additional $2 million from the General Partner's to maintain its effective two percent interest. The commissions to our sales agents were approximately $1 million. The net proceeds were used to finance the 2014 Bison Acquisition (refer to Note 6).

Common unit issuance subject to rescission

On July 17, 2014, the SEC declared effective a registration statement (the Registration Statement) that we had filed to cover sales of Common Units under our ATM program. On February 26, 2016, at the time of the filing of the 2015 Form 10-K, we believed that the Partnership continued to be eligible to use the effective Registration Statement to sell Common Units under our ATM program. However, we were advised by the SEC on June 23, 2016 that as a result of the untimely filing of an employee-related Form 8-K on October 28, 2015, which was not filed via EDGAR until 6:02 p.m. Eastern Time (32 minutes after the 5:30 p.m. Eastern Time cutoff), the Partnership was ineligible to use the Registration Statement after the filing of the 2015 Form 10-K.

Because the Partnership was ineligible to continue using the Registration Statement following the filing of the 2015 Form 10-K, it is possible that the sales of an aggregate 1,619,631 Common Units under the Registration Statement (the ATM Common Units), which were sold between March 8, 2016 and May 19, 2016 at per Common Unit prices ranging from $47.00 to $54.95, may be deemed to have been unregistered sales of securities. If it is determined that persons who purchased the ATM Common Units from the Partnership after February 26, 2016, purchased such Common Units in an offering deemed to be unregistered, then to the extent there may have been a violation of federal securities laws such persons may be entitled to rescission rights, pursuant to which they could be entitled to recover the amount paid for such ATM Common Units, plus interest (based on the statutory rate under applicable state law), less the amount of any distributions. If such investor has sold any of the ATM Common Units purchased by the investor, then the investor would be entitled to recover the difference between the amount paid for such ATM Common Units and the amount at which such ATM Common Units were sold, assuming the investor's ATM Common Units were sold at a loss, plus interest and less the amount of any distributions. If all of the investors who purchased the ATM Common Units from the Partnership after February 26, 2016 continue to own all of the ATM Common Units and were to demand rescission of their purchases, and such investors were in fact found to be entitled to such rescission, then we would be obligated to repay approximately $82,334,015, plus interest, less the amount of any distributions. The Securities Act generally requires that any claim brought for a violation of Section 5 of the Securities Act be brought within one year of the violation. No unitholder has claimed or attempted to exercise any rescission rights to date.

At December 31, 2016, the Partnership classified all the 1.6 million common units issued under its ATM program after February 26, 2016 up to and including May 19, 2016, which may be subject to rescission rights, outside of equity given the potential redemption feature which is not within the control of the Partnership. These units are treated as outstanding for financial reporting purposes.

The total amount transferred outside of equity was approximately $83 million which includes interest, less distributions paid, and includes our General Partner's share to maintain its effective two percent interest.

Issuance of Class B units

On April 1, 2015, we issued Class B units to TransCanada to finance a portion of the 2015 GTN Acquisition. The Class B units entitle TransCanada to an annual distribution which is an amount based on 30 percent of cash distributions from GTN exceeding certain annual thresholds (refer to Note 6). The Class B units contain no mandatory or optional redemption features and are also non-convertible, non-exchangeable, non-voting and rank equally with common units upon liquidation.

The Class B units' equity account is increased by the excess of 30 percent of GTN's distributions over the annual threshold until such amount is declared for distribution and paid every first quarter of the subsequent year.

For the year ended December 31, 2016 and 2015, the Class B units' equity account was increased by $22 million and $12 million, respectively. These amounts equal 30 percent of GTN's total distributable cash flow above the $20 million threshold in 2016 and $15 million in 2015 (refer to Notes 12 and 13).

NOTE 10 ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in accumulated other comprehensive loss (AOCL) by components are as follows:

(millions of dollars)	Cash flow hedges
Balance at December 31, 2013	(1)
Other comprehensive loss before reclassifications	(1)
Amounts reclassified from AOCL	–
Net other comprehensive loss	(1)
Balance at December 31, 2014	(2)
Other comprehensive loss before reclassifications	–
Amounts reclassified from AOCL	–
Net other comprehensive loss	–
Balance at December 31, 2015	(2)
Other comprehensive income before reclassifications	3
Amounts reclassified from AOCL	(1)
Net other comprehensive loss	2
Balance as of December 31, 2016	–

NOTE 11 FINANCIAL CHARGES AND OTHER

Year ended December 31 (millions of dollars)	**2016**	**2015**	**2014**
Interest expense[(a)]	**65**	59	49
Net realized loss related to the interest rate swaps	**3**	2	2
Other	**(1)**	(5)	(1)
	67	56	50

(a) Effective January 1, 2016, interest expense includes amortization of debt issuance costs and discount costs. Refer to Note 3.

NOTE 12 NET INCOME (LOSS) PER COMMON UNIT

Net income (loss) per common unit is computed by dividing net income attributable to controlling interests, after deduction of amounts attributable to the General Partner and Class B units, by the weighted average number of common units outstanding.

The amounts allocable to the General Partner equals an amount based upon the General Partner's effective two percent general partner interest, plus an amount equal to incentive distributions. Incentive distributions are paid to the General Partner if quarterly cash distributions on the common units exceed levels specified in the Partnership Agreement (refer to Note 13).

The amount allocable to the Class B units in 2016 equals an amount based upon 30 percent of GTN's distributable cash flow during the year ended December 31, 2016 less $20 million (2015 – $15 million).

Net income (loss) per common unit was determined as follows:

(millions of dollars, except per common unit amounts)	**2016**	**2015**	**2014**
Net income attributable to controlling interests	**244**	13	172
Net income attributable to General Partner	**(4)**	–	(3)
Incentive distributions attributable to the General Partner[(a)]	**(7)**	(3)	(1)
Net income attributable to the Class B units[(b)]	**(22)**	(12)	–
Net income (loss) attributable to common units	**211**	(2)	168
Weighted average common units outstanding *(millions)* – basic and diluted	**65.7[(c)]**	63.9	62.7
Net income (loss) per common unit – basic and diluted	**$3.21**	$(0.03)	$2.67

(a) Under the terms of the Partnership Agreement, for any quarterly period, the participation of the incentive distribution rights (IDRs) is limited to the available cash distributions declared. Accordingly, incentive distributions allocated to the General Partner are based on the Partnership's available cash during the current reporting period, but declared and paid in the subsequent reporting period.

(b) As discussed in Note 9, the Class B units entitle TransCanada to a distribution which is an amount based on 30 percent of GTN's distributions after exceeding certain annual thresholds. The distribution will be payable in the first quarter with respect to the prior year's distributions. Consistent with the application of Accounting Standards Codification (ASC) Topic 260 – "Earnings per share", the Partnership allocated a portion of net income attributable to controlling interests to the Class B units in an amount equal to 30 percent of GTN's total distributable cash flows during the year ended December 31, 2016 less the threshold level of $20 million (2015 – less $15 million). During the year ended December 31, 2016, 30 percent of GTN's total distributable cash flow was $42 million. As a result of exceeding the threshold level of $20 million, $22 million of net income attributable to controlling interests was allocated to the Class B units at December 31, 2016 (2015 – $12 million). Refer to Note 9.

(c) Includes the common units subject to rescission. These units are treated as outstanding for financial reporting purposes. Refer to Note 9.

NOTE 13 CASH DISTRIBUTIONS

The Partnership makes cash distributions to its partners with respect to each calendar quarter within 45 days after the end of each quarter. Distributions are based on Available Cash, as defined in the Partnership Agreement, which includes all cash and cash equivalents of the Partnership and working capital borrowings less reserves established by the General Partner.

Pursuant to the Partnership Agreement, the General Partner receives two percent of all cash distributions in regard to its general partner interest and is also entitled to incentive distributions as described below. The unitholders receive the remaining portion of the cash distribution.

The following table illustrates the percentage allocations of available cash from operating surplus between the common unitholders and our General Partner based on the specified target distribution levels. The percentage interests set forth below for our General Partner include its two percent general partner interest and IDRs, and assume our General Partner has contributed any additional capital necessary to maintain its two percent general partner interest. The distribution to the General Partner illustrated below, other than in its capacity as a holder of 5,797,106 common units that are in excess of its effective two percent general partner interest, represents the IDRs.

		Marginal Percentage Interest in Distribution	
	Total Quarterly Distribution Per Unit Target Amount	Common Unitholders	General Partner
Minimum Quarterly Distribution	$0.45	98%	2%
First Target Distribution	above $0.45 up to $0.81	98%	2%
Second Target Distribution	above $0.81 up to $0.88	85%	15%
Thereafter	above $0.88	75%	25%

The following table provides information about our distributions (in millions, except per unit distributions amounts).

			Limited Partners		**General Partner**		
Declaration Date	**Payment Date**	**Per Unit Distribution**	**Common Units**	**Class B Units**[(c)]	**2%**	**IDRs**[(a)]	**Total Cash Distribution**
1/16/2014	2/14/2014	$0.81	$50	$ –	$1	$–	$51
4/25/2014	5/15/2014	$0.81	$51	$ –	$1	$–	$52
7/23/2014	8/14/2014	$0.84	$53	$ –	$1	$–	$54
10/23/2014	11/14/2014	$0.84	$53	$ –	$1	$1	$55
1/22/2015	2/13/2015	$0.84	$54	$ –	$1	$–	$55
4/23/2015	5/15/2015	$0.84	$54	$ –	$1	$–	$55
7/23/2015	8/14/2015	$0.89	$56	$ –	$2	$1	$59
10/22/2015	11/13/2015	$0.89	$57	$ –	$1	$1	$59
1/21/2016	2/12/2016	$0.89	$57	$12[(d)]	$1	$1	$71
4/21/2016	5/13/2016	$0.89	$58	$ –	$1	$1	$60
7/21/2016	8/12/2016	$0.94	$62	$ –	$1	$2	$65
10/20/2016	11/14/2016	$0.94	$63	$ –	$1	$2	$66
1/23/2017[(b)]	2/14/2017[(b)]	$0.94	$64	$22[(e)]	$2	$2	$90

(a) The distributions paid for the year ended December 31, 2016 included incentive distributions to the General Partner of $6 million (2015 – $2 million, 2014 – $1 million).

(b) On February 14, 2017, we paid a cash distribution of $0.94 per unit on our outstanding common units to unitholders of record at the close of business on February 2, 2017 (refer to Note 23).

(c) The Class B units issued by us on April 1, 2015 represent limited partner interests in us and entitle TransCanada to an annual distribution which is an amount based on 30 percent of GTN's annual distributions after exceeding certain annual thresholds (refer to Note 6 and 9).

(d) On February 12, 2016, we paid TransCanada $12 million representing 30 percent of GTN's total distributable cash flows for the nine months ended December 31, 2015 less $15 million.

(e) On February 14, 2017, we paid TransCanada $22 million representing 30 percent of GTN's total distributable cash flows for the year ended December 31, 2016 less $20 million (refer to Note 9 and 23).

NOTE 14 CHANGE IN OPERATING WORKING CAPITAL

Year Ended December 31 (millions of dollars)	2016	2015	2014
Change in accounts receivable and other	**(3)**	(1)	1
Change in other current assets	**(3)**	1	1
Change in accounts payable and accrued liabilities[a]	**5**	(3)	4
Change in accounts payable to affiliates	**2**	(10)[b]	11
Change in accrued interest	**1**	4	–
Change in operating working capital	**2**	(9)	17

(a) The accrual of $10 million for the construction of GTN's Carty Lateral in December 31, 2015 was paid during the first quarter 2016. Accordingly, the payment was reported as capital expenditures in our cash flow statement during 2016.

(b) Excludes certain non-cash items primarily related to accruals of $10 million for construction of GTN's Carty Lateral and $2 million of costs related to acquisition of 49.9 percent interest in PNGTS (Refer to Note 6).

NOTE 15 TRANSACTIONS WITH MAJOR CUSTOMERS

The following table shows revenues from the Partnership's major customers comprising more than 10 percent of the Partnership's total revenues for the years ended December 31, 2016, 2015 and 2014:

Year Ended December 31 (millions of dollars)	2016	2015	2014
Anadarko Energy Services Company (Anadarko)	**48**	48	48
Pacific Gas and Electric Company (Pacific Gas)	**36**	42	45

At December 31, 2016, Anadarko owed the Partnership approximately $4 million, which is greater than 10 percent of our Trade accounts receivable. At December 31, 2015, Anadarko and Pacific Gas each owed the Partnership approximately $4 million and $3 million, respectively, which is greater than 10 percent of our Trade accounts receivable.

NOTE 16 RELATED PARTY TRANSACTIONS

The Partnership does not have any employees. The management and operating functions are provided by the General Partner. The General Partner does not receive a management fee in connection with its management of the Partnership. The Partnership reimburses the General Partner for all costs of services provided, including the costs of employee, officer and director compensation and benefits, and all other expenses necessary or appropriate to the conduct of the business of, and allocable to, the Partnership. Such costs include (i) overhead costs (such as office space and equipment) and (ii) out-of-pocket expenses related to the provision of such services. The Partnership Agreement provides that the General Partner will determine the costs that are allocable to the Partnership in any reasonable manner determined by the General Partner in its sole discretion. Total costs charged to the Partnership by the General Partner were $3 million for each of the years ended December 31, 2016, 2015 and 2014.

As operator, TransCanada's subsidiaries provide capital and operating services to GTN, Northern Border, PNGTS, Bison, Great Lakes, North Baja and Tuscarora (together, "our pipeline systems"). TransCanada's subsidiaries incur costs on behalf of our pipeline systems, including, but not limited to, employee salary and benefit costs, and property and liability insurance costs.

Capital and operating costs charged to our pipeline systems for the years ended December 31, 2016, 2015 and 2014 by TransCanada's subsidiaries and amounts payable to TransCanada's subsidiaries at December 31, 2016 and 2015 are summarized in the following tables:

Year ended December 31 (millions of dollars)	2016	2015	2014
Capital and operating costs charged by TransCanada's subsidiaries to:			
Great Lakes[a]	30	30	30
Northern Border[a]	32	36	35
PNGTS[a][b]	8	–	–
GTN[a][c]	27	30	30
Bison[a][d]	2	4	6
North Baja	4	5	5
Tuscarora	5	4	4
Impact on the Partnership's net income attributable to controlling interests:			
Great Lakes	13	13	13
Northern Border	12	14	16
PNGTS[b]	4	–	–
GTN[c]	24	25	19
Bison[d]	3	4	4
North Baja	4	5	4
Tuscarora	4	4	4

December 31 (millions of dollars)	2016	2015
Amount payable to TransCanada's subsidiaries for costs charged in the year by:		
Great Lakes[a]	4	3
Northern Border[a]	4	5
PNGTS[a]	1	–
GTN	3	3
Bison	1	–
North Baja	1	–
Tuscarora	1	1

(a) Represents 100 percent of the costs.

(b) In 2016, the Partnership acquired a 49.9 percent interest in PNGTS (Refer to Note 6).

(c) In 2015, the Partnership acquired the remaining 30 percent interest in GTN (Refer to Note 6).

(d) In 2014, the Partnership acquired the remaining 30 percent interest in Bison (Refer to Note 6).

Great Lakes earns significant transportation revenues from TransCanada and its affiliates, some of which are provided at discounted rates and some at maximum recourse rates. For the year ended December 31, 2016, Great Lakes earned 68 percent of its transportation revenues from TransCanada and its affiliates (2015 – 71 percent; 2014 – 49 percent). Additionally, Great Lakes earned approximately one percent of its total revenues as affiliated rental revenue in 2016 (2015 – 1 percent and 2014 – 1 percent).

At December 31, 2016, $19 million was included in Great Lakes' receivables in regards to the transportation contracts with TransCanada and its affiliates (December 31, 2015 – $17 million).

Great Lakes operates under a FERC approved 2013 rate settlement that includes a revenue sharing mechanism that requires Great Lakes to share with its shippers certain percentages of any qualifying revenues earned above a certain ROEs. A refund of $2.5 million was paid to shippers in 2016 relating to the year ended December 31, 2015, of which approximately 85 percent was made to affiliates of Great Lakes. For the year ended December 31, 2016, Great Lakes has recorded an estimated revenue sharing provision amounting to $7.2 million and Great Lakes expects that a significant percentage of the refund will be to its affiliates as well.

Great Lakes has a cash management agreement with TransCanada whereby Great Lakes' funds are pooled with other TransCanada affiliates. The agreement also gives Great Lakes the ability to obtain short-term borrowings to provide liquidity for Great Lakes' operating needs. At December 31, 2016 and 2015, Great Lakes has an outstanding receivable from this arrangement amounting to $27 million and $51 million, respectively.

Effective November 1, 2014, Great Lakes executed contracts with an affiliate, ANR Pipeline Company (ANR), to provide firm service in Michigan and Wisconsin. These contracts were at the maximum FERC authorized rate and were intended to replace historical contracts. On

December 3, 2014, FERC accepted and suspended Great Lakes' tariff records to become effective May 3, 2015, subject to refund. On February 2, 2015, FERC issued an Order granting a rehearing and clarification request submitted by Great Lakes, which allowed additional time for FERC to consider Great Lakes' request. Following extensive discussions with numerous shippers and other stakeholders, on April 20, 2015, ANR filed a settlement with FERC that included an agreement by ANR to pay Great Lakes the difference between the historical and maximum rates (ANR Settlement). Great Lakes provided service to ANR under multiple service agreements and rates through May 3, 2015 when Great Lakes' tariff records became effective and subject to refund. Great Lakes deferred an approximate $9 million of revenue related to services performed in 2014 and approximately $14 million of additional revenue related to services performed through May 3, 2015 under such agreements. On October 15, 2015, FERC accepted and approved the ANR Settlement. As a result, Great Lakes recognized the deferred transportation revenue of approximately $23 million in the fourth quarter of 2015.

NOTE 17 QUARTERLY FINANCIAL DATA (unaudited)

The following sets forth selected unaudited financial data for the four quarters in 2016 and 2015:

Quarter ended (millions of dollars except per common unit amounts)	Mar 31	Jun 30	Sept 30	Dec 31
2016				
Transmission revenues	**86**	**89**	**91**	**91**
Equity earnings[(a)(c)]	**42**	**22**	**24**	**28**
Net income	**73**	**54**	**58**	**60**
Net income attributable to controlling interests	**73**	**54**	**58**	**60**
Net income per common unit	**$1.10**	**$0.76**	**$0.65**	**$0.70**
Cash distribution paid	**71**	**60**	**65**	**66**
2015				
Transmission revenues	87	85	83	89
Equity earnings[(a)]	31	15	17	34
Impairment of equity-method investment[(b)]	–	–	–	(199)
Net income (loss)	64	44	49	(137)
Net income (loss) attributable to controlling interests	57	44	49	(137)
Net income (loss) per common unit	$0.88	$0.66	$0.70	$(2.24)
Cash distribution paid	55	55	59	59

(a) Equity Earnings represents our share in investee's earnings and does not include any impairment charge on equity method goodwill included as part of the carrying value of our equity investments.

(b) During the three months ended December 31, 2015, we recognized an impairment charge on our investment in Great Lakes amounting to $199 million. During the year ended December 31, 2015, no impairment has been identified on our investment in Northern Border (Refer to Note 4).

(c) During the year ended December 31, 2016, no impairment has been identified related to our equity investments in Northern Border, Great Lakes or PNGTS.

NOTE 18 FAIR VALUE MEASUREMENTS

(a) Fair Value Hierarchy

Under ASC 820, Fair Value Measurements and Disclosures, fair value measurements are characterized in one of three levels based upon the input used to arrive at the measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

When appropriate, valuations are adjusted for various factors including credit considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used.

(b) Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, accounts receivable and other, accounts payable and accrued liabilities, accounts payable to affiliates, accrued interest and short-term debt approximate their fair values because of the short maturity or duration of these instruments, or because the instruments bear a variable rate of interest or a rate that approximates current rates. The fair value of the Partnership's long-term debt is estimated by discounting the future cash flows of each instrument at estimated current borrowing rates. The fair value of interest rate derivatives is calculated using the income approach which uses period-end market rates and applies a discounted cash flow valuation model.

The Partnership has classified the fair value of natural gas imbalances as a Level 2 of the fair value hierarchy for fair value disclosure purposes, as the valuation approach includes quoted prices in the market index and observable volumes for the imbalance.

Long-term debt is recorded at amortized cost and classified in Level 2 of the fair value hierarchy for fair value disclosure purposes. Interest rate derivative assets and liabilities are classified in Level 2 for all periods presented where the fair value is determined by using valuation techniques that refer to observable market data or estimated market prices. The estimated fair value of the Partnership's debt as at December 31, 2016 and December 31, 2015 was $1,908 million and $1,873 million, respectively.

The ATM common units which may be subject to rescission rights, as discussed more fully in Note 9, were measured using the original issuance price, plus statutory interest and less any distributions paid. This fair value measurement is classified as Level 2.

Market risk is the risk that changes in market interest rates may result in fluctuations in the fair values or cash flows of financial instruments. The Partnership's floating rate debt is subject to LIBOR benchmark interest rate risk. The Partnership uses interest rate derivatives to manage its exposure to interest rate risk. We regularly assess the impact of interest rate fluctuations on future cash flows and evaluate hedging opportunities to mitigate our interest rate risk.

The interest rate swaps are structured such that the cash flows of the derivative instruments match those of the variable rate of interest on the 2013 Term Loan Facility. The Partnership hedged interest payments on the variable-rate 2013 Term Loan Facility with interest rate swaps maturing July 1, 2018, at a weighted average fixed interest rate of 2.31 percent. At December 31, 2016, the fair value of the interest rate swaps accounted for as cash flow hedges was an asset of $1 million and a liability of $1 million (on a gross basis) and an asset of nil million (on a net basis). At December 31, 2015, the fair value of the interest rate swaps accounted for as cash flow hedges was a liability of $1 million both on a gross and net basis. The Partnership did not record any amounts in net income related to ineffectiveness for interest rate hedges for the years ended December 31, 2016, 2015 and 2014. The net change in fair value of interest rate derivative instruments recognized in other comprehensive income was a gain of $2 million for the year ended December 31, 2016 (2015 – nil million, 2014 – loss of $1 million). In 2016, the net realized loss related to the interest rate swaps was $3 million, and was included in financial charges and other (2015 – $2 million, 2014 – $2 million). Refer to Note 11 – Financial Charges and Other.

The Partnership has no master netting agreements, however, contracts contain provisions with rights of offset. The Partnership has elected to present the fair value of derivative instruments with the right to offset on a gross basis in the balance sheet. Had the Partnership elected to present these instruments on a net basis, there would be net asset of nil million as of December 31, 2016 and there would be no effect on the consolidated balance sheet as of December 31, 2015.

Our maximum counterparty credit exposure with respect to financial instruments at the balance sheet date consists primarily of the carrying amount, which approximates fair value, of non-derivative financial assets, such as cash and cash equivalents and receivables, as well as the fair value of derivative financial assets. We review our accounts receivable regularly and record allowances for doubtful accounts using the specific identification method. At December 31, 2016, we had not incurred any significant credit losses and had no significant amounts past due or impaired. At December 31, 2016, we had a credit risk concentration on one of our customers and the amount owed is greater than 10 percent of our trade accounts receivable (refer to Note 15).

(c) Other

The estimated fair value measurements on Tuscarora (refer to Note 20) and our equity investment in Great Lakes (refer to Note 4) are both classified as Level 3. In the determination of the fair value, we used internal forecasts on expected future cash flows and applied appropriate discount rates. The determination of expected future cash flows involved significant assumptions and estimates as discussed more fully on Notes 4 and 20.

NOTE 19 ACCOUNTS RECEIVABLE AND OTHER

December 31 (millions of dollars)	**2016**	**2015**
Trade accounts receivable, net of allowance of nil	**34**	32
Imbalance receivable from affiliates	**2**	1
Other	**1**	–
	37	33

NOTE 20 GOODWILL AND REGULATORY

Tuscarora – On January 21, 2016, FERC issued an Order initiating an investigation pursuant to Section 5 of the Natural Gas Act of 1938 (NGA) to determine whether Tuscarora's existing rates for jurisdictional services are just and reasonable. On July 22, 2016, Tuscarora filed a petition with FERC requesting approval of the Stipulation and Agreement of Settlement (Tuscarora Settlement) Tuscarora made with its customers. On September 22, 2016, FERC approved the Tuscarora Settlement that resolved the Section 5 rate review initiated by FERC in January 2016. Under the terms of the Tuscarora Settlement, Tuscarora's system-wide unit rate initially decreased by 17 percent, effective August 1, 2016. Unless superseded by a subsequent rate case or settlement, this rate will remain in effect until July 31, 2019, after which time the unit rate will decrease an additional seven percent from August 1, 2019 through July 31, 2022. The settlement does not contain a rate moratorium and requires Tuscarora to file to establish new rates no later than August 1, 2022.

The reduction in Tuscarora's future cash flows as a result of the Tuscarora Settlement constituted a triggering event in the second quarter of 2016 that led us to evaluate, for possible impairment, the $82 million of goodwill related to our acquisition of Tuscarora.

Our second quarter analysis, which was also reviewed for any material updates as part of our annual impairment test on goodwill, resulted in the estimated fair value of Tuscarora exceeding its carrying value but the excess was less than 10 percent. The fair value was measured using a discounted cash flow analysis and included revenues expected from Tuscarora's current and expected future contracting level. There is a risk that reductions in future cash flow forecasts as a result of Tuscarora not being able to maintain its current contracting level and/or not being able to realize other opportunities on the system, together with adverse changes in other key assumptions such as expected outcome of future rate proceedings, projected operating costs and estimated rate of return on invested capital, could result in a future impairment of the goodwill balance relating to Tuscarora.

North Baja – On January 6, 2017, North Baja notified FERC that current market conditions do not support the replacement of the compression that was temporarily abandoned in 2013 and requested authorization to permanently abandon two compressor units and a nominal volume of unsubscribed firm capacity. The requested abandonments will not have any impact on existing firm transportation service.

GTN – GTN operates under rates established pursuant to a settlement approved by FERC in June 2015. Beginning in January 2016, GTN's rates decreased by 10 percent and will continue in effect through December 31, 2019. Unless superseded by a subsequent rate case or settlement, GTN's rates will decrease an additional eight percent for the period January 1, 2020 through December 31, 2021 when GTN will be required to establish new rates.

NOTE 21 CONTINGENCIES

The Partnership and its pipeline systems are subject to various legal proceedings in the ordinary course of business. Our accounting for contingencies covers a variety of business activities, including contingencies for legal and environmental liabilities. The Partnership accrues for these contingencies when the assessments indicate that it is probable that a liability has been incurred or an asset will not be recovered and an amount can be reasonably estimated in accordance with *ASC 450 – Contingencies*. We base these estimates on currently available facts and the estimates of the ultimate outcome or resolution. Actual results may differ from estimates resulting in an impact, positive or negative, on earnings and cash flow. Contingencies that might result in a gain are not accrued in our consolidated financial statements.

Below are the material legal proceedings that might have a significant impact on the Partnership:

Great Lakes v. Essar Steel Minnesota LLC, et al. – On October 29, 2009, Great Lakes filed suit in the U.S. District Court, District of Minnesota, against Essar Minnesota LLC (Essar Minnesota) and certain Foreign Essar Affiliates (collectively, Essar) for breach of its monthly payment obligation under its transportation services agreement with Great Lakes. Great Lakes sought to recover approximately $33 million for past and future payments due under the agreement. On September 16, 2015, following a jury trial, the federal district court judge entered a judgment in the amount of $32.9 million in favor of Great Lakes. On September 20, 2015, Essar appealed the decision to the United States Court of Appeals for the Eighth Circuit (Eighth Circuit) based on an allegation of improper jurisdiction and a number of other rulings by the federal district judge. Essar was required to post a performance bond for the full value of the judgment pending appeal. In July 2016, Essar Minnesota filed for Bankruptcy. The Foreign Essar Affiliates have not filed for bankruptcy. The Eighth Circuit heard the appeal on October 20,

2016. A decision on the appeal was received in December 2016 and the Eighth Circuit vacated Great Lakes' judgment against Essar finding that there was no federal jurisdiction. Great Lakes filed a Request for Rehearing with the Eighth Circuit and it was denied in January 2017. Great Lakes has ninety days to appeal to the U.S. Supreme Court on Certiorari. In the alternative, it may proceed with its lawsuit against the Foreign Essar Affiliates in the state of Minnesota.

Employees Retirement System of the City of St. Louis v. TC PipeLines GP, Inc., et al. – On October 13, 2015, an alleged unitholder of the Partnership filed a class action and derivative complaint in the Delaware Court of Chancery against the General Partner, TransCanada American Investments, Ltd. (TAIL) and TransCanada, and the Partnership as a nominal defendant. The complaint alleges direct and derivative claims for breach of contract, breach of the duty of good faith and fair dealing, aiding and abetting breach of contract, and tortious interference in connection with the 2015 GTN Acquisition, including the issuance by the Partnership of $95 million in Class B Units and amendments to the Partnership Agreement to provide for the issuance of the Class B Units. Plaintiff seeks, among other things, to enjoin future issuances of Class B Units to TransCanada or any of its subsidiaries, disgorgement of certain distributions to the General Partner, TransCanada and any related entities, return of some or all of the Class B Units to the Partnership, rescission of the amendments to the Partnership Agreement, monetary damages and attorney fees. The Partnership has moved to dismiss the complaint and intends to defend vigorously against the claims asserted. In April 2016, the Chancery Court granted the Partnership and other defendants' motion to dismiss the plaintiffs' complaint. The plaintiff has appealed the decision to dismiss its claims. The appeal of this matter was heard by the Delaware Supreme Court in December, 2016. The court found in TransCanada's favor and dismissed the Plaintiff's motion. There are no further rights of appeal.

NOTE 22 VARIABLE INTEREST ENTITIES

In the normal course of business, the Partnership must re-evaluate its legal entities under the newly effective consolidation guidance to determine if those that are considered to be VIEs are appropriately consolidated or if they should be accounted for under other GAAP. A variable interest entity (VIE) is a legal entity that does not have sufficient equity at risk to finance its activities without additional subordinated financial support or is structured such that equity investors lack the ability to make significant decisions relating to the entity's operations through voting rights or do not substantively participate in the gains or losses of the entity. A VIE is appropriately consolidated if the Partnership is considered to be the primary beneficiary. The VIE's primary beneficiary is the entity that has both (1) the power to direct the activities of the VIE that most significantly impact the VIEs economic performance and (2) the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

As a result of its analysis, the Partnership continues to consolidate all legal entities in which it has a variable interest and for which it is considered to be the primary beneficiary. VIEs where the Partnership is not the primary beneficiary, but has a variable interest in the entity, are accounted for as equity investments.

Consolidated VIEs

The Partnership's consolidated VIEs consist of the Partnership's ILPs that hold interests in the Partnership's pipeline systems. After considering the purpose and design of the ILPs and the risks that they were designed to create and pass through to the Partnership, the Partnership has concluded that it is the primary beneficiary of these ILPs because of the significant amount of variability that it absorbs from the ILPs' economic performance.

The assets and liabilities held through these VIEs that are not available to creditors of the Partnership and whose investors have no recourse to the credit of the Partnership are held through GTN, Tuscarora, Northern Border, Great Lakes and PNGTS due to their third party debt. The following table presents the total assets and liabilities of these entities that are included in the Partnership's Consolidated Balance Sheets:

(millions of dollars)	December 31, 2016	December 31, 2015
ASSETS (LIABILITIES)[a]		
Accounts receivable and other	**24**	21
Inventories	**6**	6
Other current assets	**4**	4
Equity investments	**1,044**	965
Plant, property and equipment	**847**	872
Other assets	**2**	2
Accounts payable and accrued liabilities	**(20)**	(26)
Accounts payable to affiliates, net	**(28)**	(6)
Accrued interest	**(1)**	(1)
Current portion of long-term debt	**(23)**	(14)
Long-term debt	**(313)**	(326)
Other liabilities	**(25)**	(24)

(a) North Baja and Bison, which are also assets held through our consolidated VIEs, are excluded as the assets of these entities can be used for purposes other than the settlement of the VIE's obligations.

NOTE 23 SUBSEQUENT EVENTS

Management of the Partnership has reviewed subsequent events through February 28, 2017, the date the financial statements were issued, and concluded there were no events or transactions during this period that would require recognition or disclosure in the consolidated financial statements other than what is disclosed here and/or those already disclosed in the preceding notes.

On January 23, 2017, the board of directors of our General Partner declared the Partnership's fourth quarter 2016 cash distribution in the amount of $0.94 per common unit and was paid on February 14, 2017 to unitholders of record as of February 2, 2017. The declared distribution totaled $68 million and was paid in the following manner: $64 million to common unitholders (including $5 million to the General Partner as holder of 5,797,106 common units and $11 million to another subsidiary of TransCanada as holder of 11,287,725 common units) and $4 million to our General Partner, which included $2 million for its effective two percent general partner interest and $2 million of IDRs payment.

On January 23, 2017, the board of directors of our General Partner declared distributions to Class B unitholders in the amount of $22 million and was paid on February 14, 2017. The Class B distribution represents an amount equal to 30 percent of GTN's distributable cash flow during the year ended December 31, 2016 less $20 million.

Northern Border declared its December 2016 distribution of $16 million on January 9, 2017, of which the Partnership received its 50 percent share or $8 million on January 31, 2016.

Northern Border declared its January 2017 distribution of $18 million on February 15, 2017, of which the Partnership received its 50 percent share or $9 million on February 28, 2017.

Great Lakes declared its fourth quarter 2016 distribution of $14 million on January 9, 2017, of which the Partnership received its 46.45 percent share or $7 million. The distribution was paid on February 1, 2017.

NORTHERN BORDER PIPELINE COMPANY
INDEPENDENT AUDITORS' REPORT

The Management Committee
Northern Border Pipeline Company:

Report on the Financial Statements

We have audited the accompanying financial statements of Northern Border Pipeline Company (the Company), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income, comprehensive income, changes in partners' equity, and cash flows for each of the years in the three-year period ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northern Border Pipeline Company as of December 31, 2016 and 2015, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2016, in accordance with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Houston, Texas
February 17, 2017

NORTHERN BORDER PIPELINE COMPANY
BALANCE SHEETS

December 31, (In thousands)	**2016**	2015
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 13,535**	27,294
Accounts receivable	**23,484**	22,511
Related party receivables	**3,503**	2,339
Materials and supplies	**5,727**	5,649
Prepaid expenses and other	**3,482**	2,594
Total current assets	**49,731**	60,387
Property, plant and equipment:		
In service natural gas transmission plant	**2,584,065**	2,570,220
Construction work in progress	**1,409**	2,803
Total property, plant and equipment	**2,585,474**	2,573,023
Less: Accumulated provision for depreciation and amortization	**1,496,860**	1,449,033
Property, plant and equipment, net	**1,088,614**	1,123,990
Other assets:		
Regulatory assets	**14,773**	15,552
Other	**7**	9
Total other assets	**14,780**	15,561
Total assets	**$1,153,125**	1,199,938
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	**$ –**	99,908
Accounts payable	**9,568**	7,366
Related party payables	**3,507**	4,783
Accrued taxes other than income	**20,286**	19,766
Accrued interest	**4,707**	6,857
Other	**196**	32
Total current liabilities	**38,264**	138,712
Long-term debt	**429,545**	309,314
Deferred credits and other liabilities		
Regulatory liabilities	**24,473**	21,924
Other	**3,931**	3,527
Total deferred credits and other liabilities	**28,404**	25,451
Total liabilities	**496,213**	473,477
Partners' equity:		
Partners' capital	**658,466**	728,279
Accumulated other comprehensive loss	**(1,554)**	(1,818)
Total partners' equity	**656,912**	726,461
Total liabilities and partners' equity	**$1,153,125**	1,199,938

The accompanying notes are an integral part of these financial statements.

NORTHERN BORDER PIPELINE COMPANY
STATEMENTS OF INCOME

Years ended December 31, (In thousands)	**2016**	2015	2014
Operating revenue	**$291,642**	285,510	293,318
Operating expenses:			
Operations and maintenance	**47,652**	47,260	48,720
Depreciation and amortization	**58,813**	59,571	58,752
Taxes other than income	**24,200**	22,826	23,383
Operating expenses	**130,665**	129,657	130,855
Operating income	**160,977**	155,853	162,463
Interest expense:			
Interest expense	**25,433**	26,591	26,565
Interest expense capitalized	**(100)**	(76)	(53)
Interest expense, net	**25,333**	26,515	26,512
Other income (expense):			
Allowance for equity funds used during construction	**297**	243	176
Other income	**4,151**	4,722	3,605
Other expense	**(113)**	(420)	(95)
Other income, net	**4,335**	4,545	3,686
Net income to partners	**$139,979**	133,883	139,637

NORTHERN BORDER PIPELINE COMPANY
STATEMENTS OF COMPREHENSIVE INCOME

Years ended December 31, (In thousands)	**2016**	2015	2014
Net income to partners	**$139,979**	133,883	139,637
Other comprehensive income:			
Changes associated with hedging transactions	**264**	245	228
Total comprehensive income	**$140,243**	134,128	139,865

The accompanying notes are an integral part of these financial statements.

NORTHERN BORDER PIPELINE COMPANY
STATEMENTS OF CASH FLOWS

Years ended December 31, (In thousands)		2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income to partners	$	139,979	133,883	139,637
Adjustments to reconcile net income to partners to net cash provided by operating activities:				
Depreciation and amortization		58,813	59,571	58,752
Allowance for equity funds used during construction		(297)	(243)	(176)
Changes in components of working capital		217	(7,644)	6,135
Other		45	1,843	583
Total adjustments		58,778	53,527	65,294
Net cash provided by operating activities		198,757	187,410	204,931
CASH FLOWS USED IN INVESTING ACTIVITIES:				
Capital expenditures		(21,592)	(15,348)	(21,012)
Other		(982)	(3,417)	5,773
Net cash used in investing activities		(22,574)	(18,765)	(15,239)
CASH FLOWS USED IN FINANCING ACTIVITIES:				
Distributions to partners		(209,792)	(182,173)	(174,966)
Proceeds from issuance of debt		128,000	10,000	23,000
Repayment of debt		(108,000)	(10,000)	(23,000)
Debt issuance costs		(150)	(564)	–
Net cash used in financing activities		(189,942)	(182,737)	(174,966)
Net change in cash and cash equivalents		(13,759)	(14,092)	14,726
Cash and cash equivalents at beginning of year		27,294	41,386	26,660
Cash and cash equivalents at end of year	$	13,535	27,294	41,386
Supplemental disclosure for cash flow information:				
Cash paid for interest, net of amount capitalized	$	26,746	25,802	25,881
Accruals for property, plant and equipment		63	1,841	–
Changes in components of working capital:				
Accounts receivable	$	(973)	1,220	1,140
Related party receivables		(1,163)	(742)	141
Materials and supplies		(78)	(109)	(70)
Prepaid expenses and other		374	(118)	(152)
Accounts payable		3,369	(1,183)	(103)
Related party payables		318	(6,507)	6,596
Accrued taxes other than income		520	(188)	(173)
Accrued interest		(2,150)	(17)	(75)
Other current liabilities		–	–	(1,169)
Total	$	217	(7,644)	6,135

The accompanying notes are an integral part of these financial statements.

NORTHERN BORDER PIPELINE COMPANY
STATEMENTS OF CHANGES IN PARTNERS' EQUITY

(In thousands)	TC PipeLines Intermediate Limited Partnership	ONEOK Partners Intermediate Limited Partnership	Accumulated Other Comprehensive Income (Loss)	Total Partners' Equity
Partners' equity at December 31, 2013	$ 405,949	405,949	(2,291)	809,607
Net income to partners	69,818	69,819	–	139,637
Changes associated with hedging transactions	–	–	228	228
Distributions to partners	(87,483)	(87,483)	–	(174,966)
Partners' equity at December 31, 2014	$ 388,284	388,285	(2,063)	774,506
Net income to partners	66,941	66,942	–	133,883
Changes associated with hedging transactions	–	–	245	245
Distributions to partners	(91,086)	(91,087)	–	(182,173)
Partners' equity at December 31, 2015	$ 364,139	364,140	(1,818)	726,461
Net income to partners	69,990	69,989	–	139,979
Changes associated with hedging transactions	–	–	264	264
Distributions to partners	(104,896)	(104,896)	–	(209,792)
Partners' equity at December 31, 2016	$ 329,233	329,233	(1,554)	656,912

The accompanying notes are an integral part of these financial statements.

1. DESCRIPTION OF BUSINESS

Northern Border Pipeline Company (the Partnership) is a Texas general partnership formed in 1978. The Partnership owns a 1,263-mile natural gas transmission pipeline system, which includes an additional 149 pipeline miles parallel to the original system, extending from the United States-Canadian border near Port of Morgan, Montana, to a terminus near North Hayden, Indiana. The partners and ownership percentages at December 31, 2016 and 2015 were as follows:

Partner	Ownership
ONEOK Partners Intermediate Limited Partnership (ONEOK Partners)	50%
TC PipeLines Intermediate Limited Partnership (TC PipeLines)	50%

The Partnership is managed by a Management Committee that consists of four members. Each partner designates two members and TC PipeLines designates one of its members as chairman.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of Estimates

The preparation of the financial statements in accordance with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as the disclosure of contingent assets and liabilities during the reported period. Although management believes these estimates are reasonable, actual results could differ from these estimates in the financial statements and accompanying notes.

(b) Cash and Cash Equivalents

The Partnership's cash and cash equivalents consist of cash and highly liquid short-term investments with original maturities of three months or less and are recorded at cost, which approximates fair value.

(c) Trade Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest, except for those receivables subject to late charges. The Partnership maintains an allowance for doubtful accounts for estimated losses on accounts receivable, if it is determined the Partnership will not collect all or part of the outstanding receivable balance. The Partnership regularly reviews its allowance for doubtful accounts and establishes or adjusts the allowance as necessary using the specific-identification method. Account balances are charged to the allowance after all means of collection have been exhausted and the potential for recovery is no longer considered probable. Accounts written off in 2016 and 2015 were not material to the Partnership's financial statements.

(d) Natural Gas Imbalances

Natural gas imbalances occur when the actual amount of natural gas delivered to or received from a pipeline system differs from the amount of natural gas scheduled to be delivered or received. The Partnership values these imbalances due to or from shippers and interconnecting parties at current index prices. Imbalances are settled in-kind, subject to the terms of the Partnership's tariff.

Imbalances due from others are reported on the balance sheets as trade accounts receivable and related party receivables. Imbalances owed to others are reported on the balance sheets as trade accounts payable and accounts payable to affiliates. In addition, the Partnership classifies all imbalances as current as the Partnership expects to settle them within a year.

(e) Material and Supplies

The Partnership's inventories primarily consist of materials and supplies and are carried at lower of weighted average cost or market.

(f) Accounting for Regulated Operations

The Partnership's natural gas pipeline is subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) under the Natural Gas Act of 1938 and the Natural Gas Policy Act of 1978. Financial Accounting Standards Board Accounting Standards Codification (ASC) 980, *Regulated Operations*, provides that rate regulated enterprises account for and report assets and liabilities consistent with the economic effect of the way in which regulators establish rates, if the rates are designed to recover the costs of providing the regulated service and if the competitive environment makes it probable that such rates can be charged and collected. The Partnership evaluates the continued applicability of regulatory accounting, considering such factors as regulatory charges, the impact of competition, and the ability to recover regulatory assets as set forth in ASC 980. Accordingly, certain assets and liabilities that result from the regulated ratemaking process are reflected on the balance sheets as regulatory assets and regulatory liabilities.

The following table presents regulatory assets and liabilities at December 31, 2016 and 2015:

	December 31,		Remaining recovery/ settlement period
	2016	**2015**	
	(In thousands)		*(Years)*
Regulatory Assets			
Fort Peck lease option	$ 12,466	12,784	39
Pipeline extension project	2,307	2,768	5
Volumetric fuel tracker	1,387	–	(a)
Compressor usage surcharge	–	125	(b)
	16,160	15,677	
Less: Current portion included in Prepaid expenses and other	1,387	125	
	$ 14,773	15,552	
Regulatory Liabilities			
Negative salvage	$ 24,473	21,924	(c)
Compressor usage surcharge	196	–	(b)
Volumetric fuel tracker	–	32	(a)
	24,669	21,956	
Less: Current portion included in Other	196	32	
	$ 24,473	21,924	

(a) Volumetric fuel tracker assets or liabilities are settled with in-kind exchanges with customers continually

(b) Compressor usage surcharge is designed to track the recovery of the actual costs related to both electricity usage at the Partnership's electric compressors and compressor fuel use taxes imposed on the consumption of natural gas powered stations along the Partnership's pipeline system (refer to Note 4(b))

(c) Negative salvage accrued for estimated net costs of removal of transmission plant has a settlement period related to the estimated life of the assets (refer to Note 2(g))

(g) Property, Plant and Equipment

Property, plant and equipment are recorded at their original cost of construction. For assets the Partnership constructs, direct costs, such as labor and materials, and indirect costs, such as overhead, interest, and an equity return component on regulated businesses as allowed by the FERC, are capitalized. The Partnership capitalizes major units of property replacements or improvements and expenses minor items.

The Partnership uses the composite (group) method to depreciate property, plant and equipment. Under this method, assets with similar lives and characteristics are grouped and depreciated as one asset. The depreciation rate is applied to the total cost of the group until its net book value equals its salvage value. All asset groups are depreciated using depreciation rates approved in the Partnership's last rate proceeding. Currently, the Partnership's depreciation rates vary from 2% to 20% per year. Using these rates, the remaining depreciable life of these assets ranges from 1 to 38 years.

When property, plant and equipment are retired, the Partnership charges accumulated depreciation and amortization for the original cost of the assets in addition to the cost to remove, sell, or dispose of the assets, less their salvage value. The Partnership does not recognize a gain or loss unless an entire operating unit is sold or retired. The Partnership includes gains or losses on dispositions of operating units in income.

The Partnership capitalizes a carrying cost on funds invested in the construction of long-lived assets. This carrying cost includes a return on the investment financed by debt and equity allowance for funds used during construction (AFUDC). AFUDC is calculated based on the Partnership's average cost of debt and equity. Capitalized carrying costs for AFUDC debt and equity are reflected as an increase in the cost of the asset on the balance sheets.

(h) Long-Lived Assets

Long-lived assets, such as property, plant and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Partnership first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary.

(i) Revenue Recognition

The Partnership's revenues are primarily generated from transportation services. Revenues for all services are based on the quantity of gas delivered or subscribed at a price specified in the contract. For the Partnership's transportation services, reservation revenues are recognized on firm contracted capacity ratably over the contract period regardless of the amount of natural gas that is transported. For the Partnership's interruptible or volumetric-based services, the Partnership records revenues when physical deliveries of natural gas are made at the agreed-upon delivery point. The Partnership does not take ownership of the gas that it transports. The Partnership is subject to FERC regulations, and as a result, revenues the Partnership collects may be subject to refund in a rate proceeding. The Partnership establishes provision for these potential refunds. As of December 31, 2016 and 2015, there are no refund provisions reflected in these financial statements.

(j) Asset Retirement Obligations

The Partnership accounts for asset retirement obligations pursuant to the provisions of ASC 410-20, *Asset Retirement Obligations*. ASC 410-20 requires the Partnership to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long lived assets that result from the acquisition, construction, development, and/or normal use of the assets. ASC 410-20 also requires the Partnership to record a corresponding asset that is depreciated over the life of the asset. Subsequent to the initial measurement of the asset retirement obligation, the obligation is to be adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

The fair value of a liability for an asset retirement obligation is recorded during the period in which the liability is incurred, if a reasonable estimate of fair value can be made. The Partnership has determined that asset retirement obligations exist for certain of its transmission assets; however, the fair value of the obligations cannot be determined because the end of the transmission system life is not determinable with the degree of accuracy necessary to currently establish a liability for the obligations.

The Partnership has determined it has legal obligations associated with its natural gas pipelines and related transmission facilities. The obligations relate primarily to purging and sealing the pipelines if they are abandoned. The Partnership is also required to operate and maintain its natural gas pipeline system, and intends to do so as long as supply and demand for natural gas exists, which the Partnership expects for the foreseeable future. Therefore, the Partnership believes its natural gas pipeline system assets have indeterminate lives and, accordingly, has recorded no asset retirement obligation as of December 31, 2016 and 2015. The Partnership continues to evaluate its asset retirement obligations and future developments that could impact amounts it records.

(k) Derivative Instruments and Hedging Activities

The Partnership recognizes all derivative instruments as either assets or liabilities in the balance sheet at their respective fair values. For derivatives designated in hedging relationships, changes in the fair value are either offset through earnings against the change in fair value of the hedged item attributable to the risk being hedged or recognized in accumulated other comprehensive income, to the extent the derivative is effective at offsetting the changes in cash flows being hedged until the hedged item affects earnings.

The Partnership only enters into derivative contracts that it intends to designate as a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). For all hedging relationships, the Partnership formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the hedged transaction, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively, and a description of the method used to measure ineffectiveness. The Partnership also formally assesses, both at the inception of the hedging relationship and on an ongoing basis, whether the derivatives that are used in the hedging relationships are highly effective in offsetting changes in cash flows of hedged transactions. For derivative instruments that are designated and qualify as part of a cash flow hedging relationship, the effective portion of the gain or loss on the derivatives is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings.

The Partnership discontinues hedge accounting prospectively when it determines that the derivative is no longer effective in offsetting cash flows attributable to the hedged risk, the derivative expires or is sold, terminated, or exercised, the cash flow hedge is de-designated because a forecasted transaction is not probable of occurring, or management determines to remove the designation of the cash flow hedge.

In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Partnership continues to carry the derivative at its fair value on the balance sheet and recognizes any subsequent changes in its fair value in earnings. When it is probable that a forecasted transaction will not occur, the Partnership discontinues hedge accounting and recognizes immediately in earnings gains and losses that were accumulated in other comprehensive income related to the hedging relationship.

(l) Debt Issuance Costs

Costs related to the issuance of debt are deferred and amortized using the effective-interest rate method over the term of the related debt.

The Partnership amortizes premiums, discounts, and expenses incurred in connection with the issuance of debt consistent with the terms of the respective debt instrument.

(m) Operating Leases

The Partnership has non-cancelable operating leases for office space and rights-of-way. The Partnership records rent expense straight-line over the life of the lease.

(n) Contingencies

The Partnership recognizes liabilities for contingencies when it has an exposure that, when fully analyzed, indicates it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. Where the most likely outcome of a contingency can be reasonably estimated, the Partnership accrues a liability for that amount. Where the most likely outcome cannot be estimated, a range of potential losses is established and if no one amount in that range is more likely than any other, the lower end of the range is accrued.

(o) Income Taxes

Income taxes are the responsibility of the partners and are not reflected in these financial statements.

(p) Fair Value Measurements

For cash and cash equivalents, receivables, accounts payable and certain accrued expenses, the carrying amount approximates fair value due to the short maturities of these instruments. For long-term debt instruments, fair value is estimated based upon market values (if applicable) or on the current interest rates available to the Partnership for debt with similar terms and remaining maturities. Considerable judgment is required in developing these estimates.

3. ACCOUNTING CHANGES

(a) Changes in Accounting Policies for 2016

Imputation of interest

In April 2015, the FASB issued an amendment of previously issued guidance on imputation of interest, which requires debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of debt liabilities, consistent with debt discount or premiums. In addition, amortization of debt issuance costs should be reported as interest expense. The recognition and measurement for debt issuance costs would not be affected. The guidance was effective on January 1, 2016 and was implemented retrospectively resulting in a reclassification of debt issuance costs of $2.0 million previously recorded in other assets at December 31, 2015 to an offset against the related debt liabilities on the Partnership's balance sheets consistent with the presentation of debt discount. Amortization of debt issuance costs was reported as interest expense in all periods presented in the Partnership's statements of income.

Statement of Cash Flows

In August 2016, the FASB issued an amendment of previously issued guidance, which intends to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. The new guidance is effective January 1, 2018, however, since early adoption is permitted, the Partnership elected to retrospectively apply this guidance effective December 31, 2016. The application of this guidance did not have an impact on the Partnership's statements of cash flows.

(b) Future Accounting Changes

Revenue from contracts with customers

In 2014, the FASB issued new guidance on revenue from contracts with customers. Current guidance allows for revenue recognition when certain criteria are met. The new guidance requires that an entity recognizes revenue with a five step model. This model is used to depict the transfer of promised goods or services to customers in an amount that reflects the total consideration to which the company expects to be entitled, during the term of the contract, in exchange for those goods or services. The Partnership will adopt the new standard on the effective date of January 1, 2018. There are two methods in which the new standard can be applied: (1) retrospectively to each prior reporting period presented, or (2) retrospectively with the cumulative effect recognized at the date of initial application. The Partnership is evaluating both methods of adoption as it works through its analysis. The Partnership has identified all existing customer contracts or groups of contracts to identify any significant differences and the impact on revenues as a result of implementing the new standard. As the Partnership continues its contract analysis, it will also quantify the impact, if any, on prior period revenues. The Partnership will address any system and process changes necessary to compile the information to meet the disclosure requirements of the new standard. As the Partnership is currently evaluating the impact of this standard, it has not yet determined the effect on its financial statements.

Leases

In February 2016, the FASB issued new guidance, which requires lessees to recognize most leases, including operating leases, on the balance sheet as lease assets and lease liabilities. In addition, lessees will be required to reassess assumptions associated with existing leases as well as to provide expanded qualitative and quantitative disclosures. The new standard does not make extensive changes to lessor accounting. The new guidance is effective January 1, 2019, however, the Partnership is evaluating the option to early adopt. The Partnership is currently identifying existing lease agreements that are within the scope of the new guidance that may have an impact on its financial statements as a result of adopting the new guidance.

4. COMMITMENTS AND CONTINGENCIES

(a) Legal Proceedings

State of South Dakota Use Tax Appeal – On February 28, 2011, the State of South Dakota assessed a use tax in the amount of approximately $6 million on Northern Border for shipper supplied natural gas used to fuel compressors on Northern Border's pipeline system from July 1, 2007 to December 31, 2010. In November 2011, Northern Border filed a Request for Hearing with the South Dakota Department of Revenue to protest the assessment. A hearing was held on the matter in May 2012 and in the third quarter of 2013, the South Dakota Department of Revenue determined that the gas used by Northern Border to fuel compressors is taxable. In October 2013, Northern Border filed an appeal of this decision in the South Dakota Circuit Court, Sixth Judicial Circuit (Circuit Court). In May 2014, the Circuit Court issued a Memorandum Decision reversing the Final Decision of the South Dakota Department of Revenue. The Circuit Court found that the compression of natural gas and the natural gas burned in that process is a function of natural gas transportation and therefore exempt from use tax. The South Dakota Department of Revenue filed an appeal on July 23, 2014 with the South Dakota Supreme Court. On August 5, 2015, the South Dakota Supreme Court issued its decision in Northern Border Pipeline v. South Dakota Department of Revenue, ruling that the South Dakota Department of Revenue could not assess use tax on gas burned in compressors on Northern Border's pipeline located in South Dakota because Northern Border did not own the gas. The opinion affirmed the Circuit Court's reversal of the use tax assessment by the Department of Revenue and resulted in the reversal of the $15.5 million recorded liability and the related deferred asset with no impact to the Partnership's earnings.

(b) Regulatory Matters

The FERC regulates the rates and charges for transportation of natural gas in interstate commerce. Natural gas companies may not charge rates that have been determined to be unjust and unreasonable by the FERC. Generally, rates for interstate pipelines are based on the cost of service, including recovery of and a return on the pipeline's actual prudent historical cost investment. The rates and terms and conditions for service are found in each pipeline's FERC-approved tariff. Under its tariff, an interstate pipeline is allowed to charge for its services on the basis of stated transportation rates. Transportation rates are established periodically in FERC proceedings known as rate cases. The tariff also allows the interstate pipeline to provide services under negotiated and discounted rates.

Effective January 1, 2013, the Partnership implemented new rates as a result of its FERC approved settlement agreement with its customers and requires the Partnership to file for new rates no later than January 1, 2018.

The compressor usage surcharge is designated to recover the actual costs of electricity at the Partnership's electric compressors and any compressor fuel use taxes imposed on its pipeline system. Any difference between the compressor usage surcharge collected and the actual costs for electricity and compressor fuel use taxes is recorded as either an increase to expense for an over recovery of actual costs or as a decrease to expense for an under recovery of actual costs, and is included in operations and maintenance expense on the income statement and reported as current asset or current liability on the balance sheets. The compressor usage surcharge rate is adjusted annually. The current asset or current liability will reflect the net over or under recovery of actual compressor usage related costs at the date of the balance sheet. As of December 31, 2016 and 2015, the Partnership had recorded $0.2 million as other current liabilities and $0.1 million as prepaid expenses other, respectively, on the accompanying balance sheets for the net under and over recoveries of compressor usage related costs.

(c) Operating Leases

The Partnership makes lease payments under non-cancelable operating leases on office space and rights-of-way. The Partnership's rent expense incurred was $3.0 million for each of the years ended December 31, 2016, 2015, and 2014, respectively. The Partnership's future minimum lease payments are as follows:

Year ending December 31, (In thousands)		
2017		2,583
2018		2,583
2019		2,582
2020		2,400
2021		2,566
Thereafter		42,033
	$	54,747

Approximately 90 miles of Partnership's pipeline system is located within the boundaries of the Fort Peck Indian Reservation in Montana. The Partnership has a pipeline right-of-way lease with the Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation, the term of which expires in 2061. In conjunction with obtaining right-of-way access across tribal lands located within the exterior boundaries of the Fort Peck Indian Reservation, the Partnership also obtained right-of-way access across allotted lands located within the reservation boundaries. With the exception of one tract subject to a right-of-way grant expiring in 2035, the allotted lands are subject to a perpetual easement granted by the Bureau of Indian Affairs (BIA) for and on behalf of the individual allottees.

5. CREDIT FACILITIES AND LONG-TERM DEBT

The Partnership's long-term debt outstanding consisted of the following at December 31:

December 31, (In thousands)		**2016**	**2015**
2011 Credit Agreement – average interest rate of 1.895% at December 31, 2016 due 2020	**$**	**181,500**	61,500
2009 Senior Notes – 6.24%, due 2016		**–**	100,000
2001 Senior Notes – 7.50%, due 2021		**250,000**	250,000
Unamortized debt discount		**(230)**	(269)
Unamortized debt expense		**(1,725)**	(2,009)
		429,545	409,222
Less: Current portion		**–**	99,908
	$	**429,545**	309,314

On November 16, 2011, the Partnership entered into a $200 million amended and restated revolving credit agreement (2011 Credit Agreement) with certain financial institutions. The 2011 Credit Agreement is generally used by the Partnership to finance ongoing working capital needs and for other general business purposes, including capital expenditures. On October 8, 2015 the Partnership closed on the renewal and first extension of the 2011 Credit Agreement that was to expire on November 16, 2016 for an additional five years, maturing on October 9, 2020.

On August 26, 2016, the $100 million 2009 Senior Notes matured and the repayment was financed through a $100 million draw on the Partnership's 2011 Credit Agreement, which brought the Partnership's outstanding borrowings under the 2011 Credit Agreement to $181.5 million.

On November 15, 2016, the Partnership entered into a $100 million 364-day Revolving Credit Agreement (364-day Credit Agreement) that expires on November 14, 2017, which utilizes the same covenants as the 2011 Credit Agreement. As a result of the shared covenants, the 2011 Credit Agreement was amended for the second time to include the cross default with the new 364-day Credit Agreement.

At December 31, 2016, the Partnership's outstanding borrowings under the 2011 Credit Agreement were $181.5 million, leaving $18.5 million available for future borrowing, and the unutilized $100 million under the 364-day Credit Agreement. The Partnership may, at its option, so long as no default or event of default has occurred and is continuing, elect to increase the capacity under its 2011 Credit Agreement by an aggregate amount not to exceed $300 million, provided that lenders are willing to commit additional amounts. At the Partnership's option, the interest rate on the outstanding borrowings may be the lenders' base rate or the London Interbank Offered Rate plus an applicable margin that is based on its long-term unsecured credit ratings. The 2011 Credit Agreement permits the Partnership to specify the portion of the borrowings to be covered by specific interest rate options and to specify the interest rate period. The Partnership is required to pay a commitment fee based on its credit rating and on the unused principal amount of the commitment of $200 million under the 2011 Credit Agreement and $100 million under the 364-day Credit Agreement.

Certain of the Partnership's long-term debt arrangements contain covenants that restrict the incurrence of secured indebtedness or liens upon property by the Partnership. Under the 2011 Credit Agreement, the Partnership is required to comply with certain financial, operational and legal covenants. Among other things, the Partnership is required to maintain a leverage ratio (total consolidated debt to consolidated EBITDA (net income plus interest expense, income taxes, depreciation and amortization and all other non-cash charges)) of no more than 5.00 to 1. Pursuant to the 2011 Credit Agreement, if one or more specified material acquisitions are consummated, the permitted leverage ratio is increased to 5.50 to 1 for the first two full calendar quarters following the acquisition. Upon any breach of these covenants, amounts outstanding under the 2011 Credit Agreement may become immediately due and payable.

At December 31, 2016, the Partnership was in compliance with all of its financial covenants.

Aggregate required repayment of long-term debt for the next five years is $431.5 million, with $181.5 million due in 2020 and $250 million due in 2021. There are no required repayment obligations for 2017, 2018, or 2019.

6. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Prior to December 31, 2001, the Partnership terminated a series of interest rate derivatives in exchange for cash. These derivatives had previously been accounted for as hedges with $4.1 million recorded in accumulated other comprehensive loss (AOCL) as of the termination date. The previously recorded AOCL is currently being amortized under the effective interest method over the remaining term of the related hedged instrument, the Partnership's 2001 Senior Notes due 2021.

During the three-year period ended December 31, 2016, the Partnership reclassified the below amounts from AOCL into earnings for these terminated derivatives.

		Years Ended December 31,		
Net Loss Reclassified from AOCL into Income (Effective Portion) ***(In thousands)***	**Statements of Income Caption**	**2016**	**2015**	**2014**
Cash flow hedges	Interest expense	$ (264)	(245)	(228)

At December 31, 2016 and 2015, AOCL was $1.5 million and $1.8 million, respectively, and is being amortized through 2021 as noted above. The Partnership expects to reclassify $0.3 million from AOCL as an increase to interest expense in 2017. The Partnership had no other derivative instruments during the period ended December 31, 2016.

7. FAIR VALUE MEASUREMENTS

(a) Fair Value Hierarchy

Under ASC 820, *Fair Value Measurement*, fair value measurements are characterized in one of three levels based upon the input used to arrive at the measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

When appropriate, valuations are adjusted for various factors including credit considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used.

(b) Fair Value of Financial Instruments

The following table presents the carrying amounts and estimated fair values of the Partnership's financial instruments at December 31, 2016 and 2015. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

	2016		2015	
(In thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial asset:				
Cash and cash equivalents	$13,535	13,535	27,294	27,294
Financial liability:				
Long-term debt	$431,500	464,357	411,500	425,626

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents – The carrying amount of cash and cash equivalents approximates fair value due to the short maturity of these investments.

Long-term debt – The fair value of senior notes was estimated based on quoted market prices for the same or similar debt instruments with similar terms and remaining maturities, which is classified as Level 2 in the "Fair Value Hierarchy", where the fair value is determined by using valuation techniques that refer to observable market data. The Partnership presently intends to maintain the current schedule of maturities for the 2001 Senior Notes, which will result in no gains or losses on its repayment. The fair value of the 2011 Credit Agreement approximates the carrying value since the interest rates are periodically adjusted to reflect current market conditions.

(c) Other Recurring Fair Value of Financial Instruments

The following table presents the carrying amounts and estimated fair values of other items measured and recorded at fair value on a recurring basis as of December 31, 2016 and 2015:

	2016		2015	
(In thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Natural gas imbalance asset	$44	44	135	135
Related party natural gas imbalance asset	951	951	228	228
Natural gas imbalance liability	$2,484	2,484	819	819

Natural Gas Imbalances – Natural gas imbalances represent the difference between the amount of natural gas delivered to or received from a pipeline system and the amount of natural gas scheduled to be delivered or received at current market prices. The Partnership values these imbalances by applying the difference between the measured quantities of natural gas delivered to or received from its shippers and operators to the current average of the Northern Ventura index price and the Chicago city-gates index price. The Partnership has classified the fair value of natural gas imbalances as a Level 2 in the "Fair Value Hierarchy," as the valuation approach includes quoted prices in the market index and observable volumes for the imbalance.

8. TRANSACTIONS WITH MAJOR CUSTOMERS

For the year ended December 31, 2016, shippers providing significant operating revenues to the Partnership were BP Canada, Tenaska Marketing Ventures, ONEOK Rockies Midstream, L.L.C. (ONEOK Rockies), a subsidiary of ONEOK Partners, and EDF Trading North America with revenues of $29.5 million, $28.5 million, $28.4 million and $27.9 million, respectively. At December 31, 2016, Sequent Energy Management, Tenaska Marketing Ventures, and ONEOK Rockies owed the Partnership approximately $3.2 million, $2.9 million, and $2.6 million, respectively, which is greater than 10 percent of the Partnership's trade accounts receivable.

For the year ended December 31, 2015, shippers providing significant operating revenues to the Partnership were BP Canada and Sequent Energy Management with revenues of $26.2 million and $24.7 million, respectively. At December 31, 2015, BP Canada owed the Partnership approximately $2.4 million, which is greater than 10 percent of the Partnership's trade accounts receivable.

For the year ended December 31, 2014, shippers providing significant operating revenues to the Partnership were BP Canada and Tenaska Marketing Ventures with revenues of $24.9 million and $23.4 million, respectively.

9. TRANSACTIONS WITH RELATED PARTIES

The day-to-day management of the Partnership's affairs is the responsibility of TransCanada Northern Border, Inc., (TransCanada Northern Border) pursuant to an operating agreement between TransCanada Northern Border and the Partnership effective April 1, 2007. TransCanada Northern Border utilizes the services of TransCanada Corporation (TransCanada) and its affiliates for management services related to the Partnership. The Partnership is charged for the capital, salaries, benefits and expenses of TransCanada and its affiliates attributable to the Partnership's operations. For the years ended December 31, 2016, 2015, and 2014, the Partnership's charges from TransCanada and its affiliates totaled approximately $32.0 million, $36.4 million, and $35.1 million, respectively. The impact of these charges on the Partnership's income was $24.4 million, $28.0 million, and $31.0 million, respectively. At December 31, 2016 and 2015, the Partnership owed $3.5 million and $4.8 million, respectively, to these affiliates classified as related party payables on the balance sheets.

For the years ended December 31, 2016, 2015, and 2014, the Partnership had contracted firm capacity held by one customer affiliated with one of the Partnership's general partners. Revenues from ONEOK Rockies for 2016, 2015, and 2014 were $28.4 million, $22.6 million, and $11.1 million, respectively. At December 31, 2016 and 2015, the Partnership had outstanding receivables from ONEOK Rockies of $2.6 million and $2.1 million, respectively.

10. CASH DISTRIBUTION AND CONTRIBUTION POLICY

The Partnership's General Partnership Agreement provides that distributions to its partners are to be made on a pro rata basis according to each partner's capital account balance. The Partnership's Management Committee determines the amount and timing of the distributions to its partners including equity contributions and the funding of growth capital expenditures. In addition, any inability to refinance maturing debt will be funded by equity contributions. Any changes to, or suspension of, the Partnership's cash distribution policy requires the unanimous approval of the Management Committee. The Partnership's cash distributions are equal to 100 percent of its distributable cash flow as determined from its financial statements based upon earnings before interest, taxes, depreciation and amortization less interest expense and maintenance capital expenditures. Effective April 1, 2016, the Partnership transitioned from quarterly distributions paid approximately one month following the end of the quarter to monthly distributions paid approximately one month following the end of each reported month.

For the years ended December 31, 2016, 2015, and 2014, the Partnership paid distributions to its general partners of $209.8 million, $182.2 million, and $175.0 million, respectively.

11. SUBSEQUENT EVENTS

On January 9, 2017, the Management Committee of the Partnership declared a cash distribution in the amount of $16.5 million. The distribution was paid on January 31, 2017.

On February 15, 2017, the Management Committee of the Partnership declared a cash distribution in the amount of $17.7 million. The distribution will be paid on February 28, 2017.

Subsequent events have been assessed through February 17, 2017, which is the date the financial statements were issued, and we concluded there were no events or transactions during this period that would require recognition or disclosure in the financial statements other than those already reflected.

The Partners and the Management Committee
Great Lakes Gas Transmission Limited Partnership:

Report on the Financial Statements

We have audited the accompanying financial statements of Great Lakes Gas Transmission Limited Partnership (the Partnership), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income and partners' capital, and cash flows for each of the years in the three-year period ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Great Lakes Gas Transmission Limited Partnership as of December 31, 2016 and 2015, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2016, in accordance with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Houston, Texas
February 17, 2017

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP
BALANCE SHEETS

December 31, (In Thousands)	**2016**	2015
Assets		
Current assets:		
Cash and cash equivalents	**$ 39**	48
Demand loan receivable from affiliate	**27,144**	51,072
Accounts receivable:		
Trade	**7,351**	5,230
Affiliates	**19,185**	16,869
Materials and supplies	**10,150**	10,614
Other	**2,287**	2,144
Total current assets	**66,156**	85,977
Property, plant, and equipment:		
Property, plant, and equipment	**2,087,281**	2,076,414
Construction work in progress	**5,853**	3,385
	2,093,134	2,079,799
Less accumulated depreciation and amortization	**(1,379,043)**	(1,352,605)
Total property, plant, and equipment, net	**714,091**	727,194
Total assets	**$ 780,247**	813,171
Liabilities and Partners' Capital		
Current liabilities:		
Accounts payable:		
Trade	**$ 11,772**	10,623
Affiliates	**3,744**	4,244
Provision for revenue sharing refund	**7,200**	1,900
Current maturities of long-term debt	**19,000**	19,000
Taxes payable (other than income)	**7,990**	7,720
Accrued interest	**6,543**	6,859
Other	**2,767**	9
Total current liabilities	**59,016**	50,355
Long-term debt, net of current maturities	**258,712**	277,630
Other noncurrent liabilities	**226**	235
Partners' capital	**462,293**	484,951
Total liabilities and partners' capital	**$ 780,247**	813,171

See accompanying notes to financial statements.

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP
STATEMENTS OF INCOME AND PARTNERS' CAPITAL

Years ended December 31, (In Thousands)	**2016**	2015	2014
Operating revenues, *net (Note 2(j))*	**$ 179,133**	176,901	145,667
Operating expenses:			
Operation and maintenance	**58,048**	49,222	42,399
Depreciation and amortization	**27,911**	27,756	27,736
Taxes, other than income	**10,872**	10,637	10,774
Total operating expenses	**96,831**	87,615	80,909
Operating income	**82,302**	89,286	64,758
Other income, net	**521**	1,511	881
Interest and debt expense	**(22,295)**	(23,946)	(25,424)
Affiliated interest income	**114**	54	30
Net income	**$ 60,642**	66,905	40,245
Partners' capital:			
Balance at beginning of year	**$ 484,951**	460,446	459,601
Net income	**60,642**	66,905	40,245
Distributions to partners	**(102,300)**	(61,400)	(58,400)
Contributions from partners	**19,000**	19,000	19,000
Balance at end of year	**$ 462,293**	484,951	460,446

See accompanying notes to financial statements.

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS

Years ended December 31, (In Thousands)	**2016**	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	**$ 60,642**	66,905	40,245
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**27,911**	27,756	27,736
Allowance for funds used during construction, equity	**(263)**	(78)	(46)
Amortization of debt issuance cost, reported as part of interest expense	**82**	46	45
Asset and liability changes:			
Accounts receivable	**(4,437)**	2,191	(7,548)
Other current assets	**321**	(1,107)	1,135
Accounts payable	**1,043**	(941)	5,011
Provision for revenue refund	**5,300**	1,900	–
Other current liabilities	**2,712**	(9,579)	4,435
Noncurrent liabilities	**(9)**	(10)	(9)
Net cash provided by operating activities	**93,302**	87,083	71,004
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Additions to property, plant, and equipment	**(14,885)**	(7,265)	(3,400)
Net change in demand loan receivable from affiliate	**23,928**	(20,670)	(8,473)
Other	**(54)**	2,263	(742)
Net cash provided by (used in) investing activities	**8,989**	(25,672)	(12,615)
CASH FLOWS USED IN FINANCING ACTIVITIES:			
Payments for retirement of long-term debt	**(19,000)**	(19,000)	(19,000)
Distributions to partners	**(102,300)**	(61,400)	(58,400)
Contributions from partners	**19,000**	19,000	19,000
Net cash used in financing activities	**(102,300)**	(61,400)	(58,400)
Net change in cash and cash equivalents	**(9)**	11	(11)
Cash and cash equivalents at beginning of year	**48**	37	48
Cash and cash equivalents at end of year	**$ 39**	48	37
Supplemental cash flow information:			
Interest paid, net of capitalized interest	**$ 22,529**	24,153	25,691

See accompanying notes to financial statements.

1. DESCRIPTION OF BUSINESS

Great Lakes Gas Transmission Limited Partnership (the Partnership) is a Delaware limited partnership that owns 2,115 miles of natural gas pipeline system, which transports natural gas for delivery to wholesale customers in the midwestern and northeastern United States (U.S.) and eastern Canada. The partners and partnership ownership percentages at December 31, 2016 and 2015 were as follows:

	Ownership percentage
General Partners:	
TransCanada GL, Inc.	46.45
TC GL Intermediate Limited Partnership	46.45
Limited Partner:	
Great Lakes Gas Transmission Company	7.10

Great Lakes Gas Transmission Company (the Company) and TransCanada GL, Inc. are wholly owned indirect subsidiaries of TransCanada Corporation (TransCanada). TC GL Intermediate Limited Partnership's parent, TC PipeLines, LP is also an indirect subsidiary of TransCanada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The Partnership's financial statements have been prepared by management in accordance with U.S. generally accepted accounting principles (GAAP). Certain prior year amounts have been reclassified to conform to the current year presentation.

(b) Use of Estimates

The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

The Partnership's cash and cash equivalents consist of cash and highly liquid short-term investments with original maturities of three months or less and are recorded at cost, which approximates fair value.

(d) Accounting for Regulated Operations

The Partnership's natural gas pipeline is subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) under the Natural Gas Act of 1938 (NGA) and the Natural Gas Policy Act of 1978. Financial Accounting Standards Board Accounting Standards Codification (ASC) 980, Regulated Operations, provides that rate regulated enterprises account for and report assets and liabilities consistent with the economic effect of the way in which regulators establish rates, if the rates are designed to recover the costs of providing the regulated service, and if the competitive environment makes it probable that such rates can be charged and collected. At December 31, 2016, the Partnership had a regulatory liability amounting to $2.8 million reported as part of other within the current liabilities section of the balance sheet. The liability is a volumetric fuel tracker that is settled with in-kind exchanges with customers continually. As of December 31, 2016 and 2015, there were no other significant regulatory assets or liabilities reflected in these financial statements.

(e) Trade Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest, except for those receivables subject to late charges. The Partnership maintains an allowance for doubtful accounts for estimated losses on accounts receivable, if it is determined the Partnership will not collect all or part of the outstanding receivable balance. The Partnership regularly reviews its allowance for doubtful accounts and establishes or adjusts the allowance as necessary using the specific-identification method. Account balances are charged to the allowance after all means of collection have been exhausted and the potential for recovery is no longer considered probable. There were no accounts charged to the allowance in 2016 and 2015.

(f) Natural Gas Imbalances

Natural gas imbalances occur when the actual amount of natural gas delivered to or received from a pipeline system differs from the amount of natural gas scheduled to be delivered or received. The Partnership values these imbalances due to or from shippers and operators at current index prices. Imbalances are settled in-kind, subject to the terms of the Partnership's tariff.

Imbalances due from others are reported on the balance sheets as trade accounts receivable or accounts receivable from affiliates. Imbalances owed to others are reported on the balance sheets as trade accounts payable or accounts payable to affiliates. In addition, the Partnership classifies all imbalances as current as the Partnership expects to settle them within a year.

(g) Material and Supplies

The Partnership's inventories primarily consist of materials and supplies and are carried at lower of weighted average cost or market.

(h) Property, Plant, and Equipment

Property, plant, and equipment are recorded at their original cost of construction. For assets the Partnership constructs, direct costs are capitalized, such as labor and materials, and indirect costs, such as overhead and interest are also capitalized. The Partnership capitalizes major units of property replacements or improvements and expenses minor items.

The Partnership uses the composite (group) method to depreciate property, plant, and equipment. Under this method, assets with similar lives and characteristics are grouped and depreciated as one asset. The depreciation rate is applied to the total cost of the group until its net book value equals its salvage value. All asset groups are depreciated using the FERC depreciation rates. Effective November 1, 2013 under a rate settlement approved by the FERC on November 14, 2013, the substantial portion of the Partnership's principal operating assets are being depreciated at an annual rate of 1.28%. The remaining assets are depreciated at annual rates ranging from 2.33% to 20.00%. Using these rates, the remaining depreciable life of these assets ranges from 1 to 44 years.

When property, plant, and equipment are retired, the Partnership charges accumulated depreciation and amortization for the original cost of the assets in addition to the cost to remove, sell, or dispose of the assets, less their salvage value. The Partnership does not recognize a gain or loss unless an entire operating unit is sold or retired. The Partnership includes gains or losses on dispositions of operating units in income.

The Partnership capitalizes a carrying cost on funds invested in the construction of long-lived assets. This carrying cost includes a return on the investment financed by debt and equity allowance for funds used during construction (AFUDC). AFUDC is calculated based on the Partnership's average cost of debt and equity. Capitalized carrying costs for AFUDC debt and equity are reflected as an increase in the cost of the asset on the balance sheets. Capitalized AFUDC debt amounts are included as a reduction of interest and debt expense in the statements of income.

(i) Long-Lived Assets

Long-lived assets, such as property, plant, and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Partnership first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary.

(j) Revenue Recognition

The Partnership's revenues are primarily generated from transportation services. Revenues for all services are based on the quantity of gas delivered or subscribed at a price specified in the contract. For the Partnership's transportation services, reservation revenues are recognized on firm contracted capacity ratably over the contract period regardless of the amount of natural gas that is transported. For interruptible or volumetric-based services, the Partnership records revenues when physical deliveries of natural gas are made at the agreed-upon delivery point. The Partnership does not take ownership of the gas that it transports. The Partnership is subject to FERC regulations, and as a result, revenues the Partnership collects may be subject to refund in a rate proceeding. The Partnership establishes allowances for these potential refunds. The Partnership was not engaged in a rate proceeding at December 31, 2016 or 2015 and as such there are no allowances reflected in these financial statements.

The Partnership operates under a FERC approved 2013 rate settlement that includes a revenue sharing mechanism that requires the Partnership share with its shippers 50% of any qualifying revenues earned during the year that result in a return on equity (ROE) above 13.25%. Qualifying revenues above a 20% ROE are returned to shippers at 100%. The Partnership establishes a provision for this revenue sharing. Accordingly, the revenues presented in the statement of income for the year ended December 31, 2016 and 2015 were net of a $7.8 million and $1.9 million estimated revenue sharing provision, respectively. No such provision was recognized for the year ended December 31, 2014. During 2016, the calculation of the 2015 refund was finalized and a total of $2.5 million was refunded to qualifying shippers in November 2016. For the year ended December 31, 2016, the Partnership has recorded a $7.2 million estimated revenue sharing provision that the Partnership expects to be refunded to qualified shippers in 2017. Approximately 85% of the 2015 refund was to affiliates and the Partnership expects a significant percentage of the 2016 refund will be to affiliates as well.

(k) Commitments and Contingencies

Accounting for Asset Retirement Obligations

The Partnership accounts for asset retirement obligations pursuant to the provisions of ASC 410-20, *Asset Retirement Obligations*. ASC 410-20 requires the Partnership to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development, and/or normal use of the assets. ASC 410-20 also requires the Partnership to record a corresponding asset that is depreciated over the life of the asset. Subsequent to the initial measurement of the asset retirement obligation, the obligation is to be adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

The Partnership has determined it has legal obligations associated with its natural gas pipelines and related transmission facilities. The obligations relate primarily to purging and sealing the pipelines if they are abandoned. The Partnership is also required to operate and maintain its natural gas pipeline system, and intends to do so as long as supply and demand for natural gas exists, which the Partnership expects for the foreseeable future. Therefore, the Partnership believes its natural gas pipeline system assets have indeterminate lives and, accordingly, has recorded no asset retirement obligation as of December 31, 2016 and 2015. The Partnership continues to evaluate its asset retirement obligations and future developments that could impact amounts it records.

Other Contingencies

The Partnership recognizes liabilities for contingencies when it has an exposure that, when fully analyzed, indicates it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. Where the most likely outcome of a contingency can be reasonably estimated, the Partnership accrues a liability for that amount. Where the most likely outcome cannot be estimated, a range of potential losses is established and if no one amount in that range is more likely than any other, the lower end of the range is accrued.

(l) Income Taxes

Income taxes are the responsibility of the partners and are not reflected in these financial statements.

(m) Imputation of Interest

In April 2015, the FASB issued Accounting Standard Update (ASU) No. 2015-03 *Interest – Imputation of Interest* (Subtopic 835-30), an amendment of previously issued guidance on imputation of interest. This updated guidance requires debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of the debt liability consistent with debt discounts or premiums. The recognition and measurement for debt issuance costs was not affected. This guidance was effective on January 1, 2016 and was implemented retrospectively resulting in a reclassification of debt issuance costs previously recorded in other noncurrent assets at December 31, 2015, to an offset of their respective debt liabilities on the Partnership's balance sheets. The application of this guidance did not have a material effect on the Partnership's financial statements.

(n) Statement of Cash Flows

In August 2016, the FASB issued ASU No. 2016-15 "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments," an amendment of previously issued guidance, which intends to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. The new guidance is effective January 1, 2018, however since early adoption is permitted, the Partnership elected to retrospectively apply this guidance effective December 31, 2016. The application of this guidance did not have an impact on the Partnership's statement of cash flows.

3. ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

Revenue from Contracts with Customers

In 2014, the FASB issued new guidance on revenue from contracts with customers. Current guidance allows for revenue recognition when certain criteria are met. The new guidance requires that an entity recognizes revenue with a five step model. This model is used to depict the transfer of promised goods or services to customers in an amount that reflects the total consideration to which the company expects to be entitled, during the term of the contract, in exchange for those goods or services. The Partnership will adopt the new standard on the effective date of January 1, 2018. There are two methods in which the new standard can be applied: (1) retrospectively to each prior reporting period presented, or (2) retrospectively with the cumulative effect recognized at the date of initial application. The Partnership is evaluating both methods of adoption as it works through its analysis. The Partnership has identified all existing customer contracts or groups of contracts to identify any significant differences and the impact on revenues as a result of implementing the new standard. As the Partnership continues its contract analysis, it will also quantify the impact, if any, on prior period revenues. The Partnership will address any system and process changes necessary to compile the information to meet the disclosure requirements of the new standard. As the Partnership is currently evaluating the impact of this standard, it has not yet determined the effect on its financial statements.

Leases

In 2016, the FASB issued new guidance, which requires lessees to recognize most leases, including operating leases, on the balance sheet as lease assets and lease liabilities. In addition, lessees will be required to reassess assumptions associated with existing leases as well as to provide expanded qualitative and quantitative disclosures. The new standard does not make extensive changes to lessor accounting. The new guidance is effective January 1, 2019, however the Partnership is evaluating the option to early adopt. The Partnership is currently identifying existing lease agreements that are within the scope of the new guidance that may have an impact on its financial statements as a result of adopting this new guidance.

4. COMMITMENTS AND CONTINGENCIES

(a) Legal Proceedings

On October 29, 2009, the Partnership filed suit in the U.S. District Court, District of Minnesota, against Essar Minnesota LLC and certain Foreign Essar Affiliates (collectively, Essar) for breach of its monthly payment obligation under its transportation services agreement with the Partnership. The Partnership sought to recover approximately $33 million for past and future payments due under the agreement. During the first quarter of 2013, the Federal District Court ruled favorably on a summary judgment motion for the Partnership and dismissed Essar's defenses. In July 2013, the Essar Defendants made an offer of judgment to the Partnership narrowing the issue for trial to the appropriate discount rate on the damages. On October 10, 2014, the District Court issued an Order striking Essar's discount rate expert. Trial on damages was scheduled for October 27, 2014; however, Essar objected to the jurisdiction of the District Court and filed a motion to dismiss the case. On May 4, 2015, the U.S. District Court, District of Minnesota, denied Essar's motion to dismiss for lack of subject matter jurisdiction and set the case for trial in August 2015. Following the trial of the matter, on September 16, 2015, the federal district court judge entered an order in the amount of $32.9 million in favor of the Partnership. On September 20, 2015, Essar appealed the decision to the U.S. Court of Appeals for the Eighth Circuit (Eighth Circuit) based on an allegation of improper jurisdiction and a number of other rulings by the federal district judge. Essar was required to post a performance bond for the full value of the judgment pending appeal. In July 2016, Essar Minnesota filed for Bankruptcy. The Foreign Essar Affiliates entities have not filed for bankruptcy.

The Eighth Circuit heard the appeal on October 20, 2016. A decision on the appeal was received in December and the Eighth Circuit vacated Great Lakes' judgment against Essar finding that there was no federal jurisdiction. Great Lakes filed a Request for Rehearing with the Eighth Circuit and it was denied in January 2017. Great Lakes has ninety (90) days to appeal to the U.S. Supreme Court on Certiorari. In the alternative, it may proceed with its lawsuit against the Foreign Essar Affiliates in the state of Minnesota.

The Partnership and its affiliates are named as defendants in legal proceedings that arise in the ordinary course of the Partnership's business. For each of the Partnership's legal matters, the Partnership evaluates the merits of the case, the Partnership's exposure to the matter, possible legal or settlement strategies, and the likelihood of an unfavorable outcome. If the Partnership determines that an unfavorable outcome is probable and can be estimated, the Partnership establishes the necessary accruals. As further information becomes available, or other relevant developments occur, the Partnership may accrue amounts accordingly. Based upon the Partnership's evaluation and experience to date, the Partnership did not recognize any accrual for its outstanding legal matters at December 31, 2016.

(b) Regulatory Matters

Effective November 1, 2014, the Partnership executed contracts with an affiliate, ANR Pipeline Company (ANR), to provide firm service in Michigan and Wisconsin. These contracts were at the maximum FERC authorized rate and were intended to replace historical contracts. On December 3, 2014, the FERC accepted and suspended the Partnership's tariff records to become effective May 3, 2015, subject to refund. On February 2, 2015, FERC issued an Order granting a rehearing and clarification request submitted by the Partnership, which allowed additional time for FERC to consider the Partnership's request. Following extensive discussions with numerous shippers and other stakeholders, on April 20, 2015, ANR filed a settlement with FERC that included an agreement by ANR to pay the Partnership the difference between the historical and maximum rates (ANR Settlement). The Partnership provided service to ANR under multiple service agreements and rates through May 3, 2015 when the Partnership's tariff records became effective and subject to refund. The Partnership deferred approximately $9.4 million of revenue related to services performed in 2014 and approximately $13.9 million of additional revenue related to services performed through May 3, 2015 under such agreements. On October 15, 2015, FERC accepted and approved the ANR Settlement. As a result, the Partnership recognized the deferred transportation revenue of approximately $23.3 million in the fourth quarter of 2015.

(c) Other Commercial Commitments

The Partnership has easements or rights-of-way arrangements from landowners permitting the use of land for the construction and operation of the Partnership's pipeline system. Currently, the Partnership's obligations under these easements are not material to its results of operations. Certain arrangements with the Native American groups expire in 2018 and the Partnership has begun to engage in the renewal process of these agreements.

5. LONG-TERM DEBT

The Partnership's outstanding long-term debt consisted of the following at December 31:

(In thousands)	**2016**	**2015**
6.73% series Senior Notes due 2016 to 2018	**$18,000**	27,000
9.09% series Senior Notes due 2016 to 2021	**50,000**	60,000
6.95% series Senior Notes due 2019 to 2028	**110,000**	110,000
8.08% series Senior Notes due 2021 to 2030	**100,000**	100,000
Unamortized Debt Issuance Costs	**(288)**	(370)
	277,712	296,630
Less current maturities	**19,000**	19,000
Total long-term debt less current maturities	**$258,712**	277,630

The aggregate annual required repayment of long-term debt is $19.0 million for each year from 2017 through 2018, $21.0 million for each year 2019 through 2020, and $31.0 million for 2021. Aggregate required repayments of long-term debt thereafter total $167.0 million.

The Partnership is required to comply with certain financial, operational, and legal covenants. Under the most restrictive covenants in the Senior Note Agreements, approximately $150.0 million of partners' capital was restricted as to distributions as of December 31, 2016. As of December 31, 2016 Partnership was in compliance with all of its financial covenants.

6. FAIR VALUE MEASUREMENTS

(a) Fair Value Hierarchy

Under ASC 820, *Fair Value Measurement*, fair value measurements are characterized in one of three levels based upon the input used to arrive at the measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

When appropriate, valuations are adjusted for various factors including credit considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used.

(b) Fair Value of Financial Instruments

The following table presents the carrying amounts and estimated fair values of the Partnership's financial instruments at December 31, 2016 and 2015. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

	2016		2015	
(In thousands)	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Cash and cash equivalents	**$39**	**39**	48	48
Demand loan receivable	**27,144**	**27,144**	51,072	51,072
Financial liabilities:				
Long-term debt	**$278,000**	**353,897**	297,000	361,579

The following methods and assumptions were used to estimate the fair value of each class of financial instruments measured on a recurring basis:

Cash and cash equivalents – The carrying amount of cash and cash equivalents approximates fair value due to the short maturity of these investments.

Demand loan receivable – The carrying amount of the demand loan receivable approximates fair value due to the short maturity of these investments.

Long-term debt – The fair value of senior notes was estimated based on quoted market prices for the same or similar debt instruments with similar terms and remaining maturities, which is classified as Level 2 in the "Fair Value Hierarchy", where the fair value is determined by using valuation techniques that refer to observable market data. The Partnership presently intends to maintain the current schedule of maturities for the notes, which will result in no gains or losses on its repayment.

(c) Other Recurring Fair Value of Financial Instruments

The following table presents the carrying amounts and estimated fair values of other items measured and recorded at fair value on a recurring basis as of December 31, 2016 and 2015:

	2016		2015	
(In thousands)	Carrying amount	Fair value	Carrying amount	Fair value
Affiliate natural gas imbalance asset	**$4,366**	**4,366**	1,510	1,510
Natural gas imbalance asset	**$322**	**322**	420	420
Affiliate natural gas imbalance liability	**$12**	**12**	1,104	1,104
Natural gas imbalance liability	**$3,049**	**3,049**	1,546	1,546

Natural Gas Imbalances – Natural gas imbalances represent the difference between the amount of natural gas delivered to or received from a pipeline system and the amount of natural gas scheduled to be delivered or received at current market prices. We value these imbalances by applying the difference between the measured quantities of natural gas delivered to or received from our shippers and operators to the current Emerson Viking GL index price. We have classified the fair value of natural gas imbalances as a Level 2 in the "Fair Value Hierarchy", as the valuation approach includes quoted prices in the market index and observable volumes for the imbalance.

7. TRANSACTIONS WITH AFFILIATED COMPANIES

(a) Cash Management Program

The Partnership participates in TransCanada's cash management program, which matches short-term cash surpluses and needs of participating affiliates, thus minimizing total borrowings from outside sources. Monies advanced under the program are considered loans, accruing interest and repayable on demand. The Partnership receives interest on monies advanced to TransCanada at the rate of interest earned by TransCanada on its short-term cash investments. The Partnership pays interest on monies advanced from TransCanada based on TransCanada's short-term borrowing costs. At December 31, 2016 and 2015, the Partnership had a demand loan receivable from TransCanada of $27.1 million and $51.1 million, respectively.

(b) Affiliate Revenues and Expenses

The Partnership earns significant transportation revenues from TransCanada and its affiliates under contracts, which provide both discounted and maximum recourse rates. The contracts are on the same terms as would be available to other shippers and the substantial majority of the Partnerships' affiliated revenue is derived from short term contracts with minor contracted volumes extending through 2032.

Pursuant to the Partnership's Operating Agreement, day-to-day operation of partnership activities is the responsibility of the Company. The Partnership is charged by the Company and affiliates for services such as legal, tax, treasury, human resources, other administrative functions, and for other costs incurred on its behalf. These include, but are not limited to, employee benefit costs and property and liability insurance costs. These costs are based on direct assignment to the extent practicable, or by using allocation methods that are reasonable reflections of the utilization of services provided to or for the benefits received by the Partnership. In addition, the Partnership charges rent to affiliates for use of office space in Troy, Michigan.

The following table shows revenues and charges from the Partnerships' affiliates for the years ended December 31:

(In thousands)	**2016**	**2015**	**2014**
Transportation revenues from affiliates	**$127,932**	125,296	71,414
Rental revenue from affiliates	**1,680**	1,803	1,947
Costs charged from affiliates	**30,100**	30,022	29,722

* Transportation revenues from affiliates represent the amount recognized by the Partnership before any allowance on revenue sharing and represent 68%, 70% and 49%, of the Partnership's total revenues for the year ended December 31, 2016, 2015 and 2014, respectively.

8. DISTRIBUTIONS

The Partnership's distribution policy generally results in a quarterly cash distribution equal to 100% of distributable cash flow based upon earnings before income taxes, depreciation, AFUDC less capital expenditures and debt repayments not funded with cash calls to its partners. The resulting distribution amount and timing are subject to Management Committee modification and approval after considering business risks as well as ensuring minimum cash balances, equity balances, and ratios are maintained.

On January 12, 2017, the Management Committee of the Partnership declared a cash distribution in the amount of $14.1 million to the partners. The distribution was paid on February 1, 2017.

9. SUBSEQUENT EVENTS

Subsequent events have been assessed through February 17, 2017, which is the date the financial statements were issued, and we concluded there were no events or transactions during this period that would require recognition or disclosure in the financial statements other than those already reflected.

Exhibit 10.11.1

Execution Version

FIRST AMENDMENT TO
TERM LOAN AGREEMENT

THIS FIRST AMENDMENT TO TERM LOAN AGREEMENT (this "***Amendment***"), is made and entered into as of November 10, 2016, by and among TC PIPELINES, LP., a Delaware limited partnership (the "***Borrower***"), the several banks and other financial institutions party hereto (collectively, the "***Required Lenders***") and SUNTRUST BANK, in its capacity as Administrative Agent for the Lenders (the "***Administrative Agent***").

W I T N E S S E T H:

WHEREAS, the Borrower, the Lenders from time to time party thereto (collectively, the "***Lenders***") and the Administrative Agent are parties to a certain Term Loan Agreement, dated as of July 1, 2013, (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"; capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement), pursuant to which such Lenders have made certain financial accommodations available to the Borrower;

WHEREAS, the Borrower has requested that the Lenders and the Administrative Agent amend certain provisions of the Credit Agreement, and subject to the terms and conditions hereof, the Required Lenders are willing to do so;

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of all of which are acknowledged, the parties agree as follows:

1. **Amendments.**

(a) Section 1.1 of the Credit Agreement is hereby amended by replacing the definition of "Adjusted LIBO Rate", "Affiliate", "Federal Funds Rate", "Defaulting Lender", "Material Adverse Effect", "Significant Subsidiary", and "Subsidiary" in their entirety with the following:

"Adjusted LIBO Rate" shall mean, with respect to each Interest Period for a Eurodollar Loan, (a) the rate *per annum* equal to the London interbank offered rate for deposits in U.S. Dollars appearing on Reuters screen page LIBOR 01 (or on any successor or substitute page of such service or any successor to such service, or, if such service is not available, such other commercially available source providing such rate quotations comparable to those currently provided on such page, as determined by the Administrative Agent from time to time) at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period, with a maturity comparable to such Interest Period (provided that if such rate is less than zero, such rate shall be deemed to be zero), divided by (b) a percentage equal to 100% minus the then stated maximum rate of all reserve requirements (including any marginal, emergency, supplemental, special or other reserves) applicable to any Lender that is a member bank of the Federal Reserve System in respect of Eurocurrency liabilities as defined in Regulation D (or any successor category of liabilities under Regulation D); provided, that if the rate referred to in clause (a) above is not available at any such time for any reason, then the rate referred to in clause (a) for any such Interest Period shall instead be the interest rate *per annum*, as reasonably determined by the Administrative Agent, to be the arithmetic average of the rates *per annum* at which deposits in U. S. Dollars in the approximate amount of such Eurodollar Loan would be offered by major banks in the London interbank market to the Administrative Agent at approximately 10:00 A.M. (Atlanta, Georgia time), two Business Days prior to the first day of such Interest Period, with a maturity comparable to such Interest Period (provided that if such rate is less than zero, such rate shall be deemed to be zero).

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting stock, by contract or otherwise, provided, that, for purposes of Section 7.6, each of Northern Border, PNGTS and GLGT shall be deemed to be an Affiliate of the Borrower as long as it qualifies as a Significant Subsidiary.

"Defaulting Lender" shall mean, at any time, subject to Section 2.18(b), (i) any Lender that has failed for two (2) or more Business Days to comply with its obligations under this Agreement to make a Loan or to make any other payment due hereunder (each a "funding obligation"), unless such Lender has notified the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding has not been satisfied (which conditions precedent, together with any applicable Default or Event of Default, will be specifically identified in such writing), (ii) any Lender that has notified the Administrative Agent in writing, or has stated publicly, that it does not intend to comply with any such funding obligation hereunder, unless such writing or public statement states that such position is based on such Lender's determination that one or more conditions precedent to funding cannot be satisfied (which conditions precedent, together with any applicable Default or Event of Default, will be specifically identified in such writing or public statement), (iii) any Lender that has defaulted on its obligation to fund generally under any other loan agreement, credit agreement or other financing agreement, (iv) any Lender that has, for three (3) or more Business Days after written request of the Administrative Agent or the Borrower, failed to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender will cease to be a Defaulting Lender pursuant to this clause (iv) upon the Administrative Agent's and the Borrower's receipt of such written confirmation), or (v) has, or has a direct or indirect parent company that has, (A) become the subject of a proceeding under any Debtor Relief Law, (B) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (C) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender will be conclusive and binding, absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.18(b)) upon notification of such determination by the Administrative Agent to the Borrower and the Lenders.

"Federal Funds Rate" shall mean, for any day, the rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with member banks of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the next succeeding Business Day or, if such rate is

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not so published for any Business Day, the Federal Funds Rate for such day shall be the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent.

"Material Adverse Effect" shall mean, with respect to any event, act, condition or occurrence of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singularly or in conjunction with any other event or events, act or acts, condition or conditions, occurrence or occurrences whether or not related, a material adverse change in, or a material adverse effect on, (i) the business, results of operations, financial condition, assets, or liabilities of the Borrower, its Subsidiaries, Northern Border, PNGTS and GLGT, taken as a whole, (ii) the ability of the Borrower to perform any of its obligations under the Loan Documents, (iii) the rights and remedies of the Administrative Agent and the Lenders under any of the Loan Documents or (iv) the legality, validity or enforceability of any of the Loan Documents.

"Significant Subsidiary" shall have the meaning specified in Article 1, Rule 1-02(w) of Regulation S-X of the Securities Exchange Act of 1934 as of the Effective Date, provided, that, even if Northern Border, GLGT and PNGTS would not otherwise constitute a Subsidiary of the Borrower, each of Northern Border, GLGT, and PNGTS shall be deemed to be a Significant Subsidiary of the Borrower if it would otherwise qualify as a Significant Subsidiary under Article 1, Rule 1-02(w) of Regulation S-X as of the First Amendment Date.

"Subsidiary" shall mean, with respect to any Person (the "parent"), any corporation, partnership, joint venture, limited liability company, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, partnership, joint venture, limited liability company, association or other entity (i) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power, or in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (ii) that is, as of such date, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless otherwise indicated, all references to "Subsidiary" hereunder shall mean a Subsidiary of the Borrower. For the avoidance of doubt, (a) Northern Border, GLGT and PNGTS are not Subsidiaries of the Borrower as of the Closing Date.

(b) Section 1.1 of the Credit Agreement is further amended by adding the following new definitions in proper alphabetical order:

"Anti-Corruption Laws" shall mean all laws, rules and regulations of any jurisdiction applicable to the Borrower and its Subsidiaries concerning or relating to bribery or corruption.

"Bail-In Action" shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation": shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Canadian Sanctioned Country" shall mean a country which is the target of any comprehensive (but not list based) Canadian Sanctions.

"Canadian Sanctioned Person" shall mean (i) any Person listed in any Canadian Sanctions-related list of designated Persons maintained by the Government of Canada, (ii) any Person operating, organized or resident in a Canadian Sanctioned Country, or (iii) any Person controlled by any such Person.

"Canadian Sanctions" shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the Government of Canada.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"EEA Financial Institution" shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"EU Bail-In Legislation Schedule": shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"First Amendment Date" shall mean November 10, 2016.

"First Amendment" shall mean that certain First Amendment, dated as of the First Amendment Date, by and among the Borrower, the Required Lenders party thereto and the Administrative Agent.

"PNGTS" shall mean Portland Natural Gas Transmission System, a Maine general partnership.

"Purchaser's Recission Rights" shall mean the 1,619,631 common units of the Borrower that were issued under the Borrower's At-The-Market equity issuance program after February 26, 2016 but before July 1, 2016 that are subject to redemption as outlined under Note 7 of the Borrower's Quarterly Report on Form 10Q for the period ending June 30, 2016.

"Sanctioned Country" shall mean a country which is the target of any comprehensive (but not list based) Sanctions;

"Sanctioned Person" shall mean (i) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, or by the United Nations Security Council, (ii) any Person operating, organized or resident in a Sanctioned Country or (iii) any Person controlled by any such Person.

"Sanction(s)" shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (i) the United States Government, including those administered by OFAC, or (ii) the United Nations Security Council.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

(c) Section 1.1 of the Credit Agreement is further amended by removing the definitions of "Eurodollar Reserve Percentage", "Bison Operating Agreement" and "GTN Operating Agreement".

(d) Section 2.12 of the Credit Agreement, is hereby amended by adding the phrase "more than six months" after the words amounts incurred in subsection (e) of such section.

(e) Section 4.4 of the Credit Agreement, is hereby amended by replacing subsection (b) in its entirety with the following:

(b) Since the Closing Date, there have been no changes with respect to the Borrower, its Subsidiaries, Northern Border, GLGT and, to Borrower's knowledge, PNGTS which have had or could reasonably be expected to have, singly or in the aggregate, a Material Adverse Effect.

(f) Section 4.8 of the Credit Agreement, "Taxes", is hereby amended by adding the following paragraph as clause (i) of such Section:

(i) For purposes of determining withholding Taxes imposed under FATCA, from and after the First Amendment Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loans as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

(g) Section 4.14 of the Credit Agreement is hereby amended by replacing in its entirety such section with the following:

Section 4.14. **Subsidiaries**. Schedule 4.14 attaches a true and complete organizational chart of the Borrower and all of its Subsidiaries (including the ownership of Northern Border, Tuscarora, PNGTS and GLGT), in each case as of the Closing Date, which Schedule the Borrower shall update upon notice to the Administrative Agent promptly following the completion of any material Permitted Acquisition and promptly following the incorporation, organization or formation of any material Subsidiary.

(h) The Credit Agreement is hereby amended by adding the following new Section 4.18:

Section 4.18 **Sanctions**. The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of the Borrower its directors and agents, are in compliance with applicable Sanctions that could result in a material fine or penalty to the Borrower or its Subsidiaries. None of the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers, employees or agents is a Sanctioned Person. No part of the proceeds of any Loans hereunder will be used directly or indirectly (i) for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended and in effect from time to time in any respect that is material in relation to the business, operations, assets or properties of the Borrower and its Subsidiaries taken as a whole; or (ii) to fund any operations in, finance any investments or activities in or make any payments to a Sanctioned Person or a Sanctioned Country.

(i) The Credit Agreement is hereby amended by adding the following new Section 4.19:

Section 4.19 **EEA Financial Institution**; Other Regulations. Neither the Borrower nor any Subsidiary is an EEA Financial Institution.

(j) The Credit Agreement is hereby amended by replacing Section 5.4 in its entirety with the following:

Section 5.4. **Compliance with Laws**. The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and requirements of any Governmental Authority applicable to its business and properties, including, without limitation, all Environmental Laws, ERISA and OSHA, except where the failure to do so, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures reasonably designed to promote and achieve compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents which are acting or benefitting in any capacity in connection with this Agreement with Anti-Corruption Laws and applicable Sanctions.

(k) The Credit Agreement is hereby amended by replacing Section 6.1 in its entirety with the following:

Section 6.1. **Leverage Ratio**. The Borrower and its Subsidiaries will maintain on a consolidated basis as of the end of each Fiscal Quarter, commencing with the Fiscal Quarter ending September 30, 2016, a Leverage Ratio of not greater than 5.00:1.00 (the "Required Threshold"); provided, however, that if the Borrower consummates one or more Permitted Acquisitions with a total consideration of $30,000,000 or more during any Fiscal Quarter, then the Required Threshold shall be increased to 5.50 to 1.00 for (i) the Fiscal Quarter in which such acquisition occurs (the "Acquisition Quarter") and (ii) the two (2) Fiscal Quarters following the Acquisition Quarter, and shall be decreased to 5.00 to 1.00 as of the last day of each Fiscal Quarter thereafter (unless subsequently increased pursuant to this proviso in connection with another Permitted Acquisition); provided, however that in determining compliance with the Leverage Ratio, Permitted Subordinated Debt in an amount not to exceed $300,000,000 shall not be included in such calculation. The Borrower's compliance with this requirement shall be calculated on a rolling four quarter basis, measured on the last day of each Fiscal

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Quarter. For purposes of the foregoing, to the extent Consolidated Total Funded Debt includes outstanding amounts under Hybrid Securities, then a portion of the amount of such Hybrid Securities not to exceed a total of 15% of Total Capitalization may be excluded from Consolidated Total Funded Debt (the "Excluded Hybrid Securities").

(l) The Credit Agreement is hereby amended by replacing Section 7.5 in its entirety with the following:

Section 7.5 **Restricted Payments**. The Borrower will not, and will not permit its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any dividend on any class of its Capital Stock, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, retirement, defeasance or other acquisition of, any shares of Capital Stock or Indebtedness subordinated to the Obligations of the Borrower or any Guarantee thereof or any options, warrants, or other rights to purchase such Capital Stock or such Indebtedness, whether now or hereafter outstanding (each, a "Restricted Payment"), except for (i) dividends payable by Subsidiaries of the Borrower solely in shares of any class of its Capital Stock, (ii) Restricted Payments made by any Subsidiary to the Borrower or to another Subsidiary, on at least a pro rata basis with any other holders of its Capital Stock if such Subsidiary is not wholly owned by the Borrower and other wholly owned Subsidiaries, (iii) so long as no Event of Default has occurred and is continuing, distributions on the Limited Partnership Units and General Partners' interests in accordance with the Borrower Partnership Agreement, (iv) Permitted Tax Distributions, (v) the purchase of Capital Stock related to the exercise of the Purchaser's Recission Rights and (vi) payments made with respect to Permitted Subordinated Debt to the extent allowed by the terms of the agreements entered into connection therewith, which agreements shall have been approved by the Administrative Agent and the Required Lenders.

(m) The Credit Agreement is hereby amended by adding the following new Section 7.12:

Section 7.12 **Government Regulation**. The Borrower will not, and will not permit any of its Subsidiaries to, (a) be or become subject at any time to any law, regulation or list of any Governmental Authority of the United States (including, without limitation, the OFAC list) that prohibits or limits the Lenders or the Administrative Agent from making any advance or extension of credit to the Borrower or from otherwise conducting business with the Borrower or its Subsidiaries, or (b) fail to provide documentary and other evidence of the identity of the Borrower or its Subsidiaries as may be requested by the Lenders or the Administrative Agent at any time to enable the Lenders or the Administrative Agent to verify the identity of the Borrower or its Subsidiaries or to comply with any applicable law or regulation, including, without limitation, Section 326 of the Patriot Act at 31 U.S.C. Section 5318.

(n) The Credit Agreement is hereby amended by adding the following new Section 7.13:

Section 7.13 **Sanctions**. The Borrower will not, and will not permit any Subsidiary to, use the proceeds of any Loans hereunder (i) for the purpose of funding, financing or facilitating any activities, business or transactions of or with any Sanctioned Person or, to the extent not in conflict with any other Sanctions, any Canadian Sanctioned Person, or in any Sanctioned Country or, to the extent not in conflict with any other Sanctions, in any Canadian Sanctioned Country, or (ii) to in any manner that would result in the violation of any Sanctions or, to the extent not in conflict with any other Sanctions, Canadian Sanctions applicable to any party hereto.

(o) Section 10.11 of the Credit Agreement, is hereby amended by removing the and before "(ix)", replacing "(ix)" with "(vi)" and replacing "(vi)" with "(vii)".

(p) The Credit Agreement is hereby amended by adding the following new Section 10.15:

Section 10.15 **Patriot Act**. The Administrative Agent and each Lender hereby notifies the Loan Parties that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower and each of its Subsidiaries, which information includes the name and address of such Borrower and Subsidiary and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Borrower or Subsidiary in accordance with the Patriot Act.

(q) The Credit Agreement is hereby amended by adding the following new Section 10.16:

Section 10.16 **Acknowledgement and Consent to Bail-In of EEA Financial Institutions**. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

(p) Schedule 7.1 of the Credit Agreement is hereby amended by adding the items listed on Schedule 1 hereto.

(q) Schedule 7.2 of the Credit Agreement is hereby amended by adding the item listed on Schedule 2 hereto.

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2. **Conditions to Effectiveness of this Amendment.** Notwithstanding any other provision of this Amendment and without affecting in any manner the rights of the Lenders hereunder, it is understood and agreed that this Amendment shall not become effective, and the Borrower shall have no rights under this Amendment, until the Administrative Agent shall have received (i) such fees as the Borrower has agreed to pay the Administrative Agent or any of its affiliates in connection with this Amendment, (ii) reimbursement or payment of its costs and expenses incurred in connection with this Amendment or the Credit Agreement (including reasonable fees, charges and disbursements of King & Spalding LLP, counsel to the Administrative Agent), and (iii) the Administrative Agent shall have received counterparts of this First Amendment duly executed by the Borrower, the Required Lenders, and the Administrative Agent.

3. **Representations and Warranties.** To induce the Lenders and the Administrative Agent to enter into this Amendment, the Borrower hereby represents and warrants to the Lenders and the Administrative Agent:

(a) The Borrower and each of its Subsidiaries (i) is duly organized, validly existing and in good standing as a corporation, partnership or limited liability company under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to carry on its business as now conducted, and (iii) is duly qualified to do business, and is in good standing, in each jurisdiction where such qualification is required, except where a failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect;

(b) The execution, delivery and performance by the Borrower of this Amendment are within the Borrower’s organizational powers and have been duly authorized by all necessary organizational, and if required, general partner action. This Amendment has been duly executed and delivered by the Borrower, and constitutes a valid and binding obligation of the Borrower, enforceable against it in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors’ rights generally and by general principles of equity;

(c) The execution, delivery and performance by the Borrower of this Amendment (i) do not require any consent or approval of, registration or filing with, or any action by, any Governmental Authority, except those as have been obtained or made and are in full force and effect, (ii) will not violate any Requirements of Law applicable to Borrower or any of its Subsidiaries or any judgment, order or ruling of any Governmental Authority, (iii) will not violate or result in a default under any indenture, material agreement or other material instrument binding on the Borrower or any of its Subsidiaries or any of its assets or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries and (iv) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries, except Liens (if any) created under the Loan Documents; and

(d) After giving effect to this Amendment, the representations and warranties contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects (other than representations and warranties expressly stated to be made as of an earlier date), and no Default or Event of Default has occurred and is continuing as of the date hereof.

4. **Effect of Amendment**. Except as set forth expressly herein, all terms of the Loan Documents shall be and remain in full force and effect and shall constitute the legal, valid, binding and enforceable obligations of the Borrower to the Lenders and the Administrative Agent. This Amendment shall constitute a Loan Document for all purposes of the Credit Agreement.

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5. **Governing Law.** This Amendment shall be governed by, and construed in accordance with, the internal laws of the State of New York and all applicable federal laws of the United States of America.

6. **No Novation.** This Amendment is not intended by the parties to be, and shall not be construed to be, a novation of the Credit Agreement or an accord and satisfaction in regard thereto.

7. **Costs and Expenses**. The Borrower agrees to pay on demand all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Amendment, including, without limitation, the reasonable fees and out-of-pocket expenses of outside counsel for the Administrative Agent with respect thereto.

8. **Counterparts.** This Amendment may be executed by one or more of the parties hereto in any number of separate counterparts, each of which shall be deemed an original and all of which, taken together, shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of this Amendment by facsimile transmission or by electronic mail in pdf form shall be as effective as delivery of a manually executed counterpart hereof.

9. **Binding Nature.** This Amendment shall be binding upon and inure to the benefit of the parties hereto, their respective successors, successors-in-titles, and assigns.

10. **Entire Understanding.** This Amendment sets forth the entire understanding of the parties with respect to the matters set forth herein, and shall supersede any prior negotiations or agreements, whether written or oral, with respect thereto.

11. **Severability.** Any provision of this Amendment held to be illegal, invalid or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity or unenforceability without affecting the legality, validity or enforceability of the remaining provisions hereof or thereof; and the illegality, invalidity or unenforceability of a particular provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

[*Signature Pages To Follow*]

IN WITNESS WHEREOF, the patties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

BORROWER:

TC PIPELINES, LP

By: TC PipeLines GP, Inc., its General Partner

By: /s/ Nathaniel A. Brown
Name: Nathaniel A. Brown
Title: Controller and Principal Financial Officer

By: /s/ Jon A. Dobson
Name: Jon A. Dobson
Title: Secretary

[Signature Page to TC Pipelines First Amendment to Term Loan Agreement]

ADMINISTRATIVE AGENT:

SUNTRUST BANK, as Administrative Agent and a Lender

By: /s/ Carmen Malizia
Name: Carmen Malizia
Title: Director

[Signature Page to TC Pipelines First Amendment to Term Loan Agreement]

BANK OF AMERICA, N.A, as a Lender

By: /s/ Marc Ahlers
Name: Marc Ahlers
Title: Vice President

[Signature Page to TC Pipelines First Amendment to Term Loan Agreement]

Citibank, N.A., **as a Lender**

By: /s/ Peter Kardos
Name: Peter Kardos
Title: VP

[Signature Page to TC Pipelines First Amendment to Term Loan Agreement]

DEUTSCHE BANK AG NEW YORK BRANCH, as a Lender

By: /s/ Ming K. Chu
Name: Ming K. Chu
Title: Director

By: /s/ Virginia Cosenza
Name: Virginia Cosenza
Title: Vice President

[Signature Page to TC Pipelines First Amendment to Term Loan Agreement]

JPMORGAN CHASE BANK, N.A., as a Lender

By: /s/ Juan J. Jayellana
Name: Juan J. Jayellana
Title: Executive Director

[Signature Page to TC Pipelines First Amendment to Term Loan Agreement]

Wells Fargo Bank, N.A., as a Lender

By: /s/ Nathan Starr
Name: Nathan Starr
Title: Vice President

[Signature Page to TC Pipelines First Amendment to Term Loan Agreement]

The Bank of Tokyo-Mitsubishi UFJ, Ltd., as a Lender

By: /s/ Kevin Sparks
Name: Kevin Sparks
Title: Director

**[SIGNATURE PAGE TO FIRST AMENDMENT
TERM LOAN AGREEMENT]**

Execution Version

SCHEDULE I

1. Term Loan Agreement in aggregate principal amount of $75,000,000 dated as of June 1, 2015 between Gas Transmission Northwest LLC and the lenders from time to time party thereto.

2. Term Loan Agreement in aggregate principal amount of $9,500,000 dated as of April 29, 2016 between Tuscarora Gas Transmission Company and the lenders from time to time party thereto.

Execution Version

SCHEDULE II

1. Pursuant to a Pledge Agreement dated January 1, 2016 between TC PipeLines Intermediate Limited Partnership (“TCILP”) and the Bank of New York Mellon, as collateral agent, TCILP granted a security interest in all of its partnership interests in PNGTS, as security for debt securities issued by PNGTS pursuant to a Note Purchase Agreement dated April 10, 2003, between PNGTS and the purchasers party thereto.

Exhibit 10.21

Execution Version

THIRD AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

dated as of November 10, 2016

among

TC PIPELINES, LP
as Borrower

THE LENDERS FROM TIME TO TIME PARTY HERETO

SUNTRUST BANK
as Administrative Agent

JPMORGAN CHASE BANK, N.A.
as Syndication Agent

DEUTSCHE BANK SECURITIES INC.,
CITIBANK, N.A.,
HSBC BANK USA NATIONAL ASSOCIATION

and
MIZUHO BANK, LTD.
as Co-Documentation Agents

SUNTRUST ROBINSON HUMPHREY, INC.
and
JPMORGAN CHASE BANK, N.A.,
as Joint Lead Arrangers and Joint Book Runners

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THIRD AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

THIS THIRD AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this “Agreement”) is made and entered into as of November 10, 2016, by and among TC PIPELINES, LP, a Delaware limited partnership (the “Borrower”), the several banks and other financial institutions and lenders from time to time party hereto (the "Lenders"), and SUNTRUST BANK, in its capacity as administrative agent for the Lenders (the "Administrative Agent"), as an issuing bank and as swingline lender (the "Swingline Lender").

W I T N E S S E T H:

WHEREAS, the Borrower, certain of the Lenders (the "Existing Lenders") and SunTrust Bank as administrative agent, issuing bank and swingline lender are parties to that certain Amended and Restated Revolving Credit and Term Loan Credit Agreement, dated as of July 13, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the "Existing Credit Agreement"), pursuant to which the Existing Lenders established a $500,000,000 revolving credit facility in favor of the Borrower (the "Existing Credit Facility");

WHEREAS, the Borrower has requested that the Existing Lenders party hereto and the other Lenders party hereto amend and restate the Existing Credit Agreement in order to modify certain provisions thereof;

WHEREAS, subject to the terms and conditions of this Agreement, the Administrative Agent, the Lenders, the Swingline Lender and the Issuing Bank to the extent of their respective Commitments (as defined herein), are willing to amend and restate the Existing Credit Agreement and to severally establish a $500,000,000 revolving credit facility, a letter of credit subfacility and a swingline subfacility in favor of the Borrower.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Borrower, the Lenders, the Administrative Agent, the Issuing Bank and the Swingline Lender agree that, effective upon the Closing Date, the Existing Credit Agreement is hereby amended and restated as follows:

ARTICLE I

DEFINITIONS; CONSTRUCTION

Section 1.1. **Definitions**. In addition to the other terms defined herein, the following terms used herein shall have the meanings herein specified (to be equally applicable to both the singular and plural forms of the terms defined):

"Additional Commitment Amount" shall have the meaning given to such term in Section 2.23.

"Additional Lender" shall have the meaning given to such term in Section 2.23.

"Adjusted Cash Flow" shall mean, with reference to any period (I) the consolidated net income (or loss) of the Borrower and its Subsidiaries for such period calculated on a consolidated basis in accordance with GAAP, plus (II) to the extent taken into account in determining such consolidated net income (or loss), the sum of interest expense, expense for taxes paid or accrued, depreciation, amortization and extraordinary losses incurred other than in the ordinary course of business, minus (III) to the extent taken into account in determining such consolidated net income (or loss), extraordinary gains realized other than in the ordinary course of business, *minus* (IV) to the extent taken into account in determining such consolidated net income (or loss), equity earnings of any Person in which the Borrower or any of its Subsidiaries has an interest (which interest does not cause the net income of such Person to be consolidated with the consolidated net income of the Borrower and its Subsidiaries in accordance with GAAP), plus (V) the aggregate amount of all cash dividends and other distributions of cash actually received by the Borrower or any of its consolidated Subsidiaries during such period from any Person in which the Borrower or any of its consolidated Subsidiaries has an interest (which interest does not cause the consolidated net income of such other Person to be consolidated with the consolidated net income of the Borrower and its Subsidiaries in accordance with GAAP), plus (VI) any Material Project EBITDA Adjustment; provided that for purposes of calculating consolidated net income and the amount of cash dividends and other distributions of cash for any four Fiscal Quarter period, if at any time during that period the Borrower or any Subsidiary shall have consummated an acquisition, consolidated net income and the amount of cash dividends and other distributions of cash for such period shall be calculated after giving pro forma effect thereto as if such acquisition had occurred on the first day of such period.

"Adjusted LIBO Rate" shall mean, with respect to each Interest Period for a Eurodollar Loan, (a) the rate per annum equal to the London interbank offered rate for deposits in U.S. Dollars appearing on Reuters screen page LIBOR 01 (or on any successor or substitute page of such service or any successor to such service, or, if such service is not available, such other commercially available source providing such rate quotations comparable to those currently provided on such page, as determined by the Administrative Agent from time to time) at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period, with a maturity comparable to such Interest Period (provided that if such rate is less than zero, such rate shall be deemed to be zero), divided by (b) a percentage equal to 100% minus the then stated maximum rate of all reserve requirements (including any marginal, emergency, supplemental, special or other reserves) applicable to any Lender that is a member bank of the Federal Reserve System in respect of Eurocurrency liabilities as defined in Regulation D (or any successor category of liabilities under Regulation D); provided, that if the rate referred to in clause (a) above is not available at any such time for any reason, then the rate referred to in clause (a) for any such Interest Period shall instead be the interest rate per annum, as reasonably determined by the Administrative Agent, to be the arithmetic average of the rates per annum at which deposits in U. S. Dollars in the approximate amount of such Eurodollar Loan would be offered by major banks in the London interbank market to the Administrative Agent at approximately 10:00 A.M. (Atlanta, Georgia time), two Business Days prior to the first day of such Interest Period, with a maturity comparable to such Interest Period (provided that if such rate is less than zero, such rate shall be deemed to be zero).

"Administrative Agent" shall have the meaning assigned to such term in the opening paragraph hereof.

"Administrative Questionnaire" shall mean, with respect to each Lender, an administrative questionnaire in the form prepared by the Administrative Agent and submitted to the Administrative Agent duly completed by such Lender.

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting stock, by contract or otherwise, provided, that, for purposes of Section 7.6, each of Northern Border, GLGT and PNGTS shall be deemed to be an Affiliate of the Borrower as long as it qualifies as a Significant Subsidiary.

"Aggregate Revolving Commitment Amount" shall mean the aggregate principal amount of the Aggregate Revolving Commitments from time to time. On the Closing Date, the Aggregate Revolving Commitment Amount is $500,000,000.

"Aggregate Revolving Commitments" shall mean, collectively, all Revolving Commitments of all Lenders at any time outstanding.

"Applicable Lending Office" shall mean, for each Lender and for each Type of Loan, the "Lending Office" of such Lender (or an Affiliate of such Lender) designated for such Type of Loan in the Administrative Questionnaire submitted by such Lender or such other office of such Lender (or an Affiliate of such Lender) as such Lender may from time to time specify to the Administrative Agent and the Borrower as the office by which its Loans of such Type are to be made and maintained.

"Anti-Corruption Laws" shall mean all laws, rules and regulations of any jurisdiction applicable to the Borrower and its Subsidiaries concerning or relating to bribery or corruption.

"Applicable Margin" shall mean, as of any date, (i) with respect to interest on all Revolving Loans outstanding on such date or the letter of credit fee, as the case may be, a percentage per annum determined by reference to the applicable Rating Category in effect on such date as set forth on Schedule I; provided, that a change in the Applicable Margin resulting from a change in the Rating Category shall be effective on the day on which either rating agency changes its rating and shall continue until the day prior to the day that a further change becomes effective; provided, that a change in the Applicable Margin resulting from a change in the Leverage Ratio shall be effective on the second Business Day after which the Borrower delivers the financial statements required by Section 5.1(a) or (b) and the Compliance Certificate required by Section 5.1(c). If the Borrower is split-rated and the ratings differential is (A) one category, the higher of the two ratings will apply, (B) two categories, the rating which falls between them shall apply or (C) three or more categories, the rating immediately below the higher of the two

ratings shall apply. The provisions of this definition shall not limit the rights of the Administrative Agent and the Lenders with respect to Section 2.13(c) or Article VIII.

"Applicable Percentage" shall mean, as of any date, with respect to the commitment fee as of such date, the percentage per annum determined by reference to either the applicable Rating Category in effect on such date as set forth on Schedule I; provided, that a change in the Applicable Percentage resulting from a change in the Rating Category shall be effective on the day on which either rating agency changes its rating and shall continue until the day prior to the day that a further change becomes effective. If the Borrower is split-rated and the ratings differential is (A) one category, the higher of the two ratings will apply, (B) two categories, the rating which falls between them shall apply or (C) three or more categories, the rating immediately below the higher of the two ratings shall apply. The provisions of this definition shall not limit the rights of the Administrative Agent and the Lenders with respect to Section 2.13(c) or Article VIII.

"Approved Fund" shall mean any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

"Acquisition Quarter" shall have the meaning set forth in Section 6.1.

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.4(b)) and accepted by the Administrative Agent, in the form of Exhibit A attached hereto or any other form approved by the Administrative Agent.

"Availability Period" shall mean the period from the Closing Date to but excluding the Revolving Commitment Termination Date.

"Bail-In Action" shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Base Rate" shall mean the highest of (i) the rate which the Administrative Agent announces from time to time as its prime lending rate, as in effect from time to time, (ii) the Federal Funds Rate, as in effect from time to time, plus one-half of one percent (0.50%) *per annum* and (iii) the Adjusted LIBO Rate determined on a daily basis for an Interest Period of one (1) month, plus one percent (1.00%) *per annum* (any changes in such rates to be effective as of the date of any change in such rate). The Administrative Agent's prime lending rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any

customer. The Administrative Agent may make commercial loans or other loans at rates of interest at, above, or below the Administrative Agent's prime lending rate.

"Borrower" shall have the meaning in the introductory paragraph hereof.

"Borrower Partnership Agreement" shall mean that certain Second Amended and Restated Agreement of Limited Partnership of TC PipeLines, LP dated July 1, 2009, as amended, supplemented, restated or otherwise modified from time to time.

"Borrowing" shall mean a borrowing consisting of (i) Loans of the same Class and Type, made, converted or continued on the same day and in the case of Eurodollar Loans, as to which a single Interest Period is in effect, or (ii) a Swingline Loan.

"Business Day" shall mean (i) any day other than a Saturday, Sunday or other day on which commercial banks in Atlanta, Georgia, Calgary, Canada or New York, New York are authorized or required by law to close and (ii) if such day relates to a borrowing of, a payment or prepayment of principal or interest on, a conversion of or into, or an Interest Period for, a Eurodollar Loan or a notice with respect to any of the foregoing, any day on which banks are not open for dealings in dollar deposits are carried on in the London interbank market.

"Capital Lease Obligations" of any Person shall mean all obligations of such Person to pay rent or other amounts under any lease (or other arrangement conveying the right to use) of real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Canadian Sanctioned Country" shall mean a country which is the target of any comprehensive (but not list based) Canadian Sanctions.

"Canadian Sanctioned Person" shall mean (i) any Person listed in any Canadian Sanctions-related list of designated Persons maintained by the Government of Canada, (ii) any Person operating, organized or resident in a Canadian Sanctioned Country, or (iii) any Person controlled by any such Person.

"Canadian Sanctions" shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the Government of Canada.

"Capital Stock" shall mean any non-redeemable capital stock (or in the case of a partnership or limited liability company, the partners' or members' equivalent equity interest) of any Person, whether common or preferred.

"Cash Collateralize" shall mean, in respect of any obligations, to provide and pledge (as a first priority perfected security interest) cash collateral for such obligations in Dollars with the Administrative Agent pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent (and "Cash Collateralized" and "Cash Collateralization" have the corresponding meanings).

"Change in Control" shall mean the occurrence of one or more of the following events: (i) any Person or two or more Persons (other than TransCanada Corporation or any of its Subsidiaries or any other Person reasonably acceptable to the Required Lenders) acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of voting stock of the General Partner (or other securities convertible into such voting stock) (A) representing 50% or more of the combined voting power of all voting stock of the General Partner or (B) representing the combined voting power of all voting stock of the General Partner more than that owned, directly or indirectly, by TransCanada Corporation; or (ii) any Person or two or more Persons (other than TransCanada Corporation or any of its Subsidiaries or any other Person reasonably acceptable to the Required Lenders) acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of the General Partner; (iii) the General Partner shall for any reason cease to be the managing general partner of the Borrower, (iv) the failure of the Borrower to own, directly or indirectly, free and clear of all Liens, at least 50% of the partnership interests in Northern Border, (v) the failure of the Borrower to own, directly or indirectly, free and clear of all Liens, at least 98% of the partnership interests in Tuscarora or (vi) the failure of the Borrower to own, directly or indirectly, free and clear of all Liens, at least 46.45% of the partnership interests in GLGT.

"Change in Law" shall mean (i) the adoption of any applicable law, rule or regulation after the date of this Agreement, (ii) any change in any applicable law, rule or regulation, or any change in the interpretation, implementation or application thereof, by any Governmental Authority after the date of this Agreement, or (iii) compliance by any Lender (or its Applicable Lending Office) or the Issuing Bank (or, for purposes of Section 2.18(b), by the parent company of such Lender or the Issuing Bank, if applicable) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that for purposes of this Agreement, (x) the Dodd- Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, or Swingline Loans and when used in reference to any Commitment, refers to whether such Commitment is a Revolving Commitment or a Swingline Commitment.

"Closing Date" shall mean the date on which the conditions precedent set forth in Section 3.1 have been satisfied or waived in accordance with Section 10.2.

"Code" shall mean the Internal Revenue Code of 1986, as amended and in effect from time to time.

"Commercial Operation Date" shall mean the date on which a Material Project is substantially complete and commercially operable.

"Commitment" shall mean a Revolving Commitment or a Swingline Commitment or any combination thereof (as the context shall permit or require).

"Compliance Certificate" shall mean a certificate executed by a Responsible Officer in the form of, and containing the certifications set forth in, the certificate attached hereto as Exhibit 5.1(c).

"Consolidated Net Tangible Assets" means, at any date of determination, the total amount of assets after deducting therefrom (a) all current liabilities (excluding (i) any current liabilities renewable or extendable at the option of the obligor to a time more than 12 months after the time as of which the amount thereof is being computed, and (ii) current maturities of long-term debt), and (b) the value (net of any applicable reserves) of all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the consolidated balance sheet of the Borrower and its consolidated Subsidiaries for the Borrower's most recently completed Fiscal Quarter, prepared in accordance with GAAP.

"Consolidated Net Worth" shall mean, for the Borrower and its Subsidiaries for any period, the aggregate amount of Capital Stock, minority interests, and other equity accounts (including, without limitation, retained earnings, paid in capital and accumulated other comprehensive income or loss (but without giving effect to any non-cash pension and other post- retirement benefits liability adjustments recorded in accordance with GAAP)) of the Borrower and its Subsidiaries at such date determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Funded Debt" shall mean, as of any date, all Indebtedness of the Borrower and its Subsidiaries measured on a consolidated basis as of such date, but excluding Indebtedness of the type described in subsection (xi) of the definition thereto.

"Contractual Obligation" of any Person shall mean any provision of any security issued by such Person or of any agreement, instrument or undertaking under which such Person is obligated or by which it or any of the property in which it has an interest is bound.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" shall mean any condition or event that, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Default Interest" shall have the meaning set forth in Section 2.13(c).

"Defaulting Lender" shall mean, at any time, subject to Section 2.27(b), (i) any Lender that has failed for two (2) or more Business Days to comply with its obligations under this Agreement to make a Loan, to make a payment to the Issuing Bank in respect of a Letter of

Credit or to the Swingline Lender in respect of a Swingline Loan or to make any other payment due hereunder (each a "funding obligation"), unless such Lender has notified the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding has not been satisfied (which conditions precedent, together with any applicable Default or Event of Default, will be specifically identified in such writing), (ii) any Lender that has notified the Administrative Agent in writing, or has stated publicly, that it does not intend to comply with any such funding obligation hereunder, unless such writing or public statement states that such position is based on such Lender's determination that one or more conditions precedent to funding cannot be satisfied (which conditions precedent, together with any applicable Default or Event of Default, will be specifically identified in such writing or public statement), (iii) any Lender that has defaulted on its obligation to fund generally under any other loan agreement, credit agreement or other financing agreement, (iv) any Lender that has, for three (3) or more Business Days after written request of the Administrative Agent or the Borrower, failed to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender will cease to be a Defaulting Lender pursuant to this clause (iv) upon the Administrative Agent's and the Borrower's receipt of such written confirmation), or (v) has, or has a direct or indirect parent company that has, (A) become the subject of a proceeding under any Debtor Relief Law, (B) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (C) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender will be conclusive and binding, absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.27(b)) upon notification of such determination by the Administrative Agent to the Borrower, the Issuing Bank, the Swingline Lender and the Lenders.

"Designated Threshold" means, at any time, 5% of Consolidated Net Tangible Assets at such time.

"Dollar(s)" and the sign "$" shall mean lawful money of the United States of America.

"EBITDA" shall mean, for any Person, an amount equal to the sum of (i) consolidated net income for such period plus (ii) to the extent deducted in determining consolidated net income for such period, and without duplication, (A) consolidated interest expense, (B) income tax expense determined on a consolidated basis in accordance with GAAP, (C) depreciation and amortization determined on a consolidated basis in accordance with GAAP, and (D) all other non-cash charges acceptable to the Administrative Agent determined on a consolidated basis in accordance with GAAP, in each case for such period.

"EEA Financial Institution" shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Environmental Laws" shall mean all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by or with any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, Release or threatened Release of any Hazardous Material or to health and safety matters.

"Environmental Liability" shall mean any liability, contingent or otherwise (including any liability for damages, costs of environmental investigation and remediation, costs of administrative oversight, fines, natural resource damages, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (i) any actual or alleged violation of any Environmental Law, (ii) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (iii) any actual or alleged exposure to any Hazardous Materials, (iv) the Release or threatened Release of any Hazardous Materials or (v) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated), which, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for the purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" shall mean (i) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (ii) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (iii) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (iv) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (v) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator appointed by the

PBGC of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (vi) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (vii) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"EU Bail-In Legislation Schedule" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurodollar" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted LIBO Rate.

"Event of Default" shall have the meaning provided in Article VIII.

"Existing Credit Agreement" shall have the meaning set forth in the recitals hereto.

"Existing Lenders" shall have the meaning set forth in the recitals hereto.

"Excluded Taxes" shall mean with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes in each case imposed on (or measured by) its net income by (i) the United States of America, any state or local taxing authority in the United States of America, (ii) the jurisdiction under the laws of which such recipient is organized or in which its principal office is located, (iii) in the case of any Lender, the jurisdiction in which its Applicable Lending Office is located or (iv) any jurisdiction as a result of a present or former connection between such Lender, Administrative Agent or other recipient and such jurisdiction (other than a connection arising from such Lender, Administrative Agent or other recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, any Loan Document, or sold or assigned an interest in any Loan or Loan Document), (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which any Lender is located, (c) in the case of a Foreign Lender, any withholding tax that (i) is imposed on amounts payable to such Foreign Lender under the law applicable at the time such Foreign Lender becomes a party to this Agreement, (ii) is imposed on amounts payable to such Foreign Lender under the law applicable at any time that such Foreign Lender designates a new lending office, other than taxes that have accrued prior to the designation of such lending office that are otherwise not Excluded Taxes, or (iii) is attributable to such Foreign Lender's failure to comply with Section 2.20(e), and (d) any backup withholding tax imposed under Section 3406 of the Code and (e) any Taxes imposed on any "withholdable payment" to such Lender, Administrative Agent or other recipient as a result of the failure of such person to satisfy the applicable requirements set forth in FATCA.

"FATCA" shall mean Sections 1471 through 1474 of the Code, as in effect on the date hereof (and any amended, successor or comparable provision that is not materially more onerous to comply with) and any present or future regulations issued thereunder or interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

"Federal Funds Rate" shall mean, for any day, the rate per annum (rounded upwards, if necessary, to the next 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with member banks of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the next succeeding Business Day or, if such rate is not so published for any Business Day, the Federal Funds Rate for such day shall be the average (rounded upwards, if necessary, to the next 1/100th of 1%) of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent.

"Fee Letter" shall mean that certain fee letter, dated as of October 19, 2016, executed by SunTrust Robinson Humphrey, Inc. and SunTrust Bank and accepted by the Borrower.

"Fiscal Quarter" shall mean any fiscal quarter of the Borrower.

"Fiscal Year" shall mean any fiscal year of the Borrower.

"Foreign Lender" shall mean any Lender that is not a United States person under Section 7701(a)(30) of the Code.

"General Partner" shall mean TC PipeLines GP, Inc. a Delaware corporation.

"GAAP" shall mean generally accepted accounting principles in the United States applied on a consistent basis and subject to the terms of Section 1.3.

"GLGT" shall mean Great Lakes Gas Transmission Limited Partnership, a Delaware limited partnership.

"GLGT Partnership Agreement" shall mean that certain Amended and Restated Agreement of Limited Partnership of Great Lakes Gas Transmission Limited Partnership dated as of February 22, 2007, as amended, supplemented, restated or otherwise modified from time to time.

"Governmental Authority" shall mean the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") shall mean any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in

any manner, whether directly or indirectly and including any obligation, direct or indirect, of the guarantor (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (ii) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) as an account party in respect of any letter of credit or letter of guaranty issued in support of such Indebtedness or obligation; provided, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which Guarantee is made or, if not so stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith. The term "Guarantee" used as a verb has a corresponding meaning.

"Hazardous Materials" shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Obligations" of any Person shall mean any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired under (i) any and all Hedging Transactions, (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Hedging Transactions and (iii) any and all renewals, extensions and modifications of any Hedging Transactions and any and all substitutions for any Hedging Transactions.

"Hedging Transaction" of any Person shall mean any transaction (including an agreement with respect thereto) now existing or hereafter entered into by such Person that is a rate swap, basis swap, forward rate transaction, commodity swap, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collateral transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

"Hybrid Securities" shall mean any trust preferred securities, or deferrable interest subordinated debt with a maturity of at least 20 years, which provides for the optional or mandatory deferral of interest or distributions, issued by the Borrower, or any business trusts, limited liability companies, limited partnerships or similar entities (i) substantially all of the common equity, general partner or similar interests of which are owned (either directly or indirectly through one or more wholly owned Subsidiaries) at all times by the Borrower or any Subsidiaries, (ii) that have been formed for the purpose of issuing such securities or deferrable interest subordinated debt, and (iii) substantially all the assets of which consist of (A)

subordinated debt of the Borrower or any Subsidiary, and (B) payments made from time to time on the subordinated debt.

"Indebtedness" of any Person shall mean, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person in respect of the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business), (iv) all obligations of such Person under any conditional sale or other title retention agreement(s) relating to property acquired by such Person, (v) all Capital Lease Obligations of such Person, (vi) all obligations, contingent or otherwise, of such Person in respect of letters of credit, acceptances or similar extensions of credit, (vii) all Guarantees of such Person of the type of Indebtedness described in clauses (i) through (vi) above, (viii) all Indebtedness of a third party secured by any Lien on property owned by such Person, whether or not such Indebtedness has been assumed by such Person, (ix) all obligations of such Person to purchase, redeem, retire or otherwise acquire for value any common stock of such Person, (x) Off-Balance Sheet Liabilities and (xi) all Hedging Obligations. The Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer, except to the extent that the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" shall mean Taxes other than Excluded Taxes.

"Indenture Agreement" shall mean that certain Indenture, dated as of June 17, 2011, by and between the Borrower and the Bank of New York Mellon, as trustee.

"Interest Period" shall mean with respect to (i) any Swingline Borrowing, such period as the Swingline Lender and the Borrower shall mutually agree and (ii) any Eurodollar Borrowing, a period of (x) one week or two weeks (in each case, if all of the Lenders can accommodate such interest period), (y) one, two, three or six months or (z) subject to clause (C) of this definition, nine or twelve months; provided, that:

(A) the initial Interest Period for such Borrowing shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of another Type), and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(B) if any Interest Period would otherwise end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day, unless such Business Day falls in another calendar month, in which case such Interest Period would end on the next preceding Business Day;

(C) the Borrower shall not be entitled to select an Interest Period having a duration of nine or twelve months unless, by 2:00 P.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, each Lender notifies the Administrative Agent that such Lender will be providing funding for such Borrowing with such Interest Period (the failure of any Lender to so respond by such time being deemed for all purposes of this Agreement as an objection by such Lender to the

requested duration of such Interest Period); provided that, if any or all of the Lenders object to the requested duration of such Interest Period, the duration of the Interest Period for such Borrowing shall be one, two, three or six months, as specified by the Borrower requesting such Borrowing in the applicable Notice of Borrowing as the desired alternative to an Interest Period of nine or twelve months;

(D) any Interest Period of one month or more which begins on the last Business Day of a calendar month or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period shall end on the last Business Day of such calendar month; and

(E) no Interest Period may extend beyond the Revolving Commitment Termination Date.

"Issuing Bank" shall mean SunTrust Bank and any other Lender approved by the Administrative Agent, such Lender and the Borrower, each in its capacity as an issuer of Letters of Credit pursuant to Section 2.22.

"Joint Lead Arrangers" shall mean SunTrust Robinson Humphrey, Inc. and JPMorgan Chase Bank, N.A., as joint lead arrangers.

"LC Commitment" shall mean that portion of the Aggregate Revolving Commitment Amount that may be used by the Borrower for the issuance of Letters of Credit in an aggregate face amount not to exceed $30,000,000.

"LC Disbursement" shall mean a payment made by the Issuing Bank pursuant to a Letter of Credit.

"LC Documents" shall mean the Letters of Credit and all applications, agreements and instruments relating to the Letters of Credit.

"LC Exposure" shall mean, at any time, the sum of (i) the aggregate undrawn amount of all outstanding Letters of Credit at such time, *plus* (ii) the aggregate amount of all LC Disbursements that have not been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender shall be its Pro Rata Share of the total LC Exposure at such time (as may be adjusted from time to time pursuant to Section 2.27(a)).

"Lenders" shall have the meaning assigned to such term in the opening paragraph of this Agreement and shall include, where appropriate, the Swingline Lender and each Additional Lender that joins this Agreement pursuant to Section 2.23.

"Lender Insolvency Event" shall mean that (i) a Lender or its parent company is insolvent, or is generally unable to pay its debts as they become due, or admits in writing its inability to pay its debts as they become due, or makes a general assignment for the benefit of its creditors, (ii) a Lender or its parent company is the subject of a bankruptcy, insolvency, reorganization, liquidation or similar proceeding, or a receiver, trustee, conservator, custodian or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such capacity, has been appointed for such Lender or its parent company, or such Lender or its parent company has taken any action in furtherance of or indicating its consent to or acquiescence in any such proceeding or appointment, or (iii) a Lender or its parent company has been adjudicated as, or determined by any Governmental Authority having regulatory authority over such Person or its assets to be, insolvent; provided that, for the avoidance of doubt, a Lender Insolvency Event shall not be deemed to have occurred solely by virtue of the ownership or acquisition of any equity interest in or control of a Lender or a parent company thereof by a Governmental Authority or an instrumentality thereof so long as such ownership or acquisition does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

"Letter of Credit" shall mean any stand-by letter of credit issued pursuant to Section 2.22 by the Issuing Bank for the account of the Borrower pursuant to the LC Commitment.

"Leverage Ratio" shall mean, as of any date, the ratio of (i) Consolidated Total Funded Debt as of such date to (ii) Adjusted Cash Flow for the four consecutive Fiscal Quarters ending on or immediately prior to such date.

"LIBOR" shall mean, for any applicable Interest Period with respect to any Eurodollar Loan, the rate *per annum* (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page) as the London interbank offered rate for Dollar deposits as of 11:00 a.m. (London, England time) on the day that is two Business Days prior to the first day of the Interest Period; provided, that if the Administrative Agent determines that the relevant foregoing sources are unavailable for the relevant Interest Period, LIBOR shall mean the rate of interest determined by the Administrative Agent to be the average (rounded upward, if necessary, to the nearest $1/100^{th}$ of 1%) of the rates per annum at which deposits in Dollars are offered to the Administrative Agent two (2) Business Days preceding the first day of such Interest Period by leading banks in the London interbank market as of 10:00 a.m. (New York time) for delivery on the first day of such Interest Period, for the number of days comprised therein and in an amount comparable to the amount of the Eurodollar Loan of the Administrative Agent.

"Lien" shall mean any mortgage, pledge, security interest, lien (statutory or otherwise), charge, encumbrance, hypothecation, assignment, deposit arrangement, or other arrangement having the practical effect of the foregoing or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having the same economic effect as any of the foregoing).

"Loan Documents" shall mean, collectively, this Agreement, the Notes (if any), the LC Documents, the Fee Letter, all Notices of Borrowing, all Notices of Conversion/Continuation, and all Compliance Certificates.

"Loans" shall mean all Revolving Loans and Swingline Loans in the aggregate or any of them, as the context shall require.

"Material Adverse Effect" shall mean, with respect to any event, act, condition or occurrence of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singularly or in conjunction with any other event or events, act or acts, condition or conditions, occurrence or occurrences whether or not related, a material adverse change in, or a material adverse effect on, (i) the business, results of operations, financial condition, assets, or liabilities of the Borrower, its Subsidiaries, Northern Border, GLGT and PNGTS, taken as a whole, (ii) the ability of the Borrower to perform any of its obligations under the Loan Documents, (iii) the rights and remedies of the Administrative Agent, the Issuing Bank, Swingline Lender, and the Lenders under any of the Loan Documents or (iv) the legality, validity or enforceability of any of the Loan Documents.

"Material Indebtedness" shall mean Indebtedness (other than the Loans and Letters of Credit) of the Borrower or any of its Subsidiaries, individually or in an aggregate principal amount exceeding the Designated Threshold.

"Material Project" shall mean the construction or expansion of any capital project of the Borrower or any of its Subsidiaries, the aggregate capital cost of which exceeds $25,000,000**.**

"Material Project EBITDA Adjustment" shall mean, with respect to each Material Project:

(A) prior to the Commercial Operation Date of a Material Project (but including the fiscal quarter in which such Commercial Operation Date occurs), a percentage (based on the then-current completion percentage of such Material Project) of an amount to be approved by the Administrative Agent as the projected EBITDA of the Borrower and its Subsidiaries attributable to such Material Project for the first 12-month period following the scheduled Commercial Operation Date of such Material Project (such amount to be determined based on customer contracts or tariff-based customers relating to such Material Project, the creditworthiness of the other parties to such contracts or such tariff-based customers, and projected revenues from such contracts, tariffs, capital costs and expenses, scheduled Commercial Operation Date, oil and gas reserve and production estimates, commodity price assumptions and other factors deemed appropriate by the Administrative Agent), which may, at the Borrower's option, be added to actual EBITDA for the Borrower and its Subsidiaries for the fiscal quarter in which construction of such Material Project commences and for each fiscal quarter thereafter until the Commercial Operation Date of such Material Project (including the fiscal quarter in which such Commercial Operation Date occurs, but net of any actual EBITDA of the Borrower and its Subsidiaries attributable to such Material Project following such Commercial Operation Date); provided that if the actual Commercial Operation Date does not occur by the scheduled Commercial Operation Date, then the foregoing amount shall be reduced, for quarters ending after the scheduled Commercial Operation Date to (but excluding) the first full quarter after its Commercial Operation Date, by the following percentage amounts depending on the period of delay (based on the period of actual delay or then-estimated delay, whichever is longer): (i) 90 days or less, 0%, (ii) longer than 90 days, but not more than 180

days, 25%, (iii) longer than 180 days but not more than 270 days, 50%, and (iv) longer than 270 days, 100%; and

(B) beginning with the first full fiscal quarter following the Commercial Operation Date of a Material Project and for the three immediately succeeding fiscal quarters, an amount to be approved by the Administrative Agent as the projected EBITDA of the Borrower and its Subsidiaries attributable to such Material Project (determined in the same manner as set forth in clause (A) above) for the balance of the four full fiscal quarter period following such Commercial Operation Date, which may, at the Borrower's option, be added to actual EBITDA for the Borrower and its Subsidiaries for such fiscal quarters.

Notwithstanding the foregoing:

(i) no such additions shall be allowed with respect to any Material Project unless:

(a) not later than 30 days prior to the delivery of any Compliance Certificate required by Section 5.1(c), to the extent Material Project EBITDA Adjustments will be made to Adjusted Cash Flow in calculating the Leverage Ratio, the Borrower shall have delivered to the Administrative Agent written pro forma projections of EBITDA of the Borrower and its Subsidiaries attributable to such Material Project, and

(b) prior to the date such certificate is required to be delivered, the Administrative Agent shall have approved (such approval not to be unreasonably withheld) such projections and shall have received such other information and documentation as the Administrative Agent may reasonably request, all in form and substance reasonably satisfactory to the Administrative Agent, and

(ii) the aggregate amount of all Material Project EBITDA Adjustments during any period shall be limited to 20% of the total actual Adjusted Cash Flow of the Borrower and its Subsidiaries for such period (which total actual Adjusted Cash Flow shall be determined without including any Material Project EBITDA Adjustments).

"Moody's" shall mean Moody's Investors Service, Inc.

"Multiemployer Plan" shall have the meaning set forth in Section 4001(a)(3) of ERISA.

"Non-Defaulting Lender" shall mean, at any time, a Lender that is not a Defaulting Lender.

"Northern Border" shall mean Northern Border Pipeline Company, a Texas general partnership.

"Northern Border Partnership Agreement" shall mean that certain First Amended and Restated General Partnership Agreement relating to the formation of Northern Border

effective as of August 6, 2006, as amended, supplemented, restated or otherwise modified from time to time.

"Notes" shall mean, collectively, the Revolving Credit Notes, the Swingline Note and the Term Notes.

"Notice of Borrowing" shall mean any Notice of Revolving Borrowing or Notice of Swingline Borrowing.

"Notice of Conversion/Continuation" shall mean the notice given by the Borrower to the Administrative Agent in respect of the conversion or continuation of an outstanding Borrowing as provided in Section 2.7(b).

"Notice of Revolving Borrowing" shall have the meaning as set forth in Section 2.3.

"Notice of Swingline Borrowing" shall have the meaning as set forth in Section 2.4.

"Obligations" shall mean all amounts owing by the Borrower to the Administrative Agent, the Issuing Bank or any Lender (including the Swingline Lender) pursuant to or in connection with this Agreement or any other Loan Document, including without limitation, all principal, interest (including any interest accruing after the filing of any petition in bankruptcy or the commencement of any insolvency, reorganization or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), all reimbursement obligations, fees, expenses, indemnification and reimbursement payments, costs and expenses (including all reasonable fees and expenses of counsel to the Administrative Agent, the Issuing Bank and any Lender (including the Swingline Lender) (to the extent payable by the Borrower pursuant to Section 10.3) incurred pursuant to this Agreement or any other Loan Document), whether direct or indirect, absolute or contingent, liquidated or unliquidated, now existing or hereafter arising hereunder or thereunder, and all obligations and liabilities incurred in connection with collecting and enforcing the foregoing, together with all renewals, extensions, modifications or refinancings thereof.

"Off-Balance Sheet Liabilities" of any Person shall mean (i) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (ii) any liability of such Person under any sale and leaseback transactions that do not create a liability on the balance sheet of such Person, (iii) any Synthetic Lease Obligation or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person.

"Optional Prepayment Notice" shall have the meaning set forth in Section 2.11.

"OSHA" shall mean the Occupational Safety and Health Act of 1970, as amended from time to time, and any successor statute.

"Other Taxes" shall mean any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document; provided, however that Other Taxes shall not include any such taxes imposed as a result of a present or former connection between a Lender, the Administrative Agent or any other recipient of a payment by or on account of any obligation of the Borrower made hereunder, and any jurisdiction (other than a connection arising from such Lender, Administrative Agent or other recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Participant" shall have the meaning set forth in Section 10.4(d).

"Patriot Act" shall have the meaning set forth in Section 10.13.

"Payment Office" shall mean the office of the Administrative Agent located at 303 Peachtree Street, N.E., Atlanta, Georgia 30308, or such other location as to which the Administrative Agent shall have given written notice to the Borrower and the other Lenders.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA, and any successor entity performing similar functions.

"Permitted Acquisition" shall mean an acquisition by the Borrower or any of its Subsidiaries of Capital Stock in, or of all or substantially all of the assets of, another Person that is permitted by this Agreement.

"Permitted Encumbrances" shall mean:

(i) Liens imposed by law for taxes, assessments or governmental charges not yet due or which are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves are being maintained in accordance with GAAP;

(ii) statutory Liens of landlords, carriers, warehousemen, mechanics, materialmen and similar Liens arising by operation of law in the ordinary course of business for amounts overdue for a period of more than 30 days or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP;

(iii) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(iv) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(v) judgment and attachment liens not giving rise to an Event of Default or Liens created by or existing from any litigation or legal proceeding that are currently being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP;

(vi) customary rights of set-off, revocation, refund or chargeback under deposit agreements or under the Uniform Commercial Code or common law of banks or other financial institutions where the Borrower or any of its Subsidiaries maintains deposits (other than deposits intended as cash collateral) in the ordinary course of business; and

(vii) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of the Borrower and its Subsidiaries taken as a whole;

provided, that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" shall mean:

(i) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States or Canada (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States or Canada), in each case maturing within one year from the date of acquisition thereof;

(ii) commercial paper rated at least A-1 (or its equivalent) by S&P or P-1 (or its equivalent) by Moody's at the time of acquisition thereof, and in either case maturing within 360 days from the date of acquisition thereof;

(iii) certificates of deposit, bankers' acceptances and time deposits maturing within 180 days of the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States or any state thereof which has (a) a combined capital and surplus and undivided profits of not less than $500,000,000 or (b) has certificates of deposit or other debt obligations rated at least A-1 (or its equivalent) by S&P or P-1 (or its equivalent) by Moody's;

(iv) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (i) above and entered into with a financial institution satisfying the criteria described in clause (iii) above;

(v) mutual funds or similar funds that have at least 95% of their assets invested in any one or more of the Permitted Investments described in clauses (i) through (iv) above;

(vi) demand deposit accounts maintained in the ordinary course of business at a bank or trust company satisfying the requirements specified in (a) or (b) of clause (iii) above;

(vii) any other securities issued or directly and fully guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof, in each case, maturing within one year from the date of acquisition thereof;

(viii) investments in any fund that invests exclusively in investments of the type described in clauses (vii) which fund may also hold immaterial amounts of cash pending investment and/or distribution; and

(ix) other cash equivalents and securities reasonably acceptable to the Administrative Agent.

"Permitted Sale-Leaseback Transaction" shall mean a Sale-Leaseback Transaction entered into by the Borrower or a Subsidiary with respect to a Principal Property that satisfied any of the following conditions:

(i) the Sale-Leaseback Transaction occurs within one year from the date of completion of the acquisition of the Principal Property or the date of the completion of construction, development or substantial repair or improvement, or commencement of full operations on the Principal Property, whichever is later;

(ii) the Sale-Leaseback Transaction involves a lease for a period, including renewals, of not more than three years;

(iii) the Borrower or such Subsidiary would be entitled to incur Indebtedness secured by a Lien on the Principal Property in a principal amount equal to or exceeding the net sale proceeds from such Sale-Leaseback Transaction; or

(iv) the Borrower or such Subsidiary, within a 270-day period after such Sale- Leaseback Transaction, applies or causes to be applied an amount not less than the net sale proceeds from such Sale-Leaseback Transaction to (A) the prepayment, repayment, redemption, reduction or retirement of Indebtedness of the Borrower or any of its Subsidiaries (other than Permitted Subordinated Debt), or (B) the investment in another Principal Property.

"Permitted Subordinated Debt" shall mean any Indebtedness of the Borrower or any Subsidiary (i) that is expressly subordinated to the Obligations and any Hedging Obligations entered into with the Administrative Agent or any Lender on terms satisfactory to the Administrative Agent and the Required Lenders in their sole discretion, (ii) that matures by its terms no earlier than six months after the Revolving Commitment Termination Date then in effect with no scheduled principal payments permitted prior to such date and (iii) that is evidenced by an indenture or other similar agreement that is in a form satisfactory to the Administrative Agent and the Required Lenders.

"Permitted Tax Distributions" shall mean cash dividends or distributions to the partners of the Borrower with respect to each taxable year during which the Borrower is a

partnership in an amount not to exceed the aggregate of the maximum federal and state income tax liability of the partners of the Borrower (assuming that all of such partners are taxed at the maximum permissible federal and state rates of such partners or members) attributable to the taxable income of the Borrower for such taxable year, computed in accordance with the Code.

"Person" shall mean any individual, partnership, firm, corporation, association, joint venture, limited liability company, trust or other entity, or any Governmental Authority.

"Plan" shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"PNGTS" shall mean Portland Natural Gas Transmission System, a Maine general partnership.

"PNGTS Partnership Agreement" shall mean that certain Portland Natural Gas Transmission System Amended and Restated Partnership Agreement, dated as of March 1, 1996, as amended, supplemented, restated or otherwise modified from time to time.

"Principal Property" means, whether currently owned or leased or subsequently acquired, any pipeline, gathering system, terminal, storage facility, processing plant or other plant or facility located in the United States of America or any territory or political subdivision thereof owned or leased by the Borrower or any of its Subsidiaries and used in transporting, distributing, terminalling, gathering, treating, processing, marketing or storing natural gas, natural gas liquids or other hydrocarbons, except (i) any property or asset consisting of inventories, furniture, office fixtures and equipment (including data processing equipment), vehicles and equipment used on, or useful with, vehicles (but excluding vehicles that generate transportation revenues) and (ii) any such pipeline or other plant or facility that, in the good faith opinion of the board of directors of the General Partner as evidenced by a resolution of the board of directors or comparable governing body of the General Partner, is not material in relation to the activities of the Borrower and its Subsidiaries, taken as a whole.

"Pro Rata Share" shall mean (i) with respect to any Commitment of any Lender at any time, a percentage, the numerator of which shall be such Lender's Commitment (or if such Commitments have been terminated or expired or the Loans have been declared to be due and payable, such Lender's Revolving Credit Exposure), and the denominator of which shall be the sum of such Commitments of all Lenders (or if such Commitments have been terminated or expired or the Loans have been declared to be due and payable, all Revolving Credit Exposure of all Lenders) and (ii) with respect to all Commitments of any Lender at any time, the numerator of which shall be the sum of such Lender's Revolving Commitment (or if such Revolving Commitments have been terminated or expired or the Loans have been declared to be due and payable, such Lender's Revolving Credit Exposure) and the denominator of which shall be the sum of all Lenders' Revolving Commitments (or if such Revolving Commitments have been terminated or expired or the Loans have been declared to be due and payable, all Revolving Credit Exposure of all Lenders funded under such Commitments).

"Purchaser's Recission Rights" shall mean the 1,619,631 common units of the Borrower that were issued under the Borrower's At-The-Market equity issuance program after February 26, 2016 but before July 1, 2016 that are subject to redemption as outlined under Note 7 of the Borrower's Quarterly Report on Form 10Q for the period ending June 30, 2016.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System, as the same may be in effect from time to time, and any successor regulations.

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Release" shall mean any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or within any building, structure, facility or fixture.

"Required Lenders" shall mean, at any time, Lenders holding more than 50% of the aggregate outstanding Revolving Commitments at such time or if the Lenders have no Commitments outstanding, then Lenders holding more than 50% of the Revolving Credit Exposure. In each case, at any time any Lender is a Defaulting Lender, all Defaulting Lenders shall be excluded in determining "Required Lenders" and "Required Lenders" shall mean non- Defaulting Lenders otherwise meeting the criteria set forth in this definition.

"Requirement of Law" for any Person shall mean the articles or certificate of incorporation, bylaws, partnership certificate and agreement, or limited liability company certificate of organization and agreement, as the case may be, and other organizational and governing documents of such Person, and any law, treaty, rule or regulation, or determination of a Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" shall mean any of the president, the chief executive officer, the chief operating officer, the chief financial officer, the treasurer or a vice president of the General Partner or such other representative of the Borrower as may be designated in writing by any one of the foregoing with the consent of the Administrative Agent; and, with respect to the financial covenants only, the chief financial officer, treasurer, vice president of finance or controller of the General Partner.

"Restricted Payment" shall have the meaning set forth in Section 7.5.

"Revolving Commitment" shall mean, with respect to each Lender, the commitment of such Lender to make Revolving Loans to the Borrower and to acquire participations in Letters of Credit and Swingline Loans in an aggregate principal amount not exceeding the amount set forth with respect to such Lender on Schedule III, as such schedule may be amended pursuant to Section 2.23, or in the case of a Person becoming a Lender after the

Closing Date, the amount of the assigned "Revolving Commitment" as provided in the Assignment and Acceptance executed by such Person as an assignee, or the joinder executed by such Person, in each case as such commitment may subsequently be increased or deceased pursuant to terms hereof.

"Revolving Commitment Termination Date" shall mean the earliest of (i) November 10, 2021 or such later date approved by the Required Lenders in accordance with Section 2.26, (ii) the date on which the Aggregate Revolving Commitments are terminated pursuant to Section 2.8 and (iii) the date on which all Revolving Loans outstanding under this Agreement have been declared or have automatically become due and payable (whether by acceleration or otherwise).

"Revolving Credit Exposure" shall mean, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Loans, LC Exposure and Swingline Exposure.

"Revolving Loan" shall mean a loan made by a Lender (other than the Swingline Lender) to the Borrower under its Revolving Commitment, which may either be a Base Rate Loan or a Eurodollar Loan.

"Sale-Leaseback Transaction" shall have the meaning provided in Section 7.8.

"Sanctioned Country" shall mean a country which is the target of any comprehensive (but not list based) Sanctions;

"Sanctioned Person" shall mean (i) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, or by the United Nations Security Council, (ii) any Person operating, organized or resident in a Sanctioned Country or (iii) any Person controlled by any such Person.

"Sanction(s)" shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (i) the United States Government, including those administered by OFAC, or (ii) the United Nations Security Council.

"S&P" shall mean Standard & Poor's, a Division of the McGraw-Hill Companies.

"Significant Subsidiary" shall have the meaning specified in Article 1, Rule 1- 02(w) of Regulation S-X of the Securities Exchange Act of 1934 as of the Effective Date, provided, that, even if Northern Border, GLGT or PNGTS would not otherwise constitute a Subsidiary of the Borrower, each of Northern Border, GLGT and PNGTS shall be deemed to be a Significant Subsidiary of the Borrower if it would otherwise qualify as a Significant Subsidiary under Article 1, Rule 1-02(w) of Regulation S-X as of the Closing Date.

"Solvent" shall mean, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including subordinated and contingent liabilities, of such Person; (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts and liabilities, including subordinated and

contingent liabilities as they become absolute and matured; (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; and (d) such Person is not engaged in a business or transaction, and is not about to engage in a business or transaction, for which such Person's property would constitute an unreasonably small capital. The amount of contingent liabilities (such as litigation, guaranties and pension plan liabilities) at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, represents the amount that would reasonably be expected to become an actual or matured liability.

"Subsidiary" shall mean, with respect to any Person (the "parent"), any corporation, partnership, joint venture, limited liability company, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, partnership, joint venture, limited liability company, association or other entity (i) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power, or in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (ii) that is, as of such date, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless otherwise indicated, all references to "Subsidiary" hereunder shall mean a Subsidiary of the Borrower. For the avoidance of doubt, Northern Border, GLGT and PNGTS are not Subsidiaries of the Borrower as of the Closing Date.

"Swingline Commitment" shall mean the commitment of the Swingline Lender to make Swingline Loans in an aggregate principal amount at any time outstanding not to exceed $5,000,000.

"Swingline Exposure" shall mean, with respect to each Lender, the principal amount of the Swingline Loans in which such Lender is legally obligated either to make a Base Rate Loan or to purchase a participation in accordance with Section 2.4, which shall equal such Lender's Pro Rata Share of all outstanding Swingline Loans (as may be adjusted from time to time pursuant to Section 2.27(a)).

"Swingline Lender" shall mean SunTrust Bank, or any other Lender that may agree to make Swingline Loans hereunder.

"Swingline Loan" shall mean a loan made to the Borrower by the Swingline Lender under the Swingline Commitment.

"Swingline Note" shall mean the promissory note of the Borrower payable to the order of the Swingline Lender in the principal amount of the Swingline Commitment.

"Swingline Rate" shall mean the Base Rate, or such other interest rate (and with respect to a Swingline Loan that is a Eurodollar Loan, for any Interest Period) as may be mutually agreed between the Swingline Lender and the Borrower.

"Synthetic Lease" shall mean a lease transaction under which the parties intend that (i) the lease will be treated as an "operating lease" by the lessee pursuant to Statement of

Financial Accounting Standards No. 13, as amended and (ii) the lessee will be entitled to various tax and other benefits ordinarily available to owners (as opposed to lessees) of like property.

"Synthetic Lease Obligations" shall mean, with respect to any Person, the sum of (i) all remaining rental obligations of such Person as lessee under Synthetic Leases which are attributable to principal and, without duplication, (ii) all rental and purchase price payment obligations of such Person under such Synthetic Leases assuming such Person exercises the option to purchase the lease property at the end of the lease term.

"Taxes" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"TC GL ILP" shall mean TC GL Intermediate Limited Partnership, a Delaware limited partnership.

"TC GL Partnership Agreement" shall mean that certain Agreement of Limited Partnership relating to the formation of TC GL ILP effective as of December 22, 2006, as amended, supplemented, restated or otherwise modified from time to time.

"TC PipeLines ILP" shall mean TC PipeLines Intermediate Limited Partnership, a Delaware limited partnership.

"TC PipeLines ILP Partnership Agreement" shall mean that certain Amended and Restated Agreement of Limited Partnership relating to the formation of TC PipeLines ILP effective as of May 28, 1999, as amended, supplemented, restated or otherwise modified from time to time.

"Termination Date" shall mean the date that no Loan, Note or LC Exposure remains outstanding and unpaid, no amount remains available to be drawn under any Letter of Credit (unless such Letter of Credit is cash collateralized or supported by a letter of credit on terms and in amount acceptable to the Administrative Agent), no other amount is owing to any Lender or the Administrative Agent hereunder or under any of the other Loan Documents (except contingent indemnification obligations or expense reimbursement obligations to the extent no claim giving rise thereto has been asserted) and the Revolving Commitments have been terminated.

"Total Capitalization" shall mean at any date, the sum of Consolidated Net Worth and Consolidated Total Funded Debt of the Borrower and its Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP.

"Tuscarora" shall mean Tuscarora Gas Transmission Company, a Nevada general partnership.

"Tuscarora ILP" shall mean TC Tuscarora Intermediate Limited Partnership, a Delaware limited partnership.

"Tuscarora ILP Partnership Agreement" shall mean that certain Agreement of Limited Partnership relating to the formation of Tuscarora ILP effective as of July 19, 2000, as amended supplemented, restated or otherwise modified from time to time.

"Tuscarora Partnership Agreement" shall mean that certain Amended and Restated General Partnership Agreement relating to the formation of Tuscarora effective as of December 13, 2010, as amended, supplemented, restated or otherwise modified from time to time.

"Type", when used in reference to a Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising the Borrowing, is determined by reference to the Adjusted LIBO Rate or the Base Rate.

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.2. **Classifications of Loans and Borrowings**. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g. a "Revolving Loan") or by Type (e.g. a "Eurodollar Loan" or "Base Rate Loan") or by Class and Type (e.g. "Revolving Eurodollar Loan"). Borrowings also may be classified and referred to by Class (e.g. "Revolving Borrowing") or by Type (e.g. "Eurodollar Borrowing") or by Class and Type (e.g. "Revolving Eurodollar Borrowing").

Section 1.3. **Accounting Terms and Determination**. Unless otherwise defined or specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP as in effect from time to time, applied on a basis consistent with the most recent audited consolidated financial statement of the Borrower delivered pursuant to Section 5.1(a); provided that if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Article VI to eliminate the effect of any change in GAAP on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Article VI for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Lenders. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Accounting Standards Codification Section 825-10 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any of its Subsidiaries at "fair value", as defined therein.

Section 1.4. **Terms Generally**. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the word "to" means "to but excluding". Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as it was originally executed or as it may from time to time be amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (iii) the words "hereof", "herein" and "hereunder" and words of similar import shall be construed to refer to this Agreement as a whole and not to any particular provision hereof, (iv) all references to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles, Sections, Exhibits and Schedules to this Agreement and (v) all references to a specific time shall be construed to refer to the time in the city and state of the Administrative Agent's principal office, unless otherwise indicated. All actions required to be undertaken by the Borrower under the Loan Documents shall be undertaken by the Borrower through the General Partner.

ARTICLE II

AMOUNT AND TERMS OF THE COMMITMENTS

Section 2.1. **General Description of Facilities**. Subject to and upon the terms and conditions herein set forth, (i) the Lenders hereby establish in favor of the Borrower a revolving credit facility pursuant to which each Lender severally agrees (to the extent of such Lender's Revolving Commitment) to make Revolving Loans to the Borrower in accordance with Section 2.2, (ii) the Issuing Bank agrees to issue Letters of Credit in accordance with Section 2.22, (iii) the Swingline Lender agrees to make Swingline Loans in accordance with Section 2.4, and (iv) each Lender agrees to purchase a participation interest in the Letters of Credit and the Swingline Loans pursuant to the terms and conditions hereof; provided, that in no event shall the aggregate principal amount of all outstanding Revolving Loans, Swingline Loans and outstanding LC Exposure exceed at any time the Aggregate Revolving Commitment Amount from time to time in effect.

Section 2.2. **Revolving Loans**. Subject to the terms and conditions set forth herein, each Lender severally agrees to make Revolving Loans, ratably in proportion to its Pro Rata Share, to the Borrower, from time to time during the Availability Period, in an aggregate principal amount outstanding at any time that will not result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Commitment or (b) the aggregate Revolving Credit Exposures of all Lenders exceeding the Aggregate Revolving Commitment Amount. During the Availability Period, the Borrower shall be entitled to borrow, prepay and reborrow Revolving Loans in accordance with the terms and conditions of this Agreement; provided, that the Borrower may not borrow or reborrow should there exist a Default or Event of Default or any of the other conditions in Section 3.2 shall not have been satisfied. Notwithstanding anything herein, on the Closing Date, all

Revolving Loans shall be Eurodollar Loans. The execution and delivery of this Agreement by the Borrower and the satisfaction of all conditions precedent pursuant to Section 3.1 shall be deemed to constitute the Borrower's request to borrow the Revolving Loans on the Closing Date.

Section 2.3. Procedure for Borrowings.

The Borrower shall give the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of each Revolving Borrowing substantially in the form of Exhibit 2.3 (a "Notice of Revolving Borrowing" or a "Notice of Borrowing"), each such Notice of Borrowing to be delivered (x) prior to 11:00 a.m. (New York time) on the requested date of each Base Rate Borrowing and (y) prior to 11:00 a.m. (New York time) three (3) Business Days prior to the requested date of each Eurodollar Borrowing. Each Notice of Borrowing shall be irrevocable and shall specify: (i) the aggregate principal amount of such Borrowing, (ii) the date of such Borrowing (which shall be a Business Day), (iii) the Type of such Borrowing and (iv) in the case of a Eurodollar Borrowing, the duration of the initial Interest Period applicable thereto (subject to the provisions of the definition of Interest Period). Each Revolving Borrowing shall consist entirely of Base Rate Loans or Eurodollar Loans, as the Borrower may request. The aggregate principal amount of each Eurodollar Borrowing shall be not less than $5,000,000 or a larger multiple of $1,000,000, and the aggregate principal amount of each Base Rate Borrowing shall not be less than $1,000,000 or a larger multiple of $100,000; provided, that Base Rate Loans made pursuant to Section 2.4 or Section 2.22(d) may be made in lesser amounts as provided therein. At no time shall the total number of Eurodollar Borrowings outstanding at any time exceed six. Promptly following the receipt of a Notice of Borrowing in accordance herewith, the Administrative Agent shall advise each Lender of the details thereof and the amount of such Lender's Revolving Loan to be made as part of the requested Revolving Borrowing.

Section 2.4. Swingline Commitment.

(a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to the Borrower, from time to time during the Availability Period, in an aggregate principal amount outstanding at any time not to exceed the lesser of (i) the Swingline Commitment then in effect and (ii) the difference between the Aggregate Revolving Commitment Amount and the aggregate Revolving Credit Exposures of all Lenders; provided, that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. The Borrower shall be entitled to borrow, repay and reborrow Swingline Loans in accordance with the terms and conditions of this Agreement.

(b) The Borrower shall give the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of each Swingline Borrowing substantially in the form of Exhibit 2.4 attached hereto ("Notice of Swingline Borrowing") prior to 12:00 p.m. (New York time) on the requested date of each Swingline Borrowing. Each Notice of Swingline Borrowing shall be irrevocable and shall specify: (i) the principal amount of such Swingline Loan, (ii) the date of such Swingline Loan (which shall be a Business Day) and (iii) the account of the Borrower to which the proceeds of such Swingline Loan should be credited. The Administrative Agent will promptly advise the Swingline Lender of each Notice of Swingline Borrowing. Each Swingline Loan shall accrue interest at the Swingline Rate and shall have an

Interest Period (subject to the definition thereof) as agreed between the Borrower and the Swingline Lender. The aggregate principal amount of each Swingline Loan shall be not less than $100,000 or a larger multiple of $50,000, or such other minimum amounts agreed to by the Swingline Lender and the Borrower. The Swingline Lender will make the proceeds of each Swingline Loan available to the Borrower in Dollars in immediately available funds at the account specified by the Borrower in the applicable Notice of Swingline Borrowing not later than 1:00 p.m. (New York time) on the requested date of such Swingline Loan.

(c) The Swingline Lender, at any time and from time to time in its sole discretion, may, on behalf of the Borrower (which hereby irrevocably authorizes and directs the Swingline Lender to act on its behalf), give a Notice of Revolving Borrowing to the Administrative Agent requesting the Lenders (including the Swingline Lender) to make Base Rate Loans in an amount equal to the unpaid principal amount of any Swingline Loan. Each Lender will make the proceeds of its Base Rate Loan included in such Borrowing available to the Administrative Agent for the account of the Swingline Lender in accordance with Section 2.6, which will be used solely for the repayment of such Swingline Loan.

(d) If for any reason a Base Rate Borrowing may not be (as determined in the sole discretion of the Administrative Agent), or is not, made in accordance with the foregoing provisions, then each Lender (other than the Swingline Lender) shall purchase an undivided participating interest in such Swingline Loan in an amount equal to its Pro Rata Share thereof on the date that such Base Rate Borrowing should have occurred. On the date of such required purchase, each Lender shall promptly transfer, in immediately available funds, the amount of its participating interest to the Administrative Agent for the account of the Swingline Lender. If such Swingline Loan bears interest at a rate other than the Base Rate, such Swingline Loan shall automatically become a Base Rate Loan on the effective date of any such participation and interest shall become payable on demand.

(e) Each Lender's obligation to make a Base Rate Loan pursuant to Section 2.4(c) or to purchase the participating interests pursuant to Section 2.4(d) shall be absolute and unconditional and shall not be affected by any circumstance, including without limitation (i) any setoff, counterclaim, recoupment, defense or other right that such Lender or any other Person may have or claim against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (ii) the existence of a Default or an Event of Default or the termination of any Lender's Revolving Commitment, (iii) the existence (or alleged existence) of any event or condition which has had or could reasonably be expected to have a Material Adverse Effect, (iv) any breach of this Agreement or any other Loan Document by the Borrower, the Administrative Agent or any Lender or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If such amount is not in fact made available to the Swingline Lender by any Lender, the Swingline Lender shall be entitled to recover such amount on demand from such Lender, together with accrued interest thereon for each day from the date of demand thereof (i) at the Federal Funds Rate until the second Business Day after such demand and (ii) at the Base Rate at all times thereafter. Until such time as such Lender makes its required payment, the Swingline Lender shall be deemed to continue to have outstanding Swingline Loans in the amount of the unpaid participation for all purposes of the Loan Documents. In addition, such Lender shall be deemed to have assigned any and all payments made of principal and interest on its Loans and any other amounts due to it hereunder, to the Swingline Lender to fund the amount of such Lender's participation interest in such Swingline Loans that such Lender failed to fund pursuant to this Section 2.4, until such amount has been purchased in full.

Section 2.5. **[Reserved.]**

Section 2.6. **Funding of Borrowings**.

(a) Each Lender will make available each Revolving Loan to be made by it hereunder on the proposed date thereof by wire transfer in immediately available funds by 1:00 p.m. (New York time) to the Administrative Agent at the Payment Office; provided, that the Swingline Loans will be made as set forth in Section 2.4. The Administrative Agent will make such Revolving Loans available to the Borrower by promptly crediting the amounts that it receives, in like funds by 3:00 pm (New York time) on such proposed date, to an account maintained by the Borrower with the Administrative Agent or at the Borrower's option, by effecting a wire transfer of such amounts to an account designated by the Borrower to the Administrative Agent.

(b) Unless the Administrative Agent shall have been notified by any Lender prior to 5:00 p.m. (New York time) one (1) Business Day prior to the date of a Borrowing, in the case of a Eurodollar Borrowing, or prior to 1:00 p.m. (New York time) on the day of a Borrowing, in the case of a Base Rate Borrowing, which such Lender is to participate that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date, and the Administrative Agent, in reliance on such assumption, may make available to the Borrower on such date a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender on the date of such Borrowing, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender together with interest at the Federal Funds Rate until the second Business Day after such demand and thereafter at the Base Rate. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower, and the Borrower shall immediately pay such corresponding amount to the Administrative Agent together with interest at the rate specified for such Borrowing. Nothing in this subsection shall be deemed to relieve any Lender from its obligation to fund its Pro Rata Share of any Borrowing hereunder or to prejudice any rights which the Borrower may have against any Lender as a result of any default by such Lender hereunder.

(c) All Revolving Borrowings shall be made by the Lenders on the basis of their respective Pro Rata Shares. No Lender shall be responsible for any default by any other Lender in its obligations hereunder, and each Lender shall be obligated to make its Loans provided to be made by it hereunder, regardless of the failure of any other Lender to make its Loans hereunder.

Section 2.7. **Interest Elections.**

(a) Each Borrowing initially shall be of the Type specified in the applicable Notice of Borrowing, and in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Notice of Borrowing. Thereafter, the Borrower may elect to convert such Borrowing into a different Type or to continue such Borrowing, and in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section 2.7. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall NOT apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section 2.7, the Borrower shall give the Administrative Agent prior written notice (or telephonic notice promptly confirmed in writing) of each Borrowing substantially in the form of Exhibit 2.7 attached hereto (a "Notice of Conversion/Continuation") that is to be converted or continued, as the case may be, (x) prior to 10:00 a.m. (New York time) on the requested date of a conversion into a Base Rate Borrowing and (y) prior to 11:00 a.m. (New York time) three (3) Business Days prior to a continuation of or conversion into a Eurodollar Borrowing. Each such Notice of Conversion/Continuation shall be irrevocable and shall specify (i) the Borrowing to which such Notice of Continuation/Conversion applies and if different options are being elected with respect to different portions thereof, the portions thereof that are to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) shall be specified for each resulting Borrowing); (ii) the effective date of the election made pursuant to such Notice of Continuation/Conversion, which shall be a Business Day; (iii) whether the resulting Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing; and (iv) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of "Interest Period". If any such Notice of Continuation/Conversion requests a Eurodollar Borrowing but does not specify an Interest Period, the Borrower shall be deemed to have selected an Interest Period of one month. The principal amount of any resulting Borrowing shall satisfy the minimum borrowing amount for Eurodollar Borrowings and Base Rate Borrowings set forth in Section 2.3.

(c) If, on the expiration of any Interest Period in respect of any Eurodollar Borrowing, the Borrower shall have failed to deliver a Notice of Conversion/ Continuation, then, unless such Borrowing is repaid as provided herein, the Borrower shall be deemed to have elected to continue such Borrowing for an Interest Period of one (1) month. No Borrowing may be converted into, or continued as, a Eurodollar Borrowing if a Default or an Event of Default exists, unless the Administrative Agent and each of the Lenders shall have otherwise consented in writing. No conversion of any Eurodollar Loans shall be permitted except on the last day of the Interest Period in respect thereof.

(d) Upon receipt of any Notice of Conversion/Continuation, the Administrative Agent shall promptly notify each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

Section 2.8. **Optional Reduction and Termination of Commitments.**

(a) Unless previously terminated, all Revolving Commitments, Swingline Commitments and LC Commitments shall terminate on the Revolving Commitment Termination Date.

(b) Upon at least one (1) Business Day's prior written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent, the Borrower may reduce the Aggregate Revolving Commitments in part or terminate the Aggregate Revolving Commitments in whole; provided, that (i) any partial reduction shall apply to reduce proportionately and permanently the Revolving Commitment of each Lender, (ii) any partial reduction pursuant to this Section 2.8 shall be in an amount of at least $5,000,000 and any larger multiple of $1,000,000, and (iii) no such reduction shall be permitted which would reduce the Aggregate Revolving Commitment Amount to an amount less than the outstanding Revolving Credit Exposures of all Lenders. Any such reduction in the Aggregate Revolving Commitment Amount below the sum of the principal amount of the Swingline Commitment and the LC Commitment shall result in a proportionate reduction (rounded to the next lowest integral multiple of $100,000) in the Swingline Commitment and the LC Commitment. A notice of termination or reduction of the Commitments delivered by the Borrower shall be irrevocable; provided that any such notice may state that it is conditioned upon the effectiveness of other credit facilities or acquisitions or the receipt of net proceeds from the issuance of Capital Stock or incurrence of Indebtedness by the Borrower, in which case such notice may be revoked by the Borrower giving written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent on or prior to the date for termination or reduction specified in the termination or reduction notice if such condition is not satisfied.

Section 2.9. Repayment of Loans.

(a) The outstanding principal amount of all Revolving Loans shall be due and payable (together with accrued and unpaid interest thereon) on the Revolving Commitment Termination Date.

(b) The principal amount of each Swingline Borrowing shall be due and payable (together with accrued and unpaid interest thereon) on the earlier of (i) the last day of the Interest Period applicable to such Borrowing and (ii) the Revolving Commitment Termination Date.

(c) [Reserved.]

Section 2.10. Evidence of Indebtedness. (a) Each Lender shall maintain in accordance with its usual practice appropriate records evidencing the Indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable thereon and paid to such Lender from time to time under this Agreement. The Administrative Agent shall maintain appropriate records in which shall be recorded (i) the Revolving Commitment of each Lender, (ii) the amount of each Loan made hereunder by each Lender, the Class and Type thereof and the Interest Period applicable thereto, (iii) the date of each continuation thereof pursuant to Section 2.7, (iv) the date of each conversion of all or a portion thereof to another Type pursuant to Section 2.7, (v) the date and amount of any principal

or interest due and payable or to become due and payable from the Borrower to each Lender hereunder in respect of such Loans and (vi) both the date and amount of any sum received by the Administrative Agent hereunder from the Borrower in respect of the Loans and each Lender's Pro Rata Share thereof. The entries made in such records shall be *prima facie* evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, that the failure or delay of any Lender or the Administrative Agent in maintaining or making entries into any such record or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans (both principal and unpaid accrued interest) of such Lender in accordance with the terms of this Agreement.

(b) At the request of any Lender (including the Swingline Lender) at any time, the Borrower agrees that it will execute and deliver to such Lender a Revolving Credit Note and/or a Term Note and, in the case of the Swingline Lender only, a Swingline Note, payable to the order of such Lender.

Section 2.11. Optional Prepayments. The Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, without premium or penalty, by giving written notice (or telephonic notice promptly confirmed in writing) (an "Optional Prepayment Notice") to the Administrative Agent no later than (i) in the case of prepayment of any Eurodollar Borrowing, 11:00 a.m. (New York time) not less than three (3) Business Days prior to any such prepayment, (ii) in the case of any prepayment of any Base Rate Borrowing, not less than one (1) Business Day prior to the date of such prepayment, and (iii) in the case of Swingline Borrowings, prior to 11:00 a.m. (New York time) on the date of such prepayment. Upon receipt of any Optional Prepayment Notice, the Administrative Agent shall promptly notify each affected Lender of the contents thereof and of such Lender's Pro Rata Share of any such prepayment. Each Optional Prepayment Notice shall be irrevocable and shall specify the proposed date of such prepayment and the principal amount of each Borrowing or portion thereof to be prepaid; provided that any such Optional Prepayment Notice may state that such Optional Prepayment Notice is conditioned upon the effectiveness of other credit facilities or acquisitions or the receipt of net proceeds from the issuance of Capital Stock or incurrence of Indebtedness by the Borrower, in which case, such Optional Prepayment Notice may be revoked by the Borrower giving written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent on or prior to the date for prepayment specified in such Optional Prepayment Notice if such condition is not satisfied. If an Optional Prepayment Notice is given and has not been revoked by the Borrower in accordance with the proviso to the immediately preceding sentence, the aggregate amount specified in such Optional Prepayment Notice shall be due and payable on the date designated in such Optional Prepayment Notice, together with accrued interest to such date on the amount so prepaid in accordance with Section 2.13(d); provided, that if a Eurodollar Borrowing is prepaid on a date other than the last day of an Interest Period applicable thereto, the Borrower shall also pay all amounts required pursuant to Section 2.19. Each partial prepayment of any Loan (other than a Swingline Loan) shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type pursuant to Section 2.2 or in the case of a Swingline Loan pursuant to Section 2.4. Each prepayment of a Borrowing shall be applied ratably to the Loans comprising such Borrowing.

Section 2.12. Mandatory Prepayments. If at any time the Revolving Credit Exposure of all Lenders exceeds the Aggregate Revolving Commitment Amount, as reduced pursuant to Section 2.8 or otherwise, the Borrower shall immediately repay Swingline Loans and

Revolving Loans in an amount equal to such excess, together with all accrued and unpaid interest on such excess amount and any amounts due under Section 2.19. Each prepayment shall be applied first to the Swingline Loans to the full extent thereof, second to the Base Rate Loans to the full extent thereof, and finally to Eurodollar Loans to the full extent thereof. If after giving effect to prepayment of all Swingline Loans and Revolving Loans, the Revolving Credit Exposure of all Lenders exceeds the Aggregate Revolving Commitment Amount, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Issuing Bank and the Lenders, an amount in cash equal to such excess plus any accrued and unpaid fees thereon to be held as collateral for the LC Exposure. Such account shall be administered in accordance with Section 2.22(g) hereof.

Section 2.13. **Interest on Loans.**

(a) The Borrower shall pay interest on each Base Rate Loan at the Base Rate in effect from time to time and on each Eurodollar Loan at the Adjusted LIBO Rate for the applicable Interest Period in effect for such Loan, *plus*, in each case, the Applicable Margin in effect from time to time.

(b) The Borrower shall pay interest on each Swingline Loan at the Swingline Rate in effect from time to time.

(c) While an Event of Default exists or after acceleration, at the option of the Required Lenders, the Borrower shall pay interest ("Default Interest") with respect to all Eurodollar Loans at the rate otherwise applicable for the then-current Interest Period *plus* an additional 2% per annum until the last day of such Interest Period, and thereafter, and with respect to all Base Rate Loans and all other Obligations hereunder (other than Loans), at the rate in effect for Base Rate Loans, *plus* an additional 2% per annum.

(d) Interest on the principal amount of all Loans shall accrue from and includ- ing the date such Loans are made to but excluding the date of any repayment thereof. Interest on all outstanding Base Rate Loans shall be payable quarterly in arrears on the last day of each March, June, September and December and on the Revolving Commitment Termination Date, as the case may be. Interest on all outstanding Eurodollar Loans shall be payable on the last day of each Interest Period applicable thereto, and, in the case of any Eurodollar Loans having an Interest Period in excess of three months or 90 days, respectively, on each day which occurs every three months or 90 days, as the case may be, after the initial date of such Interest Period, and on the Revolving Commitment Termination Date, as the case may be. Interest on each Swingline Loan (other than a Swingline Loan that is a Base Rate Loan which shall be payable as set forth above) shall be payable on the maturity date of such Loan, which shall be the last day of the Interest Period applicable thereto, and on the Revolving Commitment Termination Date. Interest on any Loan which is converted into a Loan of another Type or which is repaid or prepaid shall be payable on the date of such conversion or on the date of any such repayment or prepayment (on the amount repaid or prepaid) thereof. All Default Interest shall be payable on demand.

(e) The Administrative Agent shall determine each interest rate applicable to the Loans hereunder and shall promptly notify the Borrower and the Lenders of such rate in

writing (or by telephone, promptly confirmed in writing). Any such determination shall be conclusive and binding for all purposes, absent manifest error.

Section 2.14. **Fees**.

(a) The Borrower shall pay to the Administrative Agent for its own account fees in the amounts and at the times previously agreed upon in writing by the Borrower and the Administrative Agent, including for the avoidance of doubt, fees described in the Fee Letter.

(b) The Borrower agrees to pay to the Administrative Agent for the account of each Lender (subject to Section 2.27(a)(i) in the case of a Defaulting Lender) a commitment fee, which shall accrue at the Applicable Percentage per annum (determined daily in accordance with Schedule I) on the daily amount by which the Revolving Commitment of such Lender exceeds such Lender's Revolving Credit Exposure during the Availability Period.

(c) [Reserved]

(d) The Borrower agrees to pay (i) quarterly in arrears to the Administrative Agent, for the account of each Lender, a letter of credit fee with respect to its participation in each Letter of Credit, which shall accrue at a rate per annum equal to the Applicable Margin for Eurodollar Loans then in effect on the average daily amount of such Lender's LC Exposure attributable to such Letter of Credit during the period from and including the date of issuance of such Letter of Credit to but excluding the date on which such Letter of Credit expires or is drawn in full (including without limitation any LC Exposure that remains outstanding after the Revolving Commitment Termination Date) and (ii) to the Issuing Bank for its own account a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the Availability Period (or until the date that such Letter of Credit is Cash Collateralized, supported by a letter of credit on terms acceptable to the Issuing Bank, or irrevocably cancelled, whichever is later), as well as the Issuing Bank's standard fees with respect to issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Notwithstanding the foregoing, if the Required Lenders elect to increase the interest rate on the Loans to the Default Interest pursuant to Section 2.13(c), the rate per annum used to calculate the letter of credit fee pursuant to clause (i) above shall automatically be increased by an additional 2% per annum.

(e) The Borrower shall pay to the Administrative Agent, for the ratable benefit of each Lender, the upfront fee previously agreed upon by the Borrower and the Administrative Agent as described in the Fee Letter, which shall be due and payable on the Closing Date.

(f) Accrued fees under paragraph (b) above shall be payable quarterly in arrears on the last day of each March, June, September and December, commencing on December 31, 2016 and on the Revolving Commitment Termination Date (and if later, the date the Loans and LC Exposure shall be repaid in their entirety); provided further, that any such fees accruing after the Revolving Commitment Termination Date shall be payable on demand.

Section 2.15. **Computation of Interest and Fees.**

All computations of interest based on the Base Rate shall be made by the Administrative Agent on the basis of a year of 365/366 days, as the case may be, and all computations of interest based on LIBOR or the Federal Funds Rate and of fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable (to the extent computed on the basis of days elapsed). Each determination by the Administrative Agent of an interest amount or fee hereunder shall be made in good faith and, except for manifest error, shall be final, conclusive and binding for all purposes.

Section 2.16. **Inability to Determine Interest Rates**. If prior to the commencement of any Interest Period for any Eurodollar Borrowing,

(i) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant interbank market, adequate means do not exist for ascertaining LIBOR for such Interest Period, or

(ii) the Administrative Agent shall have received notice from the Required Lenders that the Adjusted LIBO Rate does not adequately and fairly reflect the cost to such Lenders (or Lender, as the case may be) of making, funding or maintaining their (or its, as the case may be) Eurodollar Loans for such Interest Period,

the Administrative Agent shall give written notice (or telephonic notice, promptly confirmed in writing) to the Borrower and to the Lenders as soon as practicable thereafter. Until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) the obligations of the Lenders to make Eurodollar Revolving Loans or to continue or convert outstanding Loans as or into Eurodollar Loans shall be suspended and (ii) all such affected Loans shall be converted into Base Rate Loans on the last day of the then current Interest Period applicable thereto unless the Borrower prepays such Loans in accordance with this Agreement. Unless the Borrower notifies the Administrative Agent at least one Business Day before the date of any Eurodollar Revolving Borrowing for which a Notice of Revolving Borrowing has previously been given that it elects not to borrow on such date, then such Revolving Borrowing shall be made as a Base Rate Borrowing.

Section 2.17. **Illegality.** If, after the date of this Agreement, any Change in Law shall make it unlawful or impossible for any Lender to make, maintain or fund any Eurodollar Loan and such Lender shall so promptly notify the Administrative Agent, the Administrative Agent shall promptly give notice thereof to the Borrower and the other Lenders, whereupon until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such suspension no longer exist, the obligation of such Lender to make Eurodollar Revolving Loans, or to continue or convert outstanding Loans as or into Eurodollar Loans, shall be suspended. In the case of the making of a Eurodollar Revolving Borrowing, such Lender's Revolving Loan shall be made as a Base Rate Loan as part of the same Revolving Borrowing for the same Interest Period and if the affected Eurodollar Loan is then outstanding, such Loan shall be converted to a Base Rate Loan

either (i) on the last day of the then current Interest Period applicable to such Eurodollar Loan if such Lender may lawfully continue to maintain such Loan to such date or (ii) immediately if such Lender shall determine that it may not lawfully continue to maintain such Eurodollar Loan to such date. Notwithstanding the foregoing, the affected Lender shall, prior to giving such notice to the Administrative Agent, designate a different Applicable Lending Office if such designation would avoid the need for giving such notice and if such designation would not otherwise be disadvantageous to such Lender in the good faith exercise of its discretion.

Section 2.18. **Increased Costs**.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement that is not otherwise included in the determination of the Adjusted LIBO Rate hereunder against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or the Issuing Bank; or

(ii) impose on any Lender or on the Issuing Bank or the eurodollar interbank market any other condition affecting this Agreement or any Eurodollar Loans made by such Lender or any Letter of Credit or any participation therein;

and the result of either of the foregoing is to increase the cost to such Lender of making, converting into, continuing or maintaining a Eurodollar Loan or to increase the cost to such Lender or the Issuing Bank of participating in or issuing any Letter of Credit or to reduce the amount received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or any other amount), then the Borrower shall promptly pay, upon written notice from and demand by such Lender on the Borrower (with a copy of such notice and demand to the Administrative Agent), to the Administrative Agent for the account of such Lender, within five Business Days after the date of such notice and demand, additional amount or amounts sufficient to compensate such Lender or the Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered; provided, that amounts paid under this Section 2.18(a) shall be without duplication of amounts paid under Section 2.20 and shall not include Excluded Taxes (including any amounts attributable to any change in the rate of any Excluded Tax) payable by a Lender or Issuing Bank.

(b) If any Lender or the Issuing Bank shall have determined that on or after the date of this Agreement any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital (or on the capital of such Lender's or the Issuing Bank's parent corporation) as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's parent corporation could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies or the policies of such Lender's or the Issuing Bank's parent corporation with respect to capital adequacy) then, from time to time, within five (5) Business Days after receipt by the Borrower of written demand by such Lender (with a copy thereof to the Administrative Agent), the Borrower shall pay to such Lender such additional amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's parent corporation for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's parent corporation, as the case may be, specified in paragraph (a) or (b) of this Section 2.18 shall be delivered to the Borrower (with a copy to the Administrative Agent) and shall be conclusive, absent manifest error. The Borrower shall pay any such Lender or the Issuing Bank, as the case may be, such amount or amounts within 10 days after receipt thereof.

(d) Except as provided in Section 2.18(e), failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section 2.18 shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation.

(e) Notwithstanding anything to the contrary in this Section 2.18, the Borrower shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section 2.18 for any increased costs or reductions incurred more than six months prior to the date that such Lender or the Issuing Bank notifies the Borrower of such Lender's or the Issuing Bank's intention to claim compensation therefor; provided that, if the circumstances giving rise to such claim have a retroactive effect, then such six-month period shall be extended to include the period of such retroactive effect.

Section 2.19. Funding Indemnity. In the event of (a) the payment of any principal of a Eurodollar Loan other than on the last day of the Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion or continuation of a Eurodollar Loan other than on the last day of the Interest Period applicable thereto, or (c) the failure by the Borrower to borrow, prepay, convert or continue any Eurodollar Loan on the date specified in any applicable notice (regardless of whether such notice is withdrawn or revoked), then, in any such event, the Borrower shall compensate each Lender, within five (5) Business Days after written demand from such Lender, for any loss, cost or expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense shall be deemed to include an amount determined by such Lender to be the excess, if any, of (A) the amount of interest that would have accrued on the principal amount of such Eurodollar Loan if such event had not occurred at the Adjusted LIBO Rate applicable to such Eurodollar Loan for the period from the date of such event to the last day of the then current Interest Period therefor (or in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Eurodollar Loan) over (B) the amount of interest that would accrue on the principal amount of such Eurodollar Loan for the same period if the Adjusted LIBO Rate were set on the date such Eurodollar Loan was prepaid or converted or the date on which the Borrower failed to borrow, convert or continue such Eurodollar Loan. A certificate as to any additional amount payable under this Section 2.19 submitted to the Borrower by any Lender (with a copy to the Administrative Agent) shall be conclusive, absent manifest error.

Section 2.20. Taxes.

(a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided, that if the Borrower shall be required to deduct any Indemnified Taxes or

Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.20 for Indemnified Taxes or Other Taxes) the Administrative Agent, any Lender or the Issuing Bank, as the case may be, shall receive an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Bank, within five (5) Business Days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Lender or the Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.20) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or the Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from withholding tax under the Code or any treaty to which the United States is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate. Without limiting the generality of the foregoing, each Foreign Lender agrees that it will deliver to the Administrative Agent and the Borrower (or in the case of a Participant, to the Lender from which the related participation shall have been purchased), as appropriate, two (2) duly completed copies of (i) Internal Revenue Service Form W-8 ECI, or any successor form thereto, certifying that the payments received from the Borrower hereunder are effectively connected with such Foreign Lender's conduct of a trade or business in the United States; or (ii) Internal Revenue Service Form W-8 BEN, or any successor form thereto, certifying that such Foreign Lender is entitled to benefits under an income tax treaty to which the United States is a party which reduces the rate of withholding tax on payments of interest; or (iii) Internal Revenue Service Form W-8 BEN, or any successor form prescribed by the Internal Revenue Service, together with a certificate (A) establishing that the payment to the Foreign Lender qualifies as "portfolio interest" exempt from U.S. withholding tax under Code section 871(h) or 881(c), and (B) stating that (1) the Foreign

Lender is not a bank for purposes of Code section 881(c)(3)(A), or the obligation of the Borrower hereunder is not, with respect to such Foreign Lender, a loan agreement entered into in the ordinary course of its trade or business, within the meaning of that section; (2) the Foreign Lender is not a 10% shareholder of the Borrower within the meaning of Code section 871(h)(3) or 881(c)(3)(B); and (3) the Foreign Lender is not a controlled foreign corporation that is related to the Borrower within the meaning of Code section 881(c)(3)(C); or (iv) such other Internal Revenue Service forms as may be applicable to the Foreign Lender, including Forms W-8 IMY or W-8 EXP, in each case, establishing a complete exemption from U.S. federal withholding tax with respect to payments made under this Agreement. Each such Foreign Lender shall deliver to the Borrower and the Administrative Agent such forms on or before the date that it becomes a party to this Agreement (or in the case of a Participant, on or before the date such Participant purchases the related participation). In addition, such Foreign Lender shall deliver such forms evidencing a complete exemption from withholding tax under the Code or any treaty to which the United States is a party, promptly upon the obsolescence or invalidity of any form previously delivered by such Foreign Lender. Each such Foreign Lender shall promptly notify the Borrower and the Administrative Agent at any time that it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the Internal Revenue Service for such purpose).

(f) For any period with respect to which a Foreign Lender has failed to provide the Borrower with the appropriate form, certificate or other document described in Section 2.20(e) (other than if such failure is due to a Change in Law, occurring subsequent to the date on which a form, certificate or other document originally was required to be provided, or if such form, certificate or other document otherwise is not required under subsection (e) above), such Foreign Lender shall not be entitled to the additional payment or indemnification under Section 2.20(a) or (c) with respect to Taxes imposed by the United States by reason of such failure; provided, however, that should a Lender become subject to Taxes because of its failure to deliver a form, certificate or other document required hereunder, the Borrower shall take such steps as the Foreign Lender shall reasonably request to assist the Foreign Lender to recover such Taxes.

(g) If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid amounts pursuant to this Section 2.20, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.20 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out- of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant governmental authority with respect to such refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant governmental authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such governmental authority. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

(h) If a payment made to a Foreign Lender under this Agreement or any other Loan Document would be subject to U.S. federal withholding tax imposed by FATCA if such Foreign Lender were to fail to comply with the applicable reporting requirements of FATCA, such Foreign Lender shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by law, such documentation as is prescribed by FATCA.

Section 2.21. Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Sections 2.18, 2.19 or 2.20, or otherwise) prior to 12:00 noon (New York time) on the date when due, in immediately available funds, free and clear of any defenses, rights of set-off or counterclaims. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at the Payment Office, except payments to be made directly to the Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.18, 2.19 and 2.20 and 10.3 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be made payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements or Swingline Loans that would result in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements and Swingline Loans; provided, that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the

purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements or Swingline Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount or amounts due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.4(c) and (d), 2.6(a), 2.21(d), 2.22(d) or (e) or 10.3(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.22. **Letters of Credit.**

(a) During the Availability Period, the Issuing Bank, in reliance upon the agreements of the other Lenders pursuant to Section 2.22(d), agrees to issue, at the request of the Borrower, Letters of Credit for the account of the Borrower or the Borrower's Subsidiaries on the terms and conditions hereinafter set forth; provided, that (i) each Letter of Credit shall expire on the earlier of (A) the date one year after the date of issuance of such Letter of Credit (or in the case of any renewal or extension thereof, one year after such renewal or extension) and (B) the date that is five (5) Business Days prior to the Revolving Commitment Termination Date; (ii) each Letter of Credit shall be in a stated amount of at least $100,000; and (iii) the Borrower may not request any Letter of Credit, if, after giving effect to such issuance (A) the aggregate LC Exposure would exceed the LC Commitment or (B) the aggregate Revolving Credit Exposure of all Lenders would exceed the Aggregate Revolving Commitment Amount. Each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Issuing Bank without recourse a participation in each Letter of Credit equal to such Lender's Pro Rata

Share of the aggregate amount available to be drawn under such Letter of Credit on the date of issuance with respect to all other Letters of Credit. Each issuance of a Letter of Credit shall be deemed to utilize the Revolving Commitment of each Lender by an amount equal to the amount of such participation.

(b) To request the issuance of a Letter of Credit (or any amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall give the Issuing Bank and the Administrative Agent irrevocable written notice at least three (3) Business Days prior to the requested date of such issuance specifying the date (which shall be a Business Day) such Letter of Credit is to be issued (or amended, extended or renewed, as the case may be), the expiration date of such Letter of Credit, the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. In addition to the satisfaction of the conditions in Article III, the issuance of such Letter of Credit (or any amendment which increases the amount of such Letter of Credit) will be subject to the further conditions that such Letter of Credit shall be in such form and contain such terms as the Issuing Bank shall approve and that the Borrower shall have executed and delivered any additional applications, agreements and instruments relating to such Letter of Credit as the Issuing Bank shall reasonably require; provided, that in the event of any conflict between such applications, agreements or instruments and this Agreement, the terms of this Agreement shall control.

(c) At least two Business Days prior to the issuance of any Letter of Credit, the Issuing Bank will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received such notice and if not, the Issuing Bank will provide the Administrative Agent with a copy thereof. Unless the Issuing Bank has received notice from the Administrative Agent on or before the Business Day immediately preceding the date the Issuing Bank is to issue the requested Letter of Credit (1) directing the Issuing Bank not to issue the Letter of Credit because such issuance is not then permitted hereunder because of the limitations set forth in Section 2.22(a) or that one or more conditions specified in Article III are not then satisfied, then, subject to the terms and conditions hereof, the Issuing Bank shall, on the requested date, issue such Letter of Credit in accordance with the Issuing Bank's usual and customary business practices.

(d) The Issuing Bank shall examine all documents purporting to represent a demand for payment under a Letter of Credit promptly following its receipt thereof. The Issuing Bank shall notify the Borrower and the Administrative Agent of such demand for payment and whether the Issuing Bank has made or will make a LC Disbursement thereunder; provided, that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Lenders with respect to such LC Disbursement. The Borrower shall be irrevocably and unconditionally obligated to reimburse the Issuing Bank for any LC Disbursements paid by the Issuing Bank in respect of such drawing, without presentment, demand or other formalities of any kind. Unless the Borrower shall have notified the Issuing Bank and the Administrative Agent prior to 11:00 a.m. (New York time) on the Business Day immediately prior to the date on which such drawing is honored that the Borrower intends to reimburse the Issuing Bank for the amount of such drawing in funds other than from the proceeds of Revolving Loans, the Borrower shall be deemed to have timely given a Notice of Revolving Borrowing to the Administrative Agent requesting the Lenders to make a Base Rate

Borrowing on the date on which such drawing is honored in an exact amount due to the Issuing Bank; provided, that for purposes solely of such Borrowing, the conditions precedent set forth in Section 3.2 hereof shall not be applicable. The Administrative Agent shall notify the Lenders of such Borrowing in accordance with Section 2.3, and each Lender shall make the proceeds of its Base Rate Loan included in such Borrowing available to the Administrative Agent for the account of the Issuing Bank in accordance with Section 2.6. The proceeds of such Borrowing shall be applied directly by the Administrative Agent to reimburse the Issuing Bank for such LC Disbursement.

(e) If for any reason a Base Rate Borrowing may not be (as determined in the sole discretion of the Administrative Agent), or is not, made in accordance with the foregoing provisions, then each Lender (other than the Issuing Bank) shall be obligated to fund the participation that such Lender purchased pursuant to subsection (a) in an amount equal to its Pro Rata Share of such LC Disbursement on and as of the date which such Base Rate Borrowing should have occurred. Each Lender's obligation to fund its participation shall be absolute and unconditional and shall not be affected by any circumstance, including without limitation (i) any setoff, counterclaim, recoupment, defense or other right that such Lender or any other Person may have against the Issuing Bank or any other Person for any reason whatsoever, (ii) the existence of a Default or an Event of Default or the termination of the Aggregate Revolving Commitments, (iii) any adverse change in the condition (financial or otherwise) of the Borrower or any of its Subsidiaries, (iv) any breach of this Agreement by the Borrower or any other Lender, (v) any amendment, renewal or extension of any Letter of Credit or (vi) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. On the date that such participation is required to be funded, each Lender shall promptly transfer, in immediately available funds, the amount of its participation to the Administrative Agent for the account of the Issuing Bank. Whenever, at any time after the Issuing Bank has received from any such Lender the funds for its participation in a LC Disbursement, the Issuing Bank (or the Administrative Agent on its behalf) receives any payment on account thereof, the Administrative Agent or the Issuing Bank, as the case may be, will distribute to such Lender its Pro Rata Share of such payment; provided, that if such payment is required to be returned for any reason to the Borrower or to a trustee, receiver, liquidator, custodian or similar official in any bankruptcy proceeding, such Lender will return to the Administrative Agent or the Issuing Bank any portion thereof previously distributed by the Administrative Agent or the Issuing Bank to it.

(f) To the extent that any Lender shall fail to pay any amount required to be paid pursuant to paragraphs (d) or (e) of this Section on the due date therefor, such Lender shall pay interest to the Issuing Bank (through the Administrative Agent) on such amount from such due date to the date such payment is made at a rate per annum equal to the Federal Funds Rate; provided, that if such Lender shall fail to make such payment to the Issuing Bank within three (3) Business Days of such due date, then, retroactively to the due date, such Lender shall be obligated to pay interest on such amount at the rate set forth in Section 2.13(c).

(g) If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Issuing Bank and the Lenders, an amount in cash equal to the LC Exposure as of

such date plus any accrued and unpaid fees thereon; provided, that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (g) or (h) of Section 8.1. Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Borrower agrees to execute any documents and/or certificates to effectuate the intent of this paragraph. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest and profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it had not been reimbursed and to the extent so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated, with the consent of the Required Lenders, be applied to satisfy other obligations of the Borrower under this Agreement and the other Loan Documents. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not so applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived.

(h) Promptly following the end of each calendar quarter, the Issuing Bank shall deliver (through the Administrative Agent) to each Lender and the Borrower a report describing the aggregate Letters of Credit outstanding at the end of such Fiscal Quarter. Upon the request of any Lender from time to time, the Issuing Bank shall deliver to such Lender any other information reasonably requested by such Lender with respect to each Letter of Credit then outstanding.

(i) The Borrower's obligation to reimburse LC Disbursements hereunder shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under all circumstances whatsoever and irrespective of any of the following circumstances:

(i) Any lack of validity or enforceability of any Letter of Credit or this Agreement;

(ii) The existence of any claim, set-off, defense or other right which the Borrower or any Subsidiary or Affiliate of the Borrower may have at any time against a beneficiary or any transferee of any Letter of Credit (or any Persons or entities for whom any such beneficiary or transferee may be acting), any Lender (including the Issuing Bank) or any other Person, whether in connection with this Agreement or the Letter of Credit or any document related hereto or thereto or any unrelated transaction;

(iii) Any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) Payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document to the Issuing Bank that does not comply with the terms of such Letter of Credit;

(v) Any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.22, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder; or

(vi) The existence of a Default or an Event of Default.

Neither the Administrative Agent, the Issuing Bank, the Lenders nor any Related Party of any of the foregoing shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to above), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided, that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any actual direct damages (as opposed to special, indirect (including claims for lost profits or other consequential damages), or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise due care when determining whether drafts or other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree, that in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised due care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented that appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(j) Unless otherwise expressly agreed by the Issuing Bank and the Borrower when a Letter of Credit is issued and subject to applicable laws, performance under Letters of Credit by the Issuing Bank, its correspondents, and the beneficiaries thereof will be governed by (i) either (x) the rules of the "International Standby Practices 1998" (ISP98) (or such later revision as may be published by the Institute of International Banking Law & Practice on any date any Letter of Credit may be issued) or (y) the rules of the "Uniform Customs and Practices for Documentary Credits" (2007 Revision), International Chamber of Commerce Publication No. 600 (or such later revision as may be published by the International Chamber of Commerce on any date any Letter of Credit may be issued) and (ii) to the extent not inconsistent therewith, the governing law of this Agreement set forth in Section 10.5.

Section 2.23. Increase of Revolving Commitments; Additional Lenders.

(a) So long as no Event of Default has occurred and is continuing, from time to time after the Closing Date, Borrower may, upon at least 20 days' prior written notice to the Administrative Agent (who shall promptly provide a copy of such notice to each Lender), propose to increase the Revolving Commitments by up to an additional $500,000,000 (the amount of any such increase, the "Additional Commitment Amount"), by designating one or more other banks or financial institutions (which may be, but need not be, one or more of the existing Lenders) which at the time agree to, in the case of any such Person that is an existing Lender, increase its Revolving Commitment and in the case of any other such Person (an "Additional Lender") become a party to this Agreement; provided, however, that any bank or financial institution that is not then an existing Lender under this Agreement must be acceptable to the Administrative Agent, which acceptance shall not be unreasonably withheld or delayed. The sum of the increases in the Revolving Commitments of the existing Lenders pursuant to this subsection (a) plus the Revolving Commitments of the Additional Lenders shall not in the aggregate exceed the unsubscribed amount of the Additional Commitment Amount. No Lender (or any successor thereto) shall have any obligation to increase its Revolving Commitment or its other obligations under this Agreement and the other Loan Documents, and any decision by a Lender to increase its Revolving Commitment shall be made in its sole discretion independently from any other Lender.

(b) An increase in the aggregate amount of the Revolving Commitments pursuant to this Section 2.23 shall become effective upon the receipt by the Administrative Agent of a supplement or joinder in form and substance reasonably satisfactory to the Administrative Agent executed by the Borrower, by each Additional Lender and by each other Lender whose Revolving Commitment is to be increased, setting forth the new Revolving Commitments of such Lenders and setting forth the agreement of each Additional Lender to become a party to this Agreement and to be bound by all the terms and provisions hereof, together with Notes evidencing such increase in the Revolving Commitments as may be requested by any such Lenders and Additional Lenders, and such evidence of appropriate corporate authorization on the part of the General Partner on behalf of the Borrower with respect to the increase in the Revolving Commitments and such opinions of counsel for the Borrower with respect to the increase in the Revolving Commitments as the Administrative Agent may reasonably request.

(c) Upon the acceptance of any such supplement or joinder by the Administrative Agent, the Revolving Commitments shall automatically be increased by the amount of the Revolving Commitments added through such supplement or joinder and Schedule III shall automatically be deemed amended to reflect the Revolving Commitments of all Lenders after giving effect to the addition of such Revolving Commitments.

(d) Upon any increase in the aggregate amount of the Revolving Commitments pursuant to this Section 2.23 that is not pro rata among all Lenders, (x) within five Business Days, in the case of any Base Rate Loans then outstanding, and at the end of the then current Interest Period with respect thereto, in the case of any Eurodollar Loans then outstanding, the Borrower shall prepay such Loans in their entirety and, to the extent the Borrower elects to do so and subject to the conditions specified in Article III, the Borrower shall reborrow Loans from the Lenders in proportion to their respective Revolving Commitments after giving effect to such increase, until such time as all outstanding Loans are held by the Lenders in proportion to their respective Revolving Commitments after giving effect to such increase and (y) effective upon such increase, the amount of the participations held by each Lender in each Letter of Credit then

outstanding shall be adjusted automatically such that, after giving effect to such adjustments, the Lenders shall hold participations in each such Letter of Credit in proportion to their respective Revolving Commitments.

Section 2.24. Mitigation of Obligations. If any Lender requests compensation under Section 2.18, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.20, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the sole judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable under Section 2.18 or Section 2.20, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all costs and expenses incurred by any Lender in connection with such designation or assignment.

Section 2.25. Replacement of Lenders. If any Lender requests compensation under Section 2.18, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority of the account of any Lender pursuant to Section 2.20, or if any Lender becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions set forth in Section 10.4(b) all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender); provided, that (i) the Borrower shall have received the prior written consent of the Administrative Agent with respect to the proposed assignee, which consent shall not be unreasonably withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal amount of all Loans and participations in Letters of Credit owed to it, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (in the case of such outstanding principal and accrued interest) and from the Borrower (in the case of all other amounts) and (iii) in the case of a claim for compensation under Section 2.18 or payments required to be made pursuant to Section 2.20, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Section 2.26. Extensions of Revolving Commitment Termination Date.

After the first anniversary of the Closing Date and at least 45 days prior to the scheduled Revolving Commitment Termination Date then in effect, the Borrower may (but in no event more than once per year or twice during the term of this Agreement), by written notice to the Administrative Agent, request that the scheduled Revolving Commitment Termination Date then in effect be extended for a twelve-month period, effective as of a date selected by the Borrower (the "Extension Effective Date"); the Extension Effective Date shall be at least 45 days, but not more than 60 days, after the date such extension request is received by the Administrative Agent (the "Extension Request Date"). Upon receipt of the extension request, the Administrative Agent shall promptly notify each Lender thereof. If a Lender agrees, in its individual and sole discretion, to so extend its Revolving Credit Commitment, as applicable, (an "Extending Lender"), it shall deliver to the Administrative Agent a written notice of its agreement to do so

no later than 15 days after the Extension Request Date (or such later date to which the Borrower and the Administrative Agent shall agree), and the Administrative Agent shall promptly thereafter notify the Borrower of such Extending Lender's agreement to extend its Revolving Credit Commitment (and such agreement shall be irrevocable until the Extension Effective Date). The Revolving Credit Commitment of any Lender that fails to accept or respond to the Borrower's request for extension of the Revolving Commitment Termination Date (a "Declining Lender") shall be terminated on the Revolving Commitment Termination Date then in effect for such Lender (without regard to any extension by other Lenders) and on such Revolving Commitment Termination Date the Borrower shall pay in full the unpaid principal amount of all Revolving Loans owing to such Declining Lender, together with all accrued and unpaid interest thereon and all fees accrued and unpaid under this Agreement to the date of such payment of principal and all other amounts due to such Declining Lender under this Agreement. The Administrative Agent shall promptly notify each Extending Lender of the aggregate Commitments of the Declining Lenders. Each Extending Lender may offer to increase its respective Commitment by an amount not to exceed the aggregate amount of the Declining Lenders' Commitments, and such Extending Lender shall deliver to the Administrative Agent a notice of its offer to so increase its Commitment no later than 30 days after the Extension Request Date (or such later date to which the Borrower and the Administrative Agent shall agree), and such offer shall be irrevocable until the Extension Effective Date. To the extent the aggregate amount of additional Commitments that the Extending Lenders offer pursuant to the preceding sentence exceeds the aggregate amount of the Declining Lenders' Commitments, such additional Commitments shall be reduced on a pro rata basis. To the extent the aggregate amount of Commitments that the Extending Lenders have so offered to extend is less than the aggregate amount of Commitments that the Borrower has so requested to be extended, the Borrower shall have the right but not the obligation to require any Declining Lender to (and any such Declining Lender shall) assign in full its rights and obligations under this Agreement to one or more banks or other financial institutions (which may be, but need not be, one or more of the Extending Lenders) which at the time agree to, in the case of any such Person that is an Extending Lender, increase its Commitment and in the case of any other such Person (a "New Lender") become a party to this Agreement; provided that (i) such assignment is otherwise in compliance with Section 10.04, (ii) such Declining Lender receives payment in full of the unpaid principal amount of all Revolving Loans owing to such Declining Lender, together with all accrued and unpaid interest thereon and all fees accrued and unpaid under this Agreement to the date of such payment of principal and all other amounts due to such Declining Lender under this Agreement and (iii) any such assignment shall be effective on the date on or before such Extension Effective Date as may be specified by the Borrower and agreed to by the respective New Lenders and Extending Lenders, as the case may be, and the Administrative Agent. If, but only if, Extending Lenders and New Lenders, as the case may be, have agreed to provide Commitments in an aggregate amount greater than 50% of the aggregate amount of the Commitments outstanding immediately prior to such Extension Effective Date and the conditions precedent in Section 3.2 are met, the Termination Date in effect with respect to such Extending Lenders and New Lenders shall be extended by twelve months.

Section 2.27. Defaulting Lenders.

(a) If a Revolving Lender becomes, and during the period it remains, a Defaulting Lender, the following provisions shall apply, notwithstanding anything to the contrary in this Agreement:

(i) fees shall cease to accrue on the Commitment of such Defaulting Lender pursuant to Section 2.14(b);

(ii) (A) such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and (B) notwithstanding Section 10.2, any such Defaulting Lender shall not have the right to vote on or consent to any amendment or waiver under this Agreement if such amendment or waiver does not (x) disproportionately in an adverse manner affect the rights of such Defaulting Lender, or (y) increase or extend such Defaulting Lender's Commitment hereunder or reduce the principal owed to such Defaulting Lender or extend the final maturity thereof; provided, that any amendment to this clause (B) shall require the consent of all Lenders, including any Defaulting Lenders;

(iii) the LC Exposure and the Swingline Exposure of such Defaulting Lender will, subject to the limitation in the proviso below, automatically be reallocated (effective no later than one (1) Business Day after the Administrative Agent has actual knowledge that such Revolving Lender has become a Defaulting Lender) among the Non-Defaulting Lenders *pro rata* in accordance with their respective Revolving Commitments (calculated as if the Defaulting Lender's Revolving Commitment was reduced to zero and each Non- Defaulting Lender's Revolving Commitment had been increased proportionately); provided that the sum of each Non-Defaulting Lender's total Revolving Credit Exposure may not in any event exceed the Revolving Commitment of such Non-Defaulting Lender as in effect at the time of such reallocation; and

(iv) to the extent that any portion (the "unreallocated portion") of the LC Exposure and the Swingline Exposure of any Defaulting Lender cannot be reallocated pursuant to clause (i) above for any reason, the Borrower will, not later than ten (10) Business Days after demand by the Administrative Agent (at the direction of the Issuing Bank and/or the Swingline Lender), do any combination of the following: (x) Cash Collateralize the obligations of the Borrower to the Issuing Bank or the Swingline Lender in respect of such LC Exposure or such Swingline Exposure, as the case may be, in an amount at least equal to the aggregate amount of the unreallocated portion of the LC Exposure and the Swingline Exposure of such Defaulting Lender, (y) in the case of such Swingline Exposure, prepay and/or Cash Collateralize in full the unreallocated portion thereof, or (z) make other arrangements satisfactory to the Administrative Agent, the Issuing Bank and the Swingline Lender in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender;

provided that neither any such reallocation nor any payment by a Non-Defaulting Lender pursuant thereto nor any such Cash Collateralization or reduction will constitute a waiver or release of any claim the Borrower, the Administrative Agent, the Issuing Bank, the Swingline

Lender or any other Lender may have against such Defaulting Lender or cause such Defaulting Lender to be a Non-Defaulting Lender.

(b) If the Borrower, the Administrative Agent, the Issuing Bank and the Swingline Lender agree in writing in their discretion that any Defaulting Lender has ceased to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice, and subject to any conditions set forth therein, the LC Exposure and the Swingline Exposure of the other Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment, and such Lender will purchase at par such portion of outstanding Revolving Loans of the other Lenders and/or make such other adjustments as the Administrative Agent may determine to be necessary to cause the Revolving Credit Exposure of the Lenders to be on a *pro rata* basis in accordance with their respective Revolving Commitments, whereupon such Lender will cease to be a Defaulting Lender and will be a Non- Defaulting Lender (and such Revolving Credit Exposure of each Lender will automatically be adjusted on a prospective basis to reflect the foregoing). If any cash collateral has been posted with respect to the LC Exposure or the Swingline Exposure of such Defaulting Lender, the Administrative Agent will promptly return such cash collateral to the Borrower; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender; provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Non-Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

(c) So long as any Lender is a Defaulting Lender, the Issuing Bank will not be required to issue, amend, extend, renew or increase any Letter of Credit, and the Swingline Lender will not be required to fund any Swingline Loans, as applicable, unless it is satisfied that 100% of the related LC Exposure and Swingline Exposure after giving effect thereto is fully covered or eliminated by any combination satisfactory to the Issuing Bank or the Swingline Lender, as the case may be, of the following:

(i) in the case of a Defaulting Lender, the Swingline Exposure and the LC Exposure of such Defaulting Lender is reallocated to the Non-Defaulting Lenders as provided in subsection (a)(i) of this Section;

(ii) in the case of a Defaulting Lender, without limiting the provisions of subsection (a)(iv) of this Section, the Borrower Cash Collateralizes its reimbursement obligations in respect of such Letter of Credit or such Swingline Loan in an amount at least equal to the aggregate amount of the unreallocated obligations (contingent or otherwise) of such Defaulting Lender in respect of such Letter of Credit or such Swingline Loan, or the Borrower makes other arrangements satisfactory to the Administrative Agent, the Issuing Bank and the Swingline Lender, as the case may be, in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender; and

(iii) in the case of a Defaulting Lender, the Borrower agrees that the face amount of such requested Letter of Credit or the principal amount of such requested Swingline Loan will be reduced by an amount equal to the unreallocated, non-Cash

Collateralized portion thereof as to which such Defaulting Lender would otherwise be liable, in which case the obligations of the Non-Defaulting Lenders in respect of such Letter of Credit or such Swingline Loan will, subject to the limitation in the proviso below, be on a *pro rata* basis in accordance with the Commitments of the Non-Defaulting Lenders, and the *pro rata* payment provisions of Section 2.21 will be deemed adjusted to reflect this provision; provided that the sum of each Non-Defaulting Lender's total Revolving Credit Exposure may not in any event exceed the Revolving Commitment of such Non-Defaulting Lender as in effect at the time of such reduction.

(d) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of a Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.7 shall, unless the Administrative Agent determines that such application entails a material risk of violation of applicable law or order, be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Bank hereunder; third, to Cash Collateralize for the benefit of the Issuing Bank such Defaulting Lender's LC Exposure; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize such Defaulting Lender's LC Exposure with respect to future Letters of Credit issued under this Agreement; sixth, to the payment of any amounts owing to the Lenders or the Issuing Bank as a result of any judgment of a court of competent jurisdiction obtained by any Lender or Issuing Bank against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or LC Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 3.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and LC Disbursements owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as the Revolving Credit Exposure of each Lender is held in accordance with such Lender's Commitment without giving effect to Section 2.27(a)(iii). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.27(d) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

ARTICLE III

CONDITIONS PRECEDENT TO LOANS AND LETTERS OF CREDIT

Section 3.1. **Conditions To Effectiveness**. The obligations of the Lenders (including the Swingline Lender) to make Loans and the obligation of the Issuing Bank to issue any Letter of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.2).

(a) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Closing Date, including upfront fees for the Lenders and reimbursement or payment of all out-of-pocket expenses (including reasonable fees, charges and disbursements of counsel to the Administrative Agent) required to be reimbursed or paid by the Borrower hereunder, under any other Loan Document and under any agreement with the Administrative Agent or the Joint Lead Arrangers.

(b) The Administrative Agent (or its counsel) shall have received the following:

(i) a counterpart of this Agreement signed by or on behalf of each party hereto or written evidence satisfactory to the Administrative Agent (which may include telecopy or other electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement;

(ii) duly executed Revolving Credit Notes payable to each Lender and the Swingline Note payable to the Swingline Lender, in each case, only if requested by such Lender at least one (1) Business Day prior to the Closing Date;

(iii) [Reserved].

(iv) a certificate of the Secretary or Assistant Secretary of the General Partner in the form of Exhibit 3.1(b)(iv), attaching and certifying copies of (x) the bylaws, the partnership agreement, or comparable organizational documents and authorizations of the Borrower and the General Partner and (y) resolutions of the board of directors or comparable governing body of the General Partner and the General Partner on behalf of the Borrower, authorizing the execution, delivery and performance of the Loan Documents by the Borrower;

(v) certified copies of the articles or certificate of incorporation, certificate of organization or limited partnership, or other registered organizational documents of the Borrower and the General Partner, together with certificates of good standing or existence, as may be available from the Secretary of State of the jurisdiction of organization of the Borrower and the General Partner, and each other jurisdiction where the Borrower is required to be qualified to do business as a foreign corporation;

(vi) a certificate signed by a Responsible Officer, certifying the name, title and true signature of each officer of the General Partner executing the Loan Documents on behalf of the Borrower to which the Borrower is a party;

(vii) a favorable written legal opinion from Jon Dobson, in-house counsel on behalf of the Borrower, addressed to the Administrative Agent and each of the Lenders, and covering such matters relating to the Borrower and the General Partner, the Loan Documents and the transactions contemplated therein as the Administrative Agent shall reasonably request;

(viii) a certificate in the form of Exhibit 3.1(b)(viii), dated the Closing Date and signed by a Responsible Officer, certifying that (v) all consents, approvals, authorizations, registrations and filings and orders required or advisable to be made or obtained under any Requirement of Law or by any Contractual Obligation of the Borrower, in connection with the execution, delivery, performance, validity and enforceability of the Loan Documents or any of the transactions contemplated thereby have been obtained , and such consents, approvals, authorizations, registrations, filings and orders shall be in full force and effect and all applicable waiting periods shall have expired, and no investigation or inquiry by any governmental authority regarding the Commitments or any transaction being financed with the proceeds thereof shall be ongoing, (w) no Default or Event of Default exists, (x) no default or event of default exists in respect of any Material Indebtedness, (y) all representations and warranties of the Borrower set forth in the Loan Documents are true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties shall be true and correct in all respects) and (z) since the date of the financial statements of the Borrower described in Section 4.4, there shall have been no change which has had or could reasonably be expected to have a Material Adverse Effect; and

(ix) a certificate, dated the Closing Date and signed by the chief financial officer of the General Partner, confirming that the Borrower is Solvent before and after giving effect to the transactions contemplated to occur on the Closing Date.

Section 3.2. **Each Credit Event.** The obligation of each Lender to make a Loan and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit is subject to the satisfaction of the following conditions:

(a) at the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall exist;

(b) at the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, all representations and warranties of the Borrower set forth in the Loan Documents (other than the representations and warranties set forth in Section 4.4(b)) shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, extension or renewal of such Letter of Credit, in each case before and after giving effect thereto; and

(c) the Borrower shall have delivered the required Notice of Borrowing;

Each Loan and each issuance, amendment, extension or renewal of any Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a), (b) and (c) of this Section 3.2.

Section 3.3. **Delivery of Documents**. All of the Loan Documents, certificates, legal opinions and other documents and papers referred to in this Article III, unless otherwise specified, shall be delivered to the Administrative Agent for the account of each of the Lenders and, except for the Notes, in sufficient counterparts or copies for each of the Lenders and shall be in form and substance reasonably satisfactory in all respects to the Administrative Agent.

Section 3.4. **Effect of Amendment and Restatement**. Upon this Agreement becoming effective pursuant to Section 3.1, from and after the Closing Date: all terms and conditions of the Existing Credit Agreement and any other "Loan Document" as defined therein, as amended and restated by this Agreement and the other Loan Documents being executed and delivered on the Closing Date, shall be and remain in full force and effect, as so amended and restated, and shall constitute the legal, valid, binding and enforceable obligations of the parties thereto to the Lenders and the Administrative Agent. Without limiting the generality of the foregoing:

(a) the terms and conditions of the Existing Credit Agreement shall be amended and restated as set forth herein and, as so amended and restated, shall be amended and restated in their entirety, but shall be amended and restated only with respect to the rights, duties and obligations among the Borrower, the Lenders and the Administrative Agent accruing from and after the Closing Date;

(b) this Agreement shall not in any way release or impair the rights, duties or Obligations created pursuant to the Existing Credit Agreement or any other Loan Document or affect the relative priorities thereof, in each case to the extent in force and effect thereunder as of the Closing Date, except as modified hereby or by documents, instruments and agreements executed and delivered in connection herewith, and all of such rights, duties and Obligations are assumed, ratified and affirmed by the Borrower;

(c) all indemnification obligations of the Borrower under the Existing Credit Agreement and any other Loan Documents shall survive the execution and delivery of this Agreement and shall continue in full force and effect for the benefit of the Lenders, the Administrative Agent, and any other Person indemnified under the Existing Credit Agreement or any other Loan Document at any time prior to the Closing Date;

(d) the Obligations incurred under the Existing Credit Agreement shall, to the extent outstanding on the Closing Date, continue outstanding under this Agreement and shall not be deemed to be paid, released, discharged, extinguished or otherwise satisfied by the execution of this Agreement, and this Agreement shall not constitute a refinancing, substitution or novation of such Obligations or any of the other rights, duties and obligations of the parties hereunder;

(e) the execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power or remedy of the Lenders or the Administrative Agent under the Existing Credit Agreement, nor constitute a waiver of any covenant, agreement or

obligation under the Existing Credit Agreement, except to the extent that any such covenant, agreement or obligation is no longer set forth herein or is modified hereby; and

(f) any and all references in the Loan Documents to the Existing Credit Agreement shall, without further action of the parties, be deemed a reference to the Existing Credit Agreement, as amended and restated by this Agreement, and as this Agreement shall be further amended or amended and restated from time to time hereafter.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent and each Lender as follows:

Section 4.1. **Existence; Power**. The Borrower and each of its Subsidiaries (i) is duly organized, validly existing and in good standing as a corporation, partnership or limited liability company under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to carry on its business as now conducted, and (iii) is duly qualified to do business, and is in good standing, in each jurisdiction where such qualification is required, except where a failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect.

Section 4.2. **Organizational Power; Authorization**. The execution, delivery and performance by the Borrower of the Loan Documents to which it is a party are within the Borrower's organizational powers and have been duly authorized by all necessary organizational, and if required, general partner action. This Agreement has been duly executed and delivered by the Borrower, and constitutes, and each other Loan Document to which the Borrower is a party, when executed and delivered by the Borrower, will constitute, valid and binding obligations of the Borrower, enforceable against it in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

Section 4.3. **Governmental Approvals; No Conflicts**. The execution, delivery and performance by the Borrower of this Agreement, and of the other Loan Documents to which it is a party (a) do not require any consent or approval of, registration or filing with, or any action by, any Governmental Authority, except those as have been obtained or made and are in full force and effect,(b) will not violate any Requirements of Law applicable to the Borrower or any of its Subsidiaries or any judgment, order or ruling of any Governmental Authority, (c) will not violate or result in a default under any indenture, material agreement or other material instrument binding on the Borrower or any of its Subsidiaries or any of its assets or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries, except Liens (if any) created under the Loan Documents.

Section 4.4. **Financial Statements**.

(a) The Borrower has furnished to each Lender (i) the audited consolidated balance sheet of the Borrower and its Subsidiaries as of December 31, 2015 and the related consolidated statements of income, partners' equity and cash flows for the Fiscal Year then ended audited by KPMG LLP and (ii) the unaudited consolidated balance sheet of the Borrower and its Subsidiaries as of September 30, 2016, and the related unaudited consolidated statements of income and cash flows for the Fiscal Quarter and year-to-date period then ending, certified by a Responsible Officer. Such financial statements fairly present in all material respects the consolidated financial condition of the Borrower and its Subsidiaries as of such dates and the consolidated results of operations for such periods in conformity with GAAP consistently applied, subject to year end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii).

(b) Since December 31, 2015, there have been no changes with respect to the Borrower, its Subsidiaries, Northern Border, GLGT, and to the Borrower's knowledge PNGTS which have had or could reasonably be expected to have, singly or in the aggregate, a Material Adverse Effect.

Section 4.5. **Litigation and Environmental Matters**.

(a) No litigation, investigation or proceeding of or before any arbitrators or Governmental Authorities is pending against or, to the knowledge of the Borrower, threatened against the Borrower or any of its Subsidiaries (i) as to which there is a reasonable likelihood of an adverse determination that could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect or (ii) which in any manner draws into question the validity or enforceability of this Agreement or any other Loan Document.

(b) Except for the matters set forth on Schedule 4.5 and except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

Section 4.6. **Compliance with Laws and Agreements**. The Borrower and each Subsidiary is in compliance with (a) all Requirements of Law and all judgments, decrees and orders of any Governmental Authority and (b) all indentures, agreements or other instruments binding upon it or its properties, except where non-compliance, either singly or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

Section 4.7. **Investment Company Act, Etc.** Neither the Borrower nor any of its Subsidiaries is (a) an "investment company" or is "controlled" by an "investment company", as such terms are defined in, or subject to regulation under, the Investment Company Act of 1940, as amended, or (b) otherwise subject to any other regulatory scheme limiting its ability to incur debt or requiring any approval or consent from or registration or filing with, any Governmental Authority in connection therewith, except those as have been obtained or made and are in full force and effect.

Section 4.8. **Taxes**. (i) The Borrower and its Subsidiaries and each other Person for whose taxes the Borrower or any Subsidiary is liable have timely filed or caused to be filed all Federal income tax returns and all other material tax returns that are required to be filed by them, and have paid all taxes shown to be due and payable on such returns or on any assessments made against it or its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority, except where the same are currently being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as the case may be, has set aside on its books adequate reserves in accordance with GAAP. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of such taxes are adequate, and no tax liabilities that could be materially in excess of the amount so provided are anticipated.

(ii) For purposes of determining withholding Taxes imposed under FATCA, from and after the Closing Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loans as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

Section 4.9. **Margin Regulations**. None of the proceeds of any of the Loans or Letters of Credit will be used, directly or indirectly, for "purchasing" or "carrying" any "margin stock" with the respective meanings of each of such terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulation U. Neither the Borrower nor its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying "margin stock."

Section 4.10. **ERISA**. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. With respect to the Plans, (a) the present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan, and (b) the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of

Financial Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans, where the liability, if any, in (a) or (b) above could reasonably be expected to result in a Material Adverse Effect.

Section 4.11. **Ownership of Property**. Except as could not reasonably be expected to result in a Material Adverse Effect:

(a) Each of the Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all of its real and personal property material to the operation of its business, including all such properties reflected in the most recent audited consolidated balance sheet of the Borrower referred to in Section 4.4 or purported to have been acquired by the Borrower or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement.

All leases that individually or in the aggregate are material to the business or operations of the Borrower and its Subsidiaries are valid and subsisting and are in full force.

(b) Except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, each of the Borrower and its Subsidiaries owns, or is licensed, or otherwise has the right, to use, all patents, trademarks, service marks, trade names, copyrights and other intellectual property material to its business, and the use thereof by the Borrower and its Subsidiaries does not infringe in any material respect on the rights of any other Person.

(c) The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies, in such amounts with such deductibles and covering such risks of loss or damage of the kinds customarily carried by companies in the same or similar businesses operating in the same or similar locations, which may include self- insurance, if determined by the Borrower to be reasonably prudent and consistent with business practices as in effect on the date hereof.

Section 4.12. **Disclosure**. The Borrower has disclosed to the Lenders all agreements, instruments, and corporate or other restrictions to which the Borrower or any of its Subsidiaries is subject, and all other matters known to any of them, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports (including without limitation all reports that the Borrower is required to file with the Securities and Exchange Commission), financial statements, certificates or other information furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation or syndication of this Agreement or any other Loan Document or delivered hereunder or thereunder (as modified or supplemented by any other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in light of the circumstances under which they were made, not materially misleading;

Section 4.13. **Labor Relations**. There are no strikes, lockouts or other material labor disputes or grievances against the Borrower or any of its Subsidiaries, or, to the Borrower's knowledge, threatened against or affecting the Borrower or any of its Subsidiaries, and no significant unfair labor practice, charges or grievances are pending against the Borrower or any of its Subsidiaries, or to the Borrower's knowledge, threatened against any of them before any Governmental Authority. All payments due from the Borrower or any of its Subsidiaries pursuant to the provisions of any collective bargaining agreement have been paid or accrued as a liability on the books of the Borrower or any such Subsidiary, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

Section 4.14. **Subsidiaries**. Schedule 4.14 attaches a true and complete organizational chart of the Borrower and all of its Subsidiaries (including the ownership of Northern Border, Tuscarora, GLGT and PNGTS, in each case as of the Closing Date, which Schedule the Borrower shall update upon notice to the Administrative Agent promptly following the completion of any material Permitted Acquisition and promptly following the incorporation, organization or formation of any material Subsidiary.

Section 4.15. **Solvency**. After giving effect to the execution and delivery of the Loan Documents, the making of the Loans under this Agreement, the Borrower and the Borrower together with its Subsidiaries taken as a whole will be Solvent.

Section 4.16. **OFAC**. The Borrower (i) is not a person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) does not knowingly engage in any dealings or transactions prohibited by Section 2 of such executive order, or is not otherwise knowingly associated with any such person in any manner violative of Section 2 of such executive order, or (iii) is not a person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

Section 4.17. **Patriot Act**. The Borrower is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) the Patriot Act. No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

Section 4.18. **Sanctions**. The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of the Borrower its directors and agents, are in compliance with applicable Sanctions that could result in a material fine or penalty to the Borrower or its Subsidiaries. None of the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers, employees or agents is a Sanctioned Person. No part of the proceeds of any Loans hereunder will be used directly or indirectly (i) for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended and in effect from time to time in any respect that is material in relation to the business, operations, assets or properties of the Borrower and its Subsidiaries taken as a whole; or (ii) to fund any operations in, finance any investments or activities in or make any payments to a Sanctioned Person or a Sanctioned Country.

Section 4.19. **EEA Financial Institution; Other Regulations**. Neither the Borrower nor any Subsidiary is an EEA Financial Institution.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Termination Date, the Borrower covenants and agrees that:

Section 5.1. **Financial Statements and Other Information**. The Borrower will deliver to the Administrative Agent and each Lender:

(a) as soon as available and in any event within 105 days after the end of each Fiscal Year of the Borrower, a copy of the annual audited financial statements for such Fiscal Year for the Borrower and its Subsidiaries, containing a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such Fiscal Year and the related consolidated statements of income, partners' equity and cash flows (together with all footnotes thereto) of the Borrower and its Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and reported on by KPMG LLP or other independent public accountants of nationally recognized standing (without a "going concern" or like qualification, exception or explanation and without any qualification or exception as to scope of such audit) to the effect that such financial statements present fairly in all material respects the financial condition and the results of operations of the Borrower and its Subsidiaries for such Fiscal Year on a consolidated basis in accordance with GAAP and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(b) as soon as available and in any event within 45 days after the end of each of the first three Fiscal Quarters of any Fiscal Year of the Borrower, an unaudited consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such Fiscal Quarter and the related unaudited consolidated and consolidating statements of income and cash flows of the Borrower and its Subsidiaries for such Fiscal Quarter and the then elapsed portion of such Fiscal Year, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous Fiscal Year;

(c) concurrently with the delivery of the financial statements referred to in clauses (a) and (b) above, a Compliance Certificate; and

(d) promptly following any request therefor, such other information regarding the results of operations, business affairs and financial condition of the Borrower or any Subsidiary as the Administrative Agent or any Lender may reasonably request.

So long as the Borrower is required to file periodic reports under Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, the Borrower's obligation to deliver the financial statements referred to in clauses (a) and (b) shall be deemed satisfied upon the filing of such financial statements in the EDGAR system and the giving by the Borrower of notice to the Lenders and the Administrative Agent as to the public availability of such financial statements from such source (which notice may be included in the Compliance Certificate delivered pursuant to clause (c) above).

Section 5.2. **Notices of Material Events**. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default or Event of Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against the Borrower or any Subsidiary which could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any event or any other development by which the Borrower or any of its Subsidiaries (i) fails to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) becomes subject to any Environmental Liability, (iii) receives notice of any claim with respect to any Environmental Liability, or (iv) becomes aware of any basis for any Environmental Liability and in each of the preceding clauses, which individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(d) the occurrence of any ERISA Event that alone, or together with any other ERISA Events that have occurred, since the Closing Date, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding the Designated Threshold; and

(e) the occurrence of any default or event of default, or the receipt by the Borrower or any of its Subsidiaries of any written notice of an alleged default or event of default, in respect of any Material Indebtedness of the Borrower or any of its Subsidiaries.

Each notice delivered under this Section 5.2 shall be accompanied by a written statement of a Responsible Officer setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 5.3. **Existence; Conduct of Business**. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and maintain in full force and effect its (a) legal existence; provided, that nothing in this Section 5.3(a) shall prohibit any merger, consolidation, liquidation or dissolution permitted under Section 7.3 and (b) its respective rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names except for any failure to preserve, renew or maintain any such right, license, permit, privilege, franchise, patent, copyright, trademark or trade name as could not reasonably be expected to result in a Material Adverse Effect.

Section 5.4. **Compliance with Laws, Etc.** The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and requirements of any Governmental Authority applicable to its business and properties, including, without limitation, all Environmental Laws, ERISA and OSHA, except where the failure to do so, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures reasonably designed to promote and achieve compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents which are acting or benefitting in any capacity in connection with this Agreement with Anti-Corruption Laws and applicable Sanctions.

Section 5.5. **Payment of Obligations.** The Borrower will, and will cause each of its Subsidiaries to, pay and discharge at or before maturity, all of its obligations and liabilities (including without limitation all taxes, assessments and other governmental charges, levies and all other claims that could result in a statutory Lien) before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP or (b) the failure to make any such payment could not reasonably be expected to result in a Material Adverse Effect.

Section 5.6. **Books and Records**. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities to the extent necessary to prepare the consolidated financial statements of the Borrower in conformity with GAAP.

Section 5.7. **Visitation, Inspection, Etc.** The Borrower will, and will cause each of its Subsidiaries to, permit at any reasonable time and from time to time and upon reasonable notice, the Administrative Agent or any of its agents or representatives, to (i) permit the Administrative Agent or any representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Borrower and any of its Subsidiaries with any of their officers or directors and (ii) use commercially reasonable efforts to provide for the Administrative Agent or any representatives thereof (in the presence of representatives of the Borrower) to meet with the independent certified public accountants; provided, however, if an Event of Default has occurred and is continuing, no prior notice of such visit or inspection shall be required of the Borrower and its Subsidiaries; provided, further, that any such visits or inspections shall be subject to such conditions as the Borrower and each of its Subsidiaries shall deem necessary based on reasonable considerations of safety and security; and provided, further, that neither the Borrower nor any Subsidiary shall be required to disclose to the Administrative Agent or any representatives thereof any information which is subject to the attorney-client privilege or attorney work-product privilege properly asserted by the applicable Person to prevent the loss of such privilege in connection with such information or which is prevented from disclosure pursuant to a confidentiality agreement with third parties.

Section 5.8. **Maintenance of Properties; Insurance**. The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except as could not reasonably be expected to have a Material Adverse Effect, and (b) maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business, and the properties and business of its Subsidiaries, against loss or damage of the kinds customarily insured against by companies in the same or similar businesses operating in the same or similar locations, which may include self-insurance, if determined by the Borrower to be reasonably prudent and consistent with business practices as in effect on the date hereof.

Section 5.9. **Use of Proceeds and Letters of Credit**. The Borrower will use the proceeds of all Loans to refinance existing Indebtedness, pay related fees and expenses, finance working capital needs and capital expenditures and for other general corporate purposes of the

Borrower and its Subsidiaries, including future possible acquisitions and future possible drop-downs of assets into the Borrower. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that would violate any rule or regulation of the Board of Governors of the Federal Reserve System, including Regulations T, U or X. All Letters of Credit will be used for general corporate purposes.

Section 5.10. **Maintenance of Tax Status**. To the extent permitted by Requirements of Law, the Borrower shall take all action necessary to prevent the Borrower from being, and will take no action which would have the effect of causing the Borrower to be, treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes.

ARTICLE VI

FINANCIAL COVENANTS

Until the Termination Date, the Borrower covenants and agrees that:

Section 6.1. **Leverage Ratio**. The Borrower and its Subsidiaries will maintain on a consolidated basis as of the end of each Fiscal Quarter, commencing with the Fiscal Quarter ending September 30, 2016, a Leverage Ratio of not greater than 5.00:1.00 (the "Required Threshold"); provided, however, that if the Borrower consummates one or more Permitted Acquisitions with a total consideration of $30,000,000 or more during any Fiscal Quarter, then the Required Threshold shall be increased to 5.50 to 1.00 for (i) the Fiscal Quarter in which such acquisition occurs (the "Acquisition Quarter") and (ii) the two (2) Fiscal Quarters following the Acquisition Quarter, and shall be decreased to 5.00 to 1.00 as of the last day of each Fiscal Quarter thereafter (unless subsequently increased pursuant to this proviso in connection with another Permitted Acquisition); provided, however that in determining compliance with the Leverage Ratio, Permitted Subordinated Debt in an amount not to exceed $300,000,000 shall not be included in such calculation. The Borrower's compliance with this requirement shall be calculated on a rolling four quarter basis, measured on the last day of each Fiscal Quarter. For purposes of the foregoing, to the extent Consolidated Total Funded Debt includes outstanding amounts under Hybrid Securities, then a portion of the amount of such Hybrid Securities not to exceed a total of 15% of Total Capitalization may be excluded from Consolidated Total Funded Debt (the "Excluded Hybrid Securities").

ARTICLE VII

NEGATIVE COVENANTS

Until the Termination Date, the Borrower covenants and agrees that:

Section 7.1. Indebtedness. The Borrower will not permit any of its Subsidiaries to create, incur, assume or suffer to exist any Indebtedness, except ("Permitted Indebtedness"):

(a) Indebtedness of the Subsidiaries of the Borrower listed in Schedule 7.1 and existing on the date of this Agreement and extensions, renewals, refinancings and replacements thereof; provided that (A) the principal amount of any such refinancing does not exceed the principal amount of the Indebtedness being refinanced plus the amount of fees, expenses, premiums and accrued interest paid in connection with such refinancing and (B) the final maturity of such refinancing debt is not shorter than the maturity of the Indebtedness being replaced;

(b) endorsements of checks or drafts in the ordinary course of business;

(c) Indebtedness of the Subsidiaries of the Borrower resulting from loans made by the Borrower to a Subsidiary or loans made by a Subsidiary to another Subsidiary;

(d) other Indebtedness of the Subsidiaries of the Borrower (excluding Indebtedness otherwise permitted in this Section 7.1) which does not exceed the Designated Threshold outstanding at any time in the aggregate.;

(e) Permitted Subordinated Debt;

(f) Guarantees of the Subsidiaries of the Borrower in respect of Permitted Indebtedness of other Subsidiaries of the Borrower or Guarantees of the Subsidiaries of the Borrower in respect of Indebtedness of the Borrower permitted by this Agreement;

(g) Indebtedness of any Person which becomes a Subsidiary of the Borrower after the Closing Date and extensions, renewals, refinancings and replacements thereof; provided that (A) the principal amount of any such refinancing does not exceed the principal amount of the Indebtedness being refinanced plus the amount of reasonable fees, expenses, premiums and accrued interest paid in connection with such refinancing and (B) the final maturity of such refinancing debt is not shorter than the maturity of the Indebtedness being replaced; provided further, that (1) such Indebtedness exists at the time such Person becomes a Subsidiary and is not created or incurred in contemplation of or in connection with such Person becoming a Subsidiary and (2) no Default or Event of Default exists at the time such Person becomes a Subsidiary and immediately after such Person becomes a Subsidiary; and

(h) Hedging Obligations arising under Hedging Transactions permitted by Section 7.9;

provided, however, no Indebtedness otherwise permitted under this Section 7.1 shall be permitted if, after giving effect to the incurrence thereof, any Default or Event of Default shall have occurred and be continuing.

The Borrower will not, and will not permit any Subsidiary to, issue any preferred shares or other preferred partnership, limited liability company or other equity interests that (i) mature or are mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) are or may become redeemable or repurchaseable by the Borrower or such Subsidiary at the option of any holders thereof, in whole or in part or (iii) are convertible or exchangeable at the option of any holders thereof for Indebtedness not permitted by this Agreement, on or prior to, in the case of clause (i), (ii) or (iii), the first anniversary of the Revolving Commitment Termination Date.

Section 7.2. Negative Pledge. The Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien on any of its assets or property now owned or hereafter acquired, except:

(a) Permitted Encumbrances;

(b) any Liens on any property or asset of the Borrower or any Subsidiary existing on the Closing Date set forth on Schedule 7.2; provided, that such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary;

(c) purchase money Liens upon or in any fixed or capital assets to secure the purchase price or the cost of construction or improvement of such fixed or capital assets or to secure Indebtedness incurred solely for the purpose of financing the acquisition, construction or improvement of such fixed or capital assets (including Liens securing any Capital Lease Obligations); provided, that (i) such Lien secures Indebtedness permitted by this Agreement, (ii) such Lien attaches to such asset concurrently or within one (1) year after the acquisition, improvement or completion of the construction thereof; (iii) such Lien does not extend to any other asset; and (iv) the Indebtedness secured thereby does not exceed the original cost of acquiring, constructing or improving such fixed or capital assets;

(d) any Lien (i) existing on any asset of any Person at the time such Person becomes a Subsidiary of the Borrower, (ii) existing on any asset of any Person at the time such Person is merged with or into the Borrower or any Subsidiary of the Borrower or (iii) existing on any asset prior to the acquisition thereof by the Borrower or any Subsidiary of the Borrower; provided, that any such Lien was not created in the contemplation of any of the foregoing and any such Lien secures only those obligations which it secures on the date that such Person becomes a Subsidiary or the date of such merger or the date of such acquisition;

(e) extensions, renewals, or replacements of any Lien referred to in paragraphs (a) through (f) of this Section 7.2; provided, that the principal amount of the Indebtedness secured thereby is not increased and that any such extension, renewal or replacement is limited to the assets originally encumbered thereby;

(f) any right which any municipal or governmental body or agency may have by virtue of any franchise, license, contract or status to purchase or designate a purchaser of, or order the sale of, any property of the Borrower or any Subsidiary upon payment of reasonable compensation therefor or to terminate any franchise, license or other rights or to regulate the property and business of the Borrower or any Subsidiary;

(g) Liens on cash and cash equivalents granted pursuant to master netting agreements entered into in the ordinary course of business in connection with Hedging Transactions; provided that (i) the transactions secured by such Liens are governed by standard International Swaps and Derivatives Association, Inc. ("ISDA") documentation, and (ii) such Hedging Transactions consist of derivative transactions contemplated to be settled in cash and not by physical delivery and are designed to minimize the risk of fluctuations in oil and gas prices, interest rates or foreign currency rates with respect to the Borrower's and its Subsidiaries' operations in the ordinary course of its business;

(h) Liens pursuant to master netting agreements entered into in the ordinary course of business in connection with Hedging Transactions, in each case pursuant to which the Borrower or any Subsidiary of the Borrower, as a party to such master netting agreement and as pledgor, pledges or otherwise transfers to the other party to such master netting agreement, as pledgee, in order to secure the Borrower's or such Subsidiary's obligations under such master netting agreement, a Lien upon and/or right of set off against, all right, title, and interest of the pledgor in any obligations of the pledgee owed to the pledgor, together with all accounts and general intangibles and payment intangibles in respect of such obligations and all dividends, interest, and other proceeds from time to time received, receivable, or otherwise distributed in respect of, or in exchange for, any or all of the foregoing;

(i) Liens securing Indebtedness permitted under Section 7.1(g);

(j) Liens not otherwise permitted by this Section 7.2 if at the time of, and after giving effect to, the creation or assumption of any such Lien, the aggregate of all obligations of the Borrower and its Subsidiaries secured by any Liens not otherwise permitted hereby, together with all net sale proceeds from Sale-Leaseback Transactions (other than Sale- Leaseback Transactions described in clauses (i), (ii) and (iv) in the definition of "Permitted Sale- Leaseback Transaction"), does not exceed 15% of Consolidated Net Tangible Assets at any one time outstanding; and

(k) Liens securing Indebtedness pursuant to the Indenture Agreement; provided, however, in the event the obligations outstanding under the Indenture Agreement (the "Indenture Obligations") are equally and ratably secured, the Borrower shall cause all of the Obligations outstanding hereunder to be equally and ratably secured with, or prior to, such Indenture Obligations so long as such Indenture Obligations shall be so secured.

For purposes of making the calculation in paragraph (j) above, with respect to any such secured obligations of a non-wholly-owned Subsidiary with no recourse to the Borrower or any wholly-owned Subsidiary thereof, only that portion of the aggregate principal amount of such secured obligations reflecting the Borrower's pro rata ownership interest in such non- wholly-owned Subsidiary shall be included in making such calculation.

Section 7.3. Fundamental Changes.

(a) The Borrower will not, and will not permit any Subsidiary to, merge into or consolidate into any other Person, or permit any other Person to merge into or consolidate with it, or sell, lease, transfer or otherwise dispose of (in a single transaction or a series of transactions) all of its assets (in each case, whether now owned or hereafter acquired) or all or substantially all of the Capital Stock of its Subsidiaries (in each case, whether now owned or hereafter acquired) or liquidate or dissolve; provided, that if at the time thereof and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing, then (i) the Borrower or any Subsidiary may merge with a Person if the Borrower (or such Subsidiary if the Borrower is not a party to such merger) is the surviving Person, (ii) any Subsidiary may merge into another Subsidiary; (iii) any Subsidiary may sell, transfer, lease or otherwise dispose of all or substantially all of its assets to the Borrower or to another Subsidiary, and (iv) any Subsidiary may sell, lease, transfer or otherwise dispose of (in a single transaction or

a series of transactions) all of its assets (in each case, whether now owned or hereafter acquired) or all or substantially all of the Capital Stock of its Subsidiaries or may liquidate or dissolve if the Borrower determines in good faith that such sale, lease, transfer, disposition, liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; provided, however, that in no event shall any such merger, consolidation, sale, transfer, lease or other disposition whether or not otherwise permitted by this Section 7.3 have the effect of releasing the Borrower from any of its obligations and liabilities under this Agreement or the other Loan Documents.

(b) So long as Northern Border is a Significant Subsidiary of the Borrower, the Borrower shall not provide its consent to, or vote to, permit Northern Border to lease, sell or otherwise dispose of its assets to any other Person except: (i) sales of inventory, investments, and other assets in the ordinary course of business, (ii) leases, sales or other dispositions of its assets that, together with all other assets of Northern Border previously leased, sold or disposed of (other than disposed of pursuant to this Section 7.3(b)) during the twelve-month period ending with the month in which any such lease, sale or other disposition occurs, do not constitute a substantial portion of the assets of Northern Border, (iii) sales of assets which are concurrently leased back, (iv) dispositions of assets which are obsolete or no longer used or useful in the business of Northern Border, and (v) as permitted pursuant to the Northern Border Partnership Agreement as in effect on the Closing Date.

(c) So long as GLGT is a Significant Subsidiary of the Borrower, the Borrower shall not provide its consent to, or vote to, permit GLGT to lease, sell or otherwise dispose of its assets to any other Person except: (i) sales of inventory, investments, and other assets in the ordinary course of business, (ii) leases, sales or other dispositions of its assets that, together with all other assets of GLGT previously leased, sold or disposed of (other than disposed of pursuant to this Section 7.3(c)) during the twelve-month period ending with the month in which any such lease, sale or other disposition occurs, do not constitute a substantial portion of the assets of GLGT, (iii) sales of assets which are concurrently leased back, (iv) dispositions of assets which are obsolete or no longer used or useful in the business of GLGT, and (v) as permitted pursuant to the GLGT Partnership Agreement as in effect on the Closing Date.

(d) So long as PNGTS is a Significant Subsidiary of the Borrower, the Borrower shall not provide its consent to, or vote to, permit PNGTS to lease, sell or otherwise dispose of its assets to any other Person except: (i) sales of inventory, investments, and other assets in the ordinary course of business, (ii) leases, sales or other dispositions of its assets that, together with all other assets of PNGTS previously leased, sold or disposed of (other than disposed of pursuant to this Section 7.3(d)) during the twelve-month period ending with the month in which any such lease, sale or other disposition occurs, do not constitute a substantial portion of the assets of PNGTS, (iii) sales of assets which are concurrently leased back, (iv) dispositions of assets which are obsolete or no longer used or useful in the business of PNGTS and (v) as permitted pursuant to the PNGTS Partnership Agreement as in effect on the Closing Date.

(e) The Borrower shall not engage in any business activity except (i) the direct or indirect ownership of Capital Stock of TC PipeLines ILP, TC GL ILP and Tuscarora

ILP, (ii) the ownership or operation of energy infrastructure assets and/or (iii) such activities as may be incidental or related thereto. Neither TC PipeLines ILP, TC GL ILP, nor Tuscarora ILP shall, and the Borrower shall not permit any of its Subsidiaries to, engage, directly or indirectly, in any business activity not related to the ownership or operation of energy infrastructure assets.

Section 7.4. **Investments, Loans, Etc.** The Borrower will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly-owned Subsidiary prior to such merger), any common stock, evidence of indebtedness or other securities (including any option, warrant, or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person (all of the foregoing being collectively called "Investments"), or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person that constitute a business unit, or create or form any Subsidiary, except:

(a) Investments (other than Permitted Investments) existing on the date hereof and set forth on Schedule 7.4 (including Investments in Subsidiaries);

(b) Permitted Investments;

(c) Guarantees constituting Indebtedness permitted by Section 7.1;

(d) loans or advances to employees, officers or directors of the Borrower or any Subsidiary in the ordinary course of business for travel, relocation and related expenses; provided, however, that the aggregate amount of all such loans and advances does not exceed $1,000,000 at any one time outstanding;

(e) Accounts receivable or other indebtedness and extensions of trade credit which arose in the ordinary course of such Person's business;

(f) Prepaid expenses of such Person incurred and prepaid in the ordinary course of business;

(g) Endorsements of instruments for deposit or collection in the ordinary course of business;

(h) Hedging Transactions permitted by Section 7.9; and

(i) Investments permitted by Section 7.3(f).

Section 7.5. **Restricted Payments**. The Borrower will not, and will not permit its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any dividend on any class of its Capital Stock, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, retirement, defeasance or other acquisition of, any shares of Capital Stock or Indebtedness subordinated to the Obligations of the Borrower or any Guarantee thereof or any options, warrants, or other rights to purchase such Capital Stock or such Indebtedness, whether now or hereafter outstanding (each, a "Restricted Payment"), except for (i) dividends payable by Subsidiaries of the Borrower solely in shares of any class of its Capital Stock,

(ii) Restricted Payments made by any Subsidiary to the Borrower or to another Subsidiary, on at least a pro rata basis with any other holders of its Capital Stock if such Subsidiary is not wholly owned by the Borrower and other wholly owned Subsidiaries, (iii) so long as no Event of Default has occurred and is continuing, distributions on the Limited Partnership Units and General Partners' interests in accordance with the Borrower Partnership Agreement, (iv) Permitted Tax Distributions, (v) the purchase of Capital Stock related to the exercise of the Purchaser's Recission Rights and (vi) payments made with respect to Permitted Subordinated Debt to the extent allowed by the terms of the agreements entered into connection therewith, which agreements shall have been approved by the Administrative Agent and the Required Lenders.

Section 7.6. **Transactions with Affiliates**. Except as set forth in Schedule 7.6, the Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) any Restricted Payment permitted by Section 7.5 and (c) any Investment permitted by Section 7.4.

Section 7.7. Restrictive Agreements. The Borrower will not, and will not permit any Subsidiary to, directly or indirectly, enter into, incur or permit to exist any agreement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit any Lien upon any of its assets or properties, whether now owned or hereafter acquired, to secure any obligations owing under the Loan Documents, except by indentures or other agreements governing Indebtedness of the Borrower requiring that such Indebtedness be secured by an equal and ratable Lien with any Lien that may be granted to secure any obligations owing under the Loan Documents, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to its Capital Stock, to make or repay loans or advances to the Borrower or any other Subsidiary, to Guarantee Indebtedness of the Borrower or any other Subsidiary or to transfer any of its property or assets to the Borrower or any Subsidiary of the Borrower; provided, that the foregoing shall not apply to (i) restrictions or conditions imposed by law or by this Agreement or any other Loan Document or any loan or credit agreement or indenture governing Indebtedness not prohibited by this Agreement, (ii) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is sold and such sale is permitted hereunder, (iii) customary provisions in leases restricting the assignment thereof, (iv) any such covenant contained in a Contractual Obligation granting or relating to a particular Lien permitted by this Agreement which affects only the property that is the subject of such Lien, (v) restrictions which are not more restrictive than those contained in this Agreement and are contained in any documents governing any Indebtedness incurred after the Closing Date and permitted in accordance with the provisions of this Agreement, (vi) in the case of any joint venture, customary restrictions in such person's organizational or governing documents or pursuant to any joint venture agreement or stockholders agreement or (vii) any agreement in effect at the time a Person first became a Subsidiary, so long as such agreement was not entered into solely in contemplation of such Person becoming a Subsidiary and such agreement only applies to Subsidiaries of such Person.

Section 7.8. Sale and Leaseback Transactions. The Borrower will not, and will not permit any of the Subsidiaries to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any Principal Property, whether now owned or hereinafter acquired, and thereafter rent or lease such Principal Property or other property that it intends to use for substantially the same purpose or purposes as the Principal Property sold or transferred (any such arrangement, a "Sale-Leaseback Transaction"), other than Permitted Sale-Leaseback Transactions.

Section 7.9. Hedging Transactions. The Borrower will not, and will not permit any of the Subsidiaries to, enter into any Hedging Transaction, other than Hedging Transactions entered into in the ordinary course of business to hedge or mitigate risks to which the Borrower or any Subsidiary is exposed in the conduct of its business or the management of its liabilities. Solely for the avoidance of doubt, the Borrower acknowledges that a Hedging Transaction entered into for speculative purposes or of a speculative nature (which shall be deemed to include any Hedging Transaction under which the Borrower or any of the Subsidiaries is or may become obliged to make any payment (i) in connection with the purchase by any third party of any common stock or any Indebtedness or (ii) as a result of changes in the market value of any common stock or any Indebtedness but shall be deemed to exclude any Hedging Transaction in which the Borrower hedges the issuance price of its Limited Partnership Units in connection with an anticipated offering of additional Limited Partnership Units) is not a Hedging Transaction entered into in the ordinary course of business to hedge or mitigate risks.

Section 7.10. Certain Amendments to Cash Distribution Policies and Partnership Agreements. The Borrower agrees that it shall not consent to, or vote in favor of, or, in the case of any of the following that is applicable to a Subsidiary, permit, any amendment of (a) the cash distribution policies of the Borrower, TC PipeLines ILP, TC GL ILP, Tuscarora ILP, Northern Border, GLGT, PNGTS or Tuscarora in any manner which would materially adversely affect the rights and remedies of the Lenders under and in connection with this Agreement, the Notes or any other Loan Document; or (b) the Borrower Partnership Agreement, the TC PipeLines ILP Partnership Agreement, the Tuscarora ILP Partnership Agreement, the Northern Border Partnership Agreement, the TC GL Partnership Agreement, the GLGT Partnership Agreement, the PNGTS Partnership Agreement or the Tuscarora Partnership Agreement in any manner which would (i) have a material adverse effect on the rights and remedies of the Lenders under and in connection with this Agreement, the Notes or any other Loan Document; or (ii) result in a Material Adverse Effect.

Section 7.11. Accounting Changes. The Borrower will not, and will not permit any of its Subsidiaries to, make any significant change in accounting treatment or reporting practices, except as required by GAAP, or change the fiscal year of the Borrower or of any of its Subsidiaries, except to change the fiscal year of a Subsidiary to conform its fiscal year to that of the Borrower.

Section 7.12 Government Regulation. The Borrower will not, and will not permit any of its Subsidiaries to, (a) be or become subject at any time to any law, regulation or list of any Governmental Authority of the United States (including, without limitation, the OFAC list) that prohibits or limits the Lenders or the Administrative Agent from making any advance or extension of credit to the Borrower or from otherwise conducting business with the

Borrower or its Subsidiaries, or (b) fail to provide documentary and other evidence of the identity of the Borrower or its Subsidiaries as may be requested by the Lenders or the Administrative Agent at any time to enable the Lenders or the Administrative Agent to verify the identity of the Borrower or its Subsidiaries or to comply with any applicable law or regulation, including, without limitation, Section 326 of the Patriot Act at 31 U.S.C. Section 5318.

Section 7.13 Sanctions. The Borrower will not, and will not permit any Subsidiary to, use the proceeds of any Loans hereunder (i) for the purpose of funding, financing or facilitating any activities, business or transactions of or with any Sanctioned Person or, to the extent not in conflict with any other Sanctions, any Canadian Sanctioned Person, or in any Sanctioned Country or, to the extent not in conflict with any other Sanctions, in any Canadian Sanctioned Country, or (ii) to in any manner that would result in the violation of any Sanctions or, to the extent not in conflict with any other Sanctions, Canadian Sanctions applicable to any party hereto.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.1. Events of Default. If any of the following events (each an "Event of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or of any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment or otherwise; or

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount payable under clause (a) of this Section 8.1) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days; or

(c) any representation or warranty made or deemed made by or on behalf of the Borrower in or in connection with this Agreement or any other Loan Document and any amendments or modifications hereof shall prove to be incorrect in any material respect when made or deemed made or submitted; or

(d) the Borrower shall fail to observe or perform any covenant or agreement contained in Sections 5.1, 5.2, or 5.3(a) or Articles VI or VII; or

(e) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those referred to in clauses (a), (b) and (d) above) or any other Loan Document, and such failure shall remain unremedied for 30 days after the earlier of (i) any Responsible Officer becomes aware of such failure, or (ii) written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(f) the Borrower or any of its Significant Subsidiaries (whether as primary obligor or as guarantor or other surety) shall fail to pay any principal of, or premium or interest on, (i) any Material Indebtedness that is outstanding, when and as the same shall become due and payable (whether at scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument evidencing or governing such Indebtedness; or any other event shall occur or condition shall exist under any agreement or instrument relating to such Indebtedness and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or permit the acceleration of, the maturity of such Indebtedness; (ii) any such Indebtedness shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or any offer to prepay, redeem, purchase or defease such Indebtedness shall be required to be made, in each case prior to the stated maturity thereof; or (iii) (A) there occurs under any Hedging Transaction an Early Termination Date (as defined in such Hedging Transaction) resulting from an event of default under such Hedging Transaction as to which the Borrower or any of its Significant Subsidiaries is the Defaulting Party (as defined in such Hedging Transaction) and the value owed by the Borrower or any of its Significant Subsidiaries as a result thereof is greater than (individually or collectively) the Designated Threshold and such amount is not paid when due under such Hedging Transaction, or (B) there occurs under any Hedging Transaction an Early Termination Date (as defined in such Hedging Transaction) resulting from any Termination Event (as so defined) under such Hedging Transaction as to which the Borrower or any of its Significant Subsidiaries is an Affected Party (as defined in such Hedging Transaction) and the value owed by the Borrower or any of its Significant Subsidiaries as a result thereof is greater than (individually or collectively) the Designated Threshold and such amount is not paid when due under such Hedging Transaction; or

(g) the General Partner, the Borrower or any of its Significant Subsidiaries shall (i) commence a voluntary case or other proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a custodian, trustee, receiver, liquidator or other similar official of them or any substantial part of their property, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section 8.1, (iii) apply for or consent to the appointment of a custodian, trustee, receiver, liquidator or other similar official for the General Partner, the Borrower or any of its Significant Subsidiaries or for a substantial part of their assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take any partnership action for the purpose of effecting any of the foregoing; or

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the General Partner, the Borrower or any of its Significant Subsidiaries or their debts, or any substantial part of their assets, under any federal, state or foreign bankruptcy, insolvency or other similar law now or hereafter in effect or (ii) the appointment of a custodian, trustee, receiver, liquidator or other similar official for the General Partner, the Borrower or any of its Significant Subsidiaries or for a substantial part of their assets, and in any such case, such proceeding or petition shall

remain undismissed for a period of 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or

(i) the General Partner, the Borrower or any of its Significant Subsidiaries shall admit in writing its inability to pay, or shall fail to pay, its debts as they become due; or

(j) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with other ERISA Events that have occurred, could reasonably be expected to result in liability to the Borrower or any of its Significant Subsidiaries in an aggregate amount exceeding the Designated Threshold; or

(k) any judgment or order for the payment of money in excess of the Designated Threshold in the aggregate shall be rendered against the Borrower or any of its Significant Subsidiaries, and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be a period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; provided, however, that any such judgment or order shall not be an Event of Default under this Section 8.1(k) if and for so long as (i) the amount of such judgment or order is covered (subject to customary deductibles) by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (ii) such insurer, which shall be rated at least "A-" by A.M. Best Company, has been notified of, and has not denied coverage of, the amount of such judgment or order; or

(l) any non-monetary judgment or order shall be rendered against the Borrower or any of its Significant Subsidiaries that could reasonably be expected to have a Material Adverse Effect, and there shall be a period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(m) a Change in Control shall occur or exist.

then, and in every such event (other than an event with respect to the General Partner, the Borrower or any of its Significant Subsidiaries described in clause (g) or (h) of this Section 8.1) and at any time thereafter during the continuance of such event, the Administrative Agent may, and upon the written request of the Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate the Commitments, whereupon the Commitment of each Lender shall terminate immediately, (ii) declare the principal of and any accrued interest on the Loans, and all other Obligations owing hereunder, to be, whereupon the same shall become, due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower, (iii) exercise all remedies contained in any other Loan Document, and (iv) exercise any other remedies available at law or in equity; and that, if an Event of Default specified in either clause (g) or (h) shall occur, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon, and all fees, and all other Obligations shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE IX

THE ADMINISTRATIVE AGENT

Section 9.1. **Appointment of the Administrative Agent**.

(a) Each Lender irrevocably appoints SunTrust Bank as the Administrative Agent and authorizes it to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent under this Agreement and the other Loan Documents, together with all such actions and powers that are reasonably incidental thereto. The Administrative Agent may perform any of its duties hereunder or under the other Loan Documents by or through any one or more sub-agents or attorneys-in-fact appointed by the Administrative Agent. The Administrative Agent and any such sub-agent or attorney-in-fact may perform any and all of its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions set forth in this Article shall apply to any such sub- agent or attorney-in-fact and the Related Parties of the Administrative Agent, any such sub-agent and any such attorney-in-fact and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent.

(b) The Issuing Bank shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith until such time and except for so long as the Administrative Agent may agree at the request of the Required Lenders to act for the Issuing Bank with respect thereto; provided, that the Issuing Bank shall have all the benefits and immunities (i) provided to the Administrative Agent in this Article with respect to any acts taken or omissions suffered by the Issuing Bank in connection with Letters of Credit issued by it or proposed to be issued by it and the application and agreements for letters of credit pertaining to the Letters of Credit as fully as if the term “Administrative Agent” as used in this Article included the Issuing Bank with respect to such acts or omissions and (ii) as additionally provided in this Agreement with respect to the Issuing Bank.

Section 9.2. **Nature of Duties of the Administrative Agent**. The Administrative Agent shall not have any duties or obligations except those expressly set forth in this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or an Event of Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except those discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.2), and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it, its sub-agents or attorneys-in-fact with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.2) or in the absence of its own gross

negligence or willful misconduct. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall not be deemed to have knowledge of any Default or Event of Default unless and until written notice thereof (which notice shall include an express reference to such event being a “Default” or “Event of Default” hereunder) is given to the Administrative Agent by the Borrower or any Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements, or other terms and conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article III or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent. The Administrative Agent may consult with legal counsel (including counsel for the Borrower) concerning all matters pertaining to such duties.

Section 9.3. **Lack of Reliance on the Administrative Agent**. Each of the Lenders, the Swingline Lender and the Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each of the Lenders, the Swingline Lender and the Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, continue to make its own decisions in taking or not taking of any action under or based on this Agreement, any related agreement or any document furnished hereunder or thereunder.

Section 9.4. **Certain Rights of the Administrative Agent**. If the Administrative Agent shall request instructions from the Required Lenders with respect to any action or actions (including the failure to act) in connection with this Agreement, the Administrative Agent shall be entitled to refrain from such act or taking such act, unless and until it shall have received instructions from such Lenders; and the Administrative Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, no Lender shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders where required by the terms of this Agreement.

Section 9.5. **Reliance by Administrative Agent**. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, posting or other distribution) believed by it to be genuine and to have been signed, sent or made by the proper Person. The Administrative Agent may also rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or not taken by it in accordance with the advice of such counsel, accountants or experts.

Section 9.6. **The Administrative Agent in its Individual Capacity**. The bank serving as the Administrative Agent shall have the same rights and powers under this Agreement and any other Loan Document in its capacity as a Lender as any other Lender and may exercise or refrain from exercising the same as though it were not the Administrative Agent; and the terms "Lenders", "Required Lenders", "holders of Notes", or any similar terms shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity. The bank acting as the Administrative Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower or any Subsidiary or Affiliate of the Borrower as if it were not the Administrative Agent hereunder.

Section 9.7. **Successor Administrative Agent**.

(a) The Administrative Agent may resign at any time by giving notice thereof to the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Administrative Agent, subject to the approval by the Borrower provided that no Default or Event of Default shall exist at such time. If no successor Administrative Agent shall have been so appointed, and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent, which shall be a commercial bank organized under the laws of the United States of America or any state thereof or a bank which maintains an office in the United States, having a combined capital and surplus of at least $500,000,000.

(b) Upon the acceptance of its appointment as the Administrative Agent hereunder by a successor, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. If within 45 days after written notice is given of the retiring Administrative Agent's resignation under this Section 9.7 no successor Administrative Agent shall have been appointed and shall have accepted such appointment, then on such 45^{th} day (i) the retiring Administrative Agent's resignation shall become effective, (ii) the retiring Administrative Agent shall thereupon be discharged from its duties and obligations under the Loan Documents and (iii) the Required Lenders shall thereafter perform all duties of the retiring Administrative Agent under the Loan Documents until such time as the Required Lenders appoint a successor Administrative Agent as provided above. After any retiring Administrative Agent's resignation hereunder, the provisions of this Article shall continue in effect for the benefit of such retiring Administrative Agent and its representatives and agents in respect of any actions taken or not taken by any of them while it was serving as the Administrative Agent.

Section 9.8. **Authorization to Execute other Loan Documents**. Each Lender hereby authorizes the Administrative Agent to execute on behalf of all Lenders all Loan Documents other than this Agreement.

Section 9.9. **Co-Documentation Agents; Syndication Agent**. Each Lender hereby designates Deutsche Bank Securities Inc., Citibank, N.A., HSBC Bank USA National Association and Mizuho Bank, Ltd. as Co-Documentation Agents and agrees that the Co-

Documentation Agents shall have no duties or obligations under any Loan Documents to any Lender or the Borrower. Each Lender hereby designates JPMorgan Chase Bank, N.A. as Syndication Agent and agrees that the Syndication Agent shall have no duties or obligations under any Loan Documents to any Lender or the Borrower.

ARTICLE X

MISCELLANEOUS

Section 10.1. **Notices.**

(a) Written Notices.

(i) Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications to any party herein to be effective shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

To the Borrower: TC PipeLines, LP
c/o TC PipeLines GP
450-1 Street SW

Calgary, AB T2P5H1
Attention: Corporate Secretary
Telecopy Number: 403.920.2467

With a copy to:	TC PipeLines, LP c/o TC PipeLines GP 450-1 Street SW Calgary, AB T2P5H1 Attention: Vice President and Treasurer Telecopy Number: 403.920.2358
To the Administrative Agent:	SunTrust Bank Mail Code GA-ATL-1929 3333 Peachtree Road, 8th Floor Atlanta, Ga. 30326 Attention: Carmen Maliza Telecopy Number: (404) 439-7470

With a copy to:	SunTrust Bank Agency Services 303 Peachtree Street, N.E./25th Floor Atlanta, Georgia 30308 Attention: Doug Weltz Telecopy Number: (404) 221-2001; and King & Spalding LLP 100 N. Tryon Street, Suite 3900 Charlotte, North Carolina 28202 Attention: Todd Holleman Telecopy Number: (704) 503-2622
To the Issuing Bank:	SunTrust Bank 25 Park Place, N.E. / Mail Code 3706 / 10th Floor Atlanta, Georgia 30303 Attention: Standby Letter of Credit Dept. Telecopy Number: (404) 588-8129
To the Swingline Lender:	SunTrust Bank Agency Services 303 Peachtree Street, N.E./25th Floor Atlanta, Georgia 30308 Attention: Doug Weltz Telecopy Number: (404) 221-2001; and
To any other Lender:	the address set forth in the Administrative Questionnaire or the Assignment and Acceptance Agreement executed by such Lender

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All such notices and other communications shall, when transmitted by overnight delivery, or faxed, be effective when delivered for overnight (next-day) delivery, or transmitted in legible form by facsimile machine, respectively, or if mailed, upon the third Business Day after the date deposited into the mail or if delivered, upon delivery; provided, that any Notice of Borrowing, any Notice of Conversion/Continuation, and any notice provided under Section 5.2 or 5.3 delivered to the Administrative Agent, the Issuing Bank or the Swingline Lender shall not be effective until actually received by such Person at its address specified in this Section 10.1.

(ii) Any agreement of the Administrative Agent and the Lenders herein to receive certain notices by telephone or facsimile is solely for the convenience and at the request of the Borrower. The Administrative Agent and the Lenders shall be entitled to rely on the authority of any Person believed by it to be a Person authorized by the Borrower to give such notice and the Administrative Agent and Lenders shall not have

any liability to the Borrower or other Person on account of any action taken or not taken by the Administrative Agent or the Lenders in reliance upon such telephonic or facsimile notice. The obligation of the Borrower to repay the Loans and all other Obligations hereunder shall not be affected in any way or to any extent by any failure of the Administrative Agent and the Lenders to receive written confirmation of any telephonic or facsimile notice or the receipt by the Administrative Agent and the Lenders of a confirmation which is at variance with the terms understood by the Administrative Agent and the Lenders to be contained in any such telephonic or facsimile notice.

(b) Electronic Communications.

(i) Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the Issuing Bank pursuant to Article II unless such Lender, the Issuing Bank, as applicable, and the Administrative Agent have agreed to receive notices under such Section by electronic communication and have agreed to the procedures governing such communications. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(ii) Unless the Administrative Agent otherwise prescribes, (A) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (B) notices or communications posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

Section 10.2. Waiver; Amendments.

(a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or any other Loan Document, and no course of dealing between the Borrower and the Administrative Agent or any Lender**,** shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power hereunder or thereunder. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies provided by law. No waiver of any provision of this Agreement or any other Loan

Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 10.2, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or the issuance of a Letter of Credit shall not be construed as a waiver of any Default or Event of Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default or Event of Default at the time.

(b) No amendment or waiver of any provision of this Agreement or the other Loan Documents, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Borrower and the Required Lenders or the Borrower and the Administrative Agent with the consent of the Required Lenders and then such waiver or consent shall be effective only in the specific instance and for the spe- cific purpose for which given; provided, that no amendment or waiver shall: (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the date fixed for any payment of any principal of, or interest on, any Loan or LC Disbursement or interest thereon or any fees hereunder or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date for the termination or reduction of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.21(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, or (v) change any of the provisions of this Section 10.2 or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders which are required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the consent of each Lender; provided further, that no such agreement shall amend, modify or otherwise affect the rights, duties or obligations of the Administrative Agent, the Swingline Lender or the Issuing Bank without the prior written consent of such Person. Notwithstanding anything contained herein to the contrary, this Agreement may be amended and restated without the consent of any Lender (but with the consent of the Borrower and the Administrative Agent) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated (but such Lender shall continue to be entitled to the benefits of Sections 2.18, 2.19, 2.20 and 10.3), such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement.

Section 10.3. Expenses; Indemnification.

(a) The Borrower shall pay (i) all reasonable, out-of-pocket costs and expenses of the Administrative Agent and its Affiliates**,** including the reasonable fees, charges and disbursements of counsel for the Administrative Agent and its Affiliates, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of the Loan Documents and any amendments, modifications or waivers thereof (whether or not the transactions contemplated in this Agreement or any other Loan Document shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in

connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket costs and expenses incurred by the Administrative Agent, the Issuing Bank or any Lender in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section 10.3, or in connection with the Loans made or any Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit; provided that the Borrower shall only be responsible for reimbursing the legal fees and expenses of one outside counsel for the Administrative Agent, the Issuing Bank and the Lenders.

(b) The Borrower shall indemnify the Administrative Agent (and any sub- agent thereof), each Lender and the Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower has obtained a final judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) To the extent that the Borrower fails to pay any amount required to be paid to the Administrative Agent, the Issuing Bank or the Swingline Lender under clauses (a) or(b) hereof, each Lender severally agrees to pay to the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be, such Lender's Pro Rata Share (determined as of the time that the unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided, that the unreimbursed expense or indemnified payment, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Issuing Bank or the Swingline Lender in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to actual or direct damages) arising out of, in connection with or as a result of, this Agreement or any agreement or instrument contemplated hereby, the transactions contemplated therein, any Loan or any Letter of Credit or the use of proceeds thereof.

(e) All amounts due under this Section 10.3 shall be payable promptly after written demand therefor.

Section 10.4. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans and Revolving Credit Exposure outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans and Revolving Credit Exposure of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Acceptance, as of the Trade Date) shall

not be less than $5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans, Revolving Credit Exposure or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person that is not a Lender with a Commitment; and

(C) the consent of the Issuing Bank (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding), and the consent of the Swingline Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the Revolving Credit Commitments.

(iv) Assignment and Acceptance. The parties to each assignment shall deliver to the Administrative Agent (A) a duly executed Assignment and Acceptance, (B) a processing and recordation fee of $3,500**,** (C) an Administrative Questionnaire unless the assignee is already a Lender and (D) the documents required under Section 2.20 if such assignee is a Foreign Lender.

(v) No Assignment to Borrower. No such assignment shall be made to the Borrower or any of the Borrower's Affiliates or Subsidiaries.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section 10.4, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this

Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.18, 2.19, 2.20 and 10.3 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed to by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in Atlanta, Georgia a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans and Revolving Credit Exposure owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. Information contained in the Register with respect to any Lender shall be available for inspection by such Lender at any reasonable time and from time to time upon reasonable prior notice; information contained in the Register shall also be available for inspection by the Borrower at any reasonable time and from time to time upon reasonable prior notice. In establishing and maintaining the Register, the Administrative Agent shall serve as the Borrower's agent solely for tax purposes and solely with respect to the actions described in this Section, and the Borrower hereby agrees that, to the extent SunTrust Bank serves in such capacity, SunTrust Bank and its officers, directors, employees, agents, sub-agents and affiliates shall constitute "Indemnitees."

(d) Any Lender may at any time, without the consent of, or notice to, the Borrower, the Administrative Agent, the Swingline Lender or the Issuing Bank sell participations to any Person (other than a natural person, the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders, Issuing Bank and Swingline Lender shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

(e) Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver with respect to the following to the extent affecting such Participant: (i) increase the Commitment of such Lender, (ii) reduce the principal amount of any Loan owing to, or any participation in an LC Disbursement or Swingline Loan held by, such Lender or reduce the rate of interest thereon, or reduce any fees payable to such Lender hereunder, (iii) postpone the date fixed for any repayment of any principal of any Loan owing to, or any participation in an LC Disbursement or Swingline Loan held by, such Lender or interest thereon or any fees payable to such Lender

hereunder or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date for the termination or reduction of any Commitment; provided, however, that this clause (iii) shall not apply to the postponement of the date fixed for, or the waiver of any requirement by the Borrower to make, any optional prepayment under Section 2.11 (it being understood that such postponement or waiver shall be effective with the written consent of the Required Lenders), (iv) change Section 2.21(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, (v) change any of the provisions of this Section 10.4 or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders which are required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder; or (vi) release all or substantially all collateral (if any) securing any of the Obligations. Subject to paragraph (f) of this Section 10.4, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.18, 2.19, and 2.20 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section 10.4. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.7 as though it were a Lender, provided such Participant agrees to be subject to Section 2.21 as though it were a Lender.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.18 and Section 2.20 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant, after disclosure of such greater payment, is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.20 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.20(e) as though it were a Lender.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 10.5. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement and the other Loan Documents shall be construed in accordance with and be governed by the law (without giving effect to the conflict of law principles thereof except for Sections 5-1401 and 5-1402 of the New York General Obligations Law) of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court of the Southern District of New York, and of the Supreme Court of the State of New York sitting in New York county and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York state court or, to the extent

permitted by applicable law, such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower irrevocably and unconditionally waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding described in paragraph (b) of this Section 10.5 and brought in any court referred to in paragraph (b) of this Section 10.5. Each of the parties hereto irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to the service of process in the manner provided for notices in Section 10.1. Nothing in this Agreement or in any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

Section 10.6. WAIVER OF JURY TRIAL. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 10.7. Right of Setoff. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, each Lender and the Issuing Bank shall have the right, at any time or from time to time upon the occurrence and during the continuance of an Event of Default, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, to set off and apply against all deposits (general or special, time or demand, provisional or final) of the Borrower at any time held or other obligations at any time owing by such Lender or any of its Affiliates and the Issuing Bank to or for the credit or the account of the Borrower against any and all Obligations held by such Lender or the Issuing Bank, as the case may be, irrespective of whether such Lender or the Issuing Bank shall have made demand hereunder and although such Obligations may be unmatured; provided that in the event that any Defaulting Lender shall exercise any such right of set-off, all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.27(d) and, pending such payment, shall be segregated

by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Banks, and the Lenders. Each Lender and the Issuing Bank agree promptly to notify the Administrative Agent and the Borrower after any such set-off and any application made by such Lender and the Issuing Bank, as the case may be; provided, that the failure to give such notice shall not affect the validity of such set-off and application. Each Lender and the Issuing Bank agrees to apply all amounts collected from any such set-off to the Obligations before applying such amounts to any other Indebtedness or other obligations owed by the Borrower and any of its Subsidiaries to such Lender or Issuing Bank.

Section 10.8. Counterparts; Integration. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. This Agreement, the Fee Letter, the other Loan Documents, and any separate letter agreement(s) relating to any fees payable to the Administrative Agent constitute the entire agreement among the parties hereto and thereto regarding the subject matters hereof and thereof and supersede all prior agreements and understandings, oral or written, regarding such subject matters.

Section 10.9. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.18, 2.19, 2.20, and 10.3 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof; provided that the provisions of Sections 2.18, 2.19 and 2.20 shall only survive and remain in full force and effect until the first anniversary of the Termination Date. All representations and warranties made herein, in the certificates, reports, notices, and other documents delivered pursuant to this Agreement shall survive the execution and delivery of this Agreement and the other Loan Documents, and the making of the Loans and the issuance of the Letters of Credit.

Section 10.10. **Severability**. Any provision of this Agreement or any other Loan Document held to be illegal, invalid or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity or unenforceability without affecting the legality, validity or enforceability of the remaining provisions hereof or thereof; and the illegality, invalidity or unenforceability of a particular provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10.11. **Confidentiality**. Each of the Administrative Agent, the Issuing Bank and each Lender agrees to take normal and reasonable precautions to maintain the

confidentiality of any confidential information provided to it by the Borrower or any Subsidiary, except that such information may be disclosed (i) to any Related Party of the Administrative Agent, the Issuing Bank or any such Lender, including without limitation accountants, legal counsel and other advisors with a reasonable need for such information (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential on substantially the same terms as provided herein), (ii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (iii) to the extent requested by any regulatory agency or authority or self-regulatory body having or claiming authority to regulate or oversee any aspect of the Administrative Agent's or any Lender's business or businesses, (iv) to the extent that such information becomes publicly available other than as a result of a breach of this Section 10.11, or which becomes available to the Administrative Agent, the Issuing Bank, any Lender or any Related Party of any of the foregoing on a non-confidential basis from a source other than the Borrower, (v) in connection with the exercise of any remedy hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (vi) subject to provisions substantially similar to this Section 10.11, to any actual or prospective assignee or Participant, or (vii) with the consent of the Borrower. Any Person required to maintain the confidentiality of any information as provided for in this Section 10.11 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such information as such Person would accord its own confidential information; provided that, in the case of clauses (ii) or (iii), with the exception of disclosure to bank regulatory authorities, the Administrative Agent, the Issuing Bank and each Lender agree, to the extent practicable and legally permissible, to give the Borrower prompt prior notice so that it may seek a protective order or other appropriate remedy.

Section 10.12. **Interest Rate Limitation**. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which may be treated as interest on such Loan under applicable law (collectively, the "Charges"), shall exceed the maximum lawful rate of interest (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by a Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section 10.12 shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Rate to the date of repayment (to the extent permitted by applicable law), shall have been received by such Lender.

Section 10.13. **Patriot Act.** The Administrative Agent and each Lender to whom the Patriot Act applies hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act. The Borrower shall, and shall cause each of its Subsidiaries to, provide to the extent commercially reasonable, such information and take such other actions as are reasonably requested

by the Administrative Agent or any Lender in order to assist the Administrative Agent and the Lenders in maintaining compliance with the Patriot Act.

Section 10.14. **Non-Recourse to the General Partner and Associated Persons.** The Administrative Agent, the Issuing Bank and each Lender agrees on behalf of itself and its successors, assigns and legal representatives, that neither the General Partner nor any Person which is a partner, shareholder, member, owner, officer, director, supervisor, trustee or other principal (collectively, "Associated Persons") of the Borrower, the General Partner, or any of their respective successors or assigns, shall have any personal liability for the payment or performance of any of the Borrower's obligations hereunder or under any of the Notes and no monetary or other judgment shall be sought or enforced against the General Partner or any of such Associated Persons or any of their respective successors or assigns. Notwithstanding the foregoing, neither the Administrative Agent, the Issuing Bank nor any Lender shall be deemed barred by this Section 10.14 from asserting any claim against any Person based upon an allegation of fraud or misrepresentation.

Section 10.15 **Patriot Act**. The Administrative Agent and each Lender hereby notifies the Loan Parties that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower and each of its Subsidiaries, which information includes the name and address of such Borrower and Subsidiary and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Borrower or Subsidiary in accordance with the Patriot Act.

Section 10.16 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

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(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

BORROWER:

TC PIPELINES, LP

By: TC PipeLines GP, Inc., its General Partner

By: /s/ Nathaniel A. Brown
Name: Nathaniel A. Brown
Title: Controller and Principal Financial Officer

By: /s/ Jon A. Dobson
Name: Jon A. Dobson
Title: Secretary

[Signature Page to TC Pipelines Third A&R Revolving Credit Agreement]

SUNTRUST BANK,
as Administrative Agent and as a Lender

By: /s/ Carmen Malizia
Name: Carmen Malizia
Title: Director

[Signature Page to TC Pipelines Third A&R Revolving Credit Agreement]

Citibank, N.A.,
as a Lender

By: /s/ Peter Kardos
Name: Peter Kardos
Title: VP

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender

By: /s/ Ming K. Chu
Name:

Ming K. Chu
Title: Director

By: /s/ Virginia Cosenza
Name: Virginia Cosenza
Title: Vice President

[Signature Page to TC Pipelines Third A&R Revolving Credit Agreement]

Export Development Canada,
as a Lender

By: /s/ Duncan Filshie
Name: Duncan Filshie
Title: Financing Manager

/s/ Ryan Smith
Ryan Smith
Financing Manager

[Signature Page to TC Pipelines Third A&R Revolving Credit Agreement]

HSBC Bank USA N.A.
as a Lender

Alexander Rea
Senior Vice President
Multinationals
#19168

By: /s/ Alexander Rea
Name: Alexander Rea
Title: Director

[Signature Page to TC Pipelines Third A&R Revolving Credit Agreement]

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ Juan J. Jayellana
Name: Juan J. Jayellana
Title: Executive Director

[Signature Page to TC Pipelines Third A&R Revolving Credit Agreement]

MIZUHO BANK, LTD.
as a Lender

By: /s/ Brad C. Crilly
Name: Brad C. Crilly
Title: Managing Director

[Signature Page to TC Pipelines Third A&R Revolving Credit Agreement]

The Bank of Tokyo-Mitsubishi UFJ, Ltd.,
as a Lender

By: /s/ Kevin Sparks
Name: Kevin Sparks
Title: Director

[Signature Page to TC Pipelines Third A&R Revolving Credit Agreement]

Wells Fargo Bani, N.A.,
as a Lender

By: /s/ Nathan Starr
Name: Nathan Starr
Title: Vice President

[Signature Page to TC Pipelines Third A&R Revolving Credit Agreement]

Execution Version

Schedule I

APPLICABLE MARGIN AND APPLICABLE PERCENTAGE FOR REVOLVING LOANS

Pricing Level	Rating Category	Applicable Margin for Revolving Loans	Applicable Percentage for Commitment Fee
I	Greater than or equal to Baa1/BBB+	1.125% per annum	0.125% per annum
II	Baa2/BBB	1.250% per annum	0.150% per annum
III	Baa3/BBB-	1.500% per annum	0.200% per annum
IV	Ba1/BB+	1.750% per annum	0.250% per annum
V	Less than Ba1/BB+	2.000% per annum	0.300% per annum

Schedule II

[Reserved.]

Execution Version

Schedule III

COMMITMENT AMOUNTS

Lender		Revolving Commitment Amount
SunTrust Bank	$	70,000,000
JPMorgan Chase Bank, N.A.	$	70,000,000
Citibank, N.A.	$	65,000,000
Deutsche Bank AG New York Branch	$	65,000,000
HSBC Bank USA National Association	$	65,000,000
Mizuho Bank, Ltd.	$	65,000,000
Export Development Canada	$	44,000,000
Wells Fargo Bank, N.A.	$	44,000,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	$	12,000,000
Total:	**$**	**500,000,000**

SCHEDULE 4.5

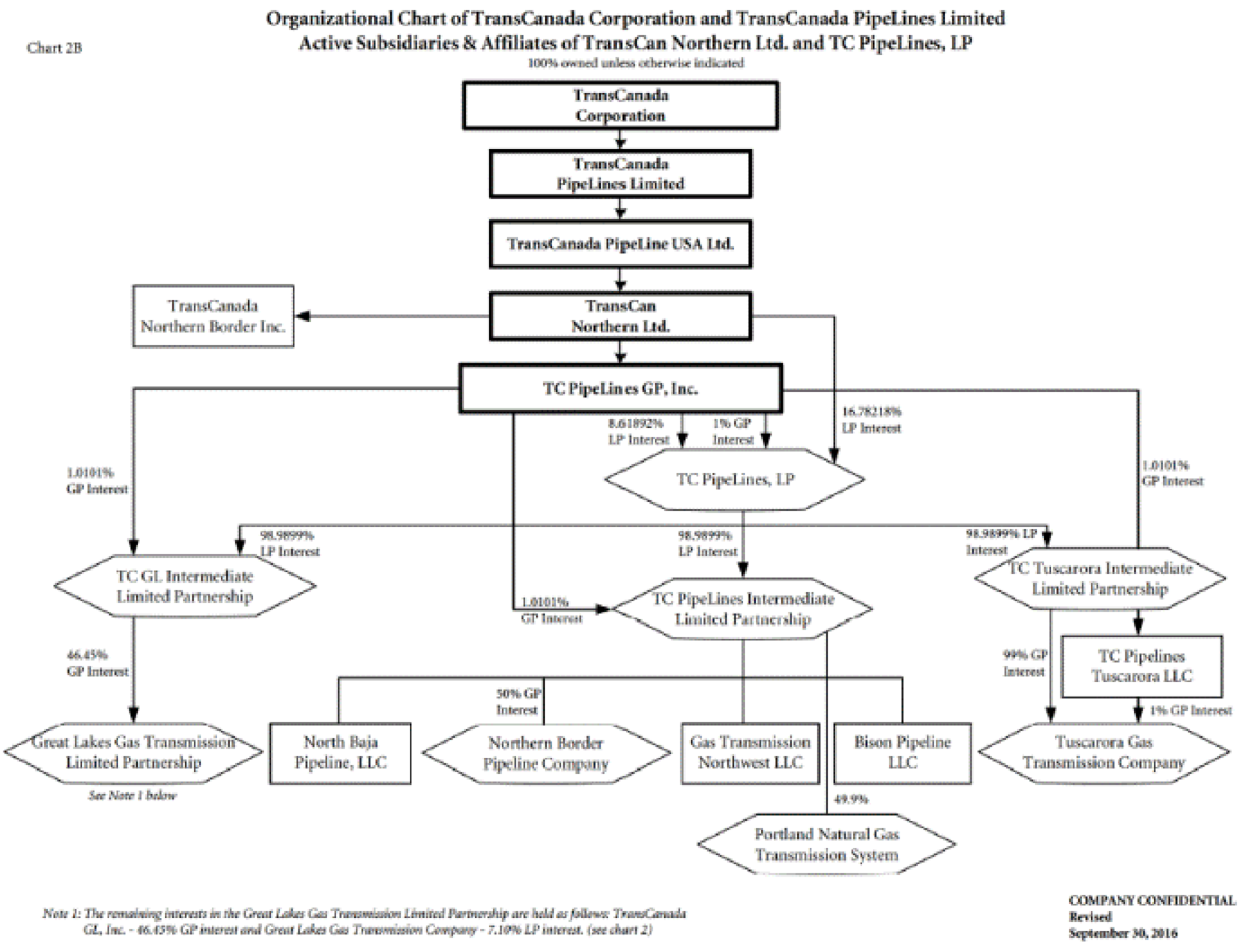
ENVIRONMENTAL MATTERS

None.

SCHEDULE 4.14

SUBSIDIARIES

See attached organizational chart



SCHEDULE 7.1

OUTSTANDING INDEBTEDNESS

1. Indenture, Assignment and Security Agreement dated as at December 21, 1995 (between Tuscarora Gas Transmission Company and Wilmington Trust Company, as Trustee), as supplemented by (i) a Third Supplemental Indenture dated as of March 15, 2002 relating to up to $10,000,000 Principal Amount of 6.89% Senior Secured Notes, Series C, due December 21, 2012 (the "Tuscarora Series C Notes") and (ii) a Fourth Supplemental Indenture dated as of December 21, 2010 relating to up to $27,000,000 Principal Amount of 3.82% Senior Secured Notes, Series D, due August 21, 2017 (the "Tuscarora Series D Notes"). The outstanding principal balance for the Tuscarora Series C Notes is $3,486,715 and for the Tuscarora Series D Notes is $27,000,000, for a total of $30,486,715.

2. Note Purchase Agreement dated as of June 1, 2005 between Gas Transmission Northwest Corporation and those purchasers party thereto, with respect to $100,000,000 5.29% Senior Unsecured Notes due June 1, 2020 and $150,000,000 5.69% Senior Unsecured Notes due June 1, 2035.

3. Term Loan Agreement in aggregate principal amount of $75,000,000 dated as of June 1, 2015 between Gas Transmission Northwest LLC and the lenders from time to time party thereto.

4. Term Loan Agreement in aggregate principal amount of $9,500,000 dated as of April 29, 2016 between Tuscarora Gas Transmission Company and the lenders from time to time party thereto.

Execution Version

SCHEDULE 7.2

EXISTING LIENS

1. Wilmington Trust Company, as Trustee, has a lien on Tuscarora's right, title and interest in certain Collateral Security Transportation Contracts, Support Agreements and other property, which lien is more particularly described on UCC-1 financing statement 9518398 filed with the Nevada Secretary of State on December 20, 1995 (as amended).

2. Pursuant to a Pledge Agreement dated January 1, 2016 between TC PipeLines Intermediate Limited Partnership ("TCILP") and the Bank of New York Mellon, as collateral agent, TCILP granted a security interest in all of its partnership interests in PNGTS, as security for debt securities issued by PNGTS pursuant to a Note Purchase Agreement dated April 10, 2003, between PNGTS and the purchasers party thereto.

Execution Version

SCHEDULE 7.4

EXISTING INVESTMENTS

See Schedule 4.14

Execution Version

SCHEDULE 7.6

TRANSACTIONS WITH AFFILIATES

The Borrower's pipeline systems are operated by TransCanada and its affiliates pursuant to operating agreements. Under these agreements, the Borrower's pipeline systems are required to reimburse TransCanada for their costs including payroll, employee benefit costs, and other costs incurred on behalf of the Borrower's pipeline systems.

EXHIBIT A

Form of Assignment and Acceptance

THIS ASSIGNMENT AND ACCEPTANCE (this "Assignment and Acceptance") is made and entered into as of [ ], by and between [*name of assignor*] (the "Assignor") and [*name of assignee*] (the "Assignee").

Reference is made to the Third Amended and Restated Revolving Credit Agreement, dated as of November [ ], 2016 (as the same may be amended, restated, supplemented or otherwise modified from time to time and in effect on the date hereof, the "Credit Agreement"), among TC PipeLines, LP, a Delaware limited partnership, the Lenders from time to time party thereto and SunTrust Bank, as the Administrative Agent, an Issuing Bank and the Swingline Lender. Terms defined in the Credit Agreement are used herein with the same meanings.

The Assignor hereby sells and assigns, without recourse, to the Assignee, and the Assignee hereby purchases and assumes, without recourse, from the Assignor, effective as of the Effective Date set forth below, the interests set forth below (the "Assigned Interest") in the Assignor's rights and obligations under the Credit Agreement, including, without limitation, the interests set forth below in the Term Loan of the Assignor on the Assignment Date and the Revolving Commitment of the Assignor on the Assignment Date and the Revolving Loans owing to the Assignor which are outstanding on the Assignment Date, together with the participations in the LC Exposure and the Swingline Exposure of the Assignor on the Assignment Date, but excluding accrued interest and fees to and excluding the Assignment Date. The Assignee hereby acknowledges receipt of a copy of the Credit Agreement. From and after the Assignment Date, (i) the Assignee shall be a party to and be bound by the provisions of the Credit Agreement and, to the extent of the Assigned Interest, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent of the Assigned Interest, relinquish its rights and be released from its obligations under the Credit Agreement.

This Assignment and Acceptance is being delivered to the Administrative Agent together with (i) any documentation required to be delivered by the Assignee pursuant to Section 2.20(e) of the Credit Agreement, duly completed and executed by the Assignee, and (ii) if the Assignee is not already a Lender under the Credit Agreement, an Administrative Questionnaire in the form supplied by the Administrative Agent, duly completed by the Assignee. The Assignee shall pay the processing and recordation fee payable to the Administrative Agent pursuant to Section 10.4(b) of the Credit Agreement.

The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby, and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all

requirements of an Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.1 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase the Assigned Interest, and on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) attached to this Assignment and Acceptance is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee, and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date, unless otherwise agreed in writing by the Administrative Agent.

This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

Legal Name of Assignor: Legal Name of Assignee:

Assignee’s Address for Notices:

Effective Date of Assignment (the “Effective Date”):

Assigned Interest:

Facility	**Principal Amount Assigned**	**Percentage Assigned of Term Loan / Revolving Commitment**[1]
Revolving Loans	$ [ ]	[ ]%

The terms set forth above are hereby agreed to by the undersigned:

[1] Set forth, to at least 8 decimals, as a percentage of the aggregate Revolving Commitments of all Lenders thereunder.

[*Name of Assignor*], as Assignor

By: ______________________
Name:
Title:

[*Name of Assignee*], as Assignee

By: ______________________
Name:
Title:

The undersigned hereby consents to the within assignment[2]:

TC PipeLines, LP, as Borrower

By: TC PipeLines, GP, Inc.,
its General Partner

By: ______________________________
Name:
Title:

SunTrust Bank, as Administrative Agent

By: ______________________________
Name:
Title:

SunTrust Bank, as Issuing Bank

By: ______________________________
Name:
Title:

[[ ][3], as Issuing Bank

By: ______________________________
Name:
Title:]

SunTrust Bank, as Swingline Lender

By: ______________________________
Name:
Title:

2 Consents to be included to the extent required by Section 10.4(b) of the Credit Agreement.

3 If applicable.

EXHIBIT 2.3

Form of Notice of Revolving Borrowing

[*Date*]

SunTrust Bank,
as the Administrative Agent
for the Lenders referred to below
Mail Code GA-ATL-1929
3333 Peachtree Road, 8th Floor
Atlanta, Georgia 30308
Attn: Carmen Maliza or TC PipeLines Portfolio Manager

Ladies and Gentlemen:

Reference is made to the Third Amended and Restated Revolving Credit Agreement, dated as of November [ ], 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time and in effect on the date hereof, the "Credit Agreement"), among the undersigned, as the Borrower, the Lenders from time to time party thereto, and SunTrust Bank, as the Administrative Agent, an Issuing Bank and the Swingline Lender. Terms defined in the Credit Agreement are used herein with the same meanings. This notice constitutes a Notice of Revolving Borrowing, and the Borrower hereby requests a Revolving Borrowing under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to the Revolving Borrowing requested hereby:

(A) Aggregate principal amount of such Revolving Borrowing[1]:

(B) Date of such Revolving Borrowing[2]:

(C) Interest rate basis[3]:

(D) Interest Period[4]:

(E) Location and number of the Borrower's account to which proceeds of such Revolving Borrowing are to be disbursed:

The Borrower hereby represents and warrants that the conditions specified in subsections (a), (b) and (c) of Section 3.2 of the Credit Agreement are satisfied.

---

[1] Not less than $5,000,000 and an integral multiple of $1,000,000 for a Eurodollar Borrowing or less than $1,000,000 and an integral multiple of $100,000 for Base Rate Borrowing.

[2] Which is a Business Day.

[3] Eurodollar Borrowing or Base Rate Borrowing.

[4] Which must comply with the definition of "Interest Period" and end not later than the Revolving Commitment Termination Date.

Very truly yours,

TC PIPELINES, LP, as Borrower

By: TC PipeLines, GP, Inc.,
its General Partner

By: ______________________________
Name:
Title:

cc:

SunTrust Bank
Agency Services
303 Peachtree Street, N.E. / 25th Floor
Atlanta, Georgia 30308
Attention: Doug Weltz

EXHIBIT 2.4

Form of Notice of Swingline Borrowing

[*Date*]

SunTrust Bank,
as the Administrative Agent
for the Lenders referred to below
Mail Code GA-ATL-1929
3333 Peachtree Road, 8th Floor
Atlanta, Georgia 30308
Attn: Carmen Maliza or TC PipeLines Portfolio Manager

Ladies and Gentlemen:

Reference is made to the Third Amended and Restated Revolving Credit Agreement, dated as of November [ ] 13, 2016 (as the same may be amended, restated, supplemented or otherwise modified from time to time and in effect on the date hereof, the "Credit Agreement"), among the undersigned, as the Borrower, the Lenders from time to time party thereto and SunTrust Bank, as the Administrative Agent, an Issuing Bank and the Swingline Lender. Terms defined in the Credit Agreement are used herein with the same meanings. This notice constitutes a Notice of Swingline Borrowing, and the Borrower hereby requests a Swingline Borrowing under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to the Swingline Borrowing requested hereby:

(A) Principal amount of such Swingline Borrowing[1]:

(B) Date of such Swingline Borrowing[2]:

(C) Location and number of the Borrower's account to which proceeds of such Swingline Borrowing are to be disbursed:

The Borrower hereby represents and warrants that the conditions specified in subsections (a), (b) and (c) of Section 3.2 of the Credit Agreement are satisfied.

---

[1] Not less than $100,000 and an integral multiple of $50,000.

[2] Which is a Business Day.

Very truly yours,

TC PIPELINES, LP, as Borrower

By: TC PipeLines, GP, Inc.,
its General Partner

By: ______________________________
Name:
Title:

cc:

SunTrust Bank
Agency Services
303 Peachtree Street, N.E. / 25th Floor
Atlanta, Georgia 30308
Attention: Doug Weltz

EXHIBIT 2.7

Form of Continuation/Conversion

[*Date*]

SunTrust Bank,
as the Administrative Agent
for the Lenders referred to below
Mail Code GA-ATL-1929
3333 Peachtree Road, 8th Floor
Atlanta, Georgia 30308
Attn: Carmen Maliza or TC PipeLines Portfolio Manager

Ladies and Gentlemen:

Reference is made to the Third Amended and Restated Revolving Credit Agreement, dated as of November [ ], 2016 (as the same may be amended, restated, supplemented or otherwise modified from time to time and in effect on the date hereof, the "Credit Agreement"), among the undersigned, as the Borrower, the Lenders from time to time party thereto and SunTrust Bank, as the Administrative Agent, an Issuing Bank and the Swingline Lender. Terms defined in the Credit Agreement are used herein with the same meanings.

This notice constitutes a Notice of Continuation/Conversion, and the Borrower hereby requests the conversion or continuation of a Revolving Borrowing under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to the Revolving Borrowing to be converted or continued as requested hereby:

(A) Revolving Borrowing to which this request applies:

(B) Principal amount of Revolving Borrowing to be converted/continued:

(C) Effective date of election[1]:

(D) Interest rate basis[2]:

(E) Interest Period[3]:

[1] Which shall be a Business Day.

[2] Eurodollar Borrowing or Base Rate Borrowing.

[3] Which must comply with the definition of "Interest Period".

Very truly yours,

TC PIPELINES, LP, as Borrower

By: TC PipeLines, GP, Inc.,
its General Partner

By: ______________________________
Name:
Title:

cc:

SunTrust Bank
Agency Services
303 Peachtree Street, N.E. / 25th Floor
Atlanta, Georgia 30308
Attention: Doug Weltz

EXHIBIT 3.1(b)(iv)

FORM OF ASSISTANT SECRETARY'S CERTIFICATE OF TC PIPELINES, LP

[Attached]

SECRETARY'S CERTIFICATE OF TC PIPELINES, LP

November , 2016

The undersigned, being the duly elected, qualified and acting Secretary of TC PIPELINES GP, INC. (the "General Partner"), a Delaware corporation and the general partner of TC PIPELINES, LP, a Delaware limited partnership (the "Borrower"), hereby certifies in such capacity and not in any individual capacity to SUNTRUST BANK, as administrative agent (in such capacity, together with its successors in such capacity, the "Administrative Agent"), for the lenders (collectively, the "Lenders") as are, or may become, parties to the Third Amended and Restated Revolving Credit Agreement, dated as of November , 2016 (the "Credit Agreement"), by and among the Borrower, the Administrative Agent, and the Lenders, that:

1. In such capacity as Secretary of the General Partner of the Borrower, he (a) has knowledge of the business affairs of the Borrower and the General Partner, (b) is familiar with the Borrower's limited partnership agreement and the General Partner's bylaws and minute books and (c) is authorized and empowered to issue this certificate for and on behalf of the General Partner and the Borrower.

2. Attached hereto as Exhibit A is a true, correct and complete copy of the certificate of limited partnership of the Borrower, and such certificate of limited partnership has not been modified, amended, rescinded or revoked, except as shown, and is in full force and effect as of the date hereof.

3. Attached hereto as Exhibit B is a true, correct and complete copy of the limited partnership agreement of the Borrower and such agreement is in full force and effect as of the date hereof.

4. Attached hereto as Exhibit C is a true, correct and complete copy of the certificate of incorporation of the General Partner, and such certificate of incorporation has not been modified, amended, rescinded or revoked, except as shown, and is in full force and effect as of the date hereof.

5. Attached hereto as Exhibit D is a true, correct and complete copy of the bylaws of the General Partner, and such bylaws are in full force and effect as of the date hereof.

6. Attached hereto as Exhibit E is a true and correct copy of the resolutions of the Board of Directors of the General Partner, duly adopted at a meeting held on August 3, 2016 authorizing the Borrower to enter into the transactions contemplated by the Credit Agreement and the other Loan Documents, said resolutions have not been amended, and are in full force and effect as of the date hereof, and said resolutions were duly adopted in accordance with law and the General Partner's bylaws.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has executed this certificate in his/her aforesaid capacity, as of the date first set forth above.

TC PIPELINES, LP, as Borrower

By: TC PipeLines GP, Inc.,
its General Partner

By: ________________________
Name: Jon A. Dobson
Title: Secretary

EXHIBIT A

Certificate of Limited Partnership
(TC PipeLines, LP)

See Attached

EXHIBIT B

Limited Partnership Agreement
(TC PipeLines, LP)

See Attached

EXHIBIT C

Certificate of Incorporation
(TC PipeLines GP, Inc.)

See Attached

EXHIBIT D

Bylaws
(TC PipeLines GP, Inc.)

See Attached

EXHIBIT E

Board Resolutions
(TC PipeLines GP, Inc.)

EXHIBIT 3.1(b)(viii)

Form of Officer's Certificate

[Attached]

OFFICER'S CERTIFICATE

November , 2016

Reference is made to that Third Amended and Restated Revolving Credit Agreement (the "Credit Agreement"), dated as of November , 2016 by and among TC PipeLines, LP, a Delaware limited partnership (the "Borrower"), the several banks and other financial institutions and lenders as are, or may become, parties to the Credit Agreement (collectively, the "Lenders") and SunTrust Bank, as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meanings.

This certificate is being delivered pursuant to Section 3.1(b)(viii) of the Credit Agreement.

I, William (Chuck) C. Morris, in my capacity as Treasurer of TC PipeLines GP, Inc., (the "General Partner"), a Delaware corporation and the general partner of the Borrower, and not in any individual capacity, DO HEREBY CERTIFY, that as of the Closing Date:

(a) all consents, approvals, authorizations, registrations and filings and orders required or advisable to be made or obtained under any Requirement of Law, or by any Contractual Obligation of the Borrower, in connection with the execution, delivery, performance, validity and enforceability of the Loan Documents or any of the transactions contemplated thereby have been obtained;

(b) no Default or Event of Default exists;

(c) no default or event of default or similar event has occurred and is continuing in respect of any Material Indebtedness;

(d) all representations and warranties of the Borrower set forth in the Loan Documents are true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties shall be true and correct in all respects); and

(e) since December 31, 2015 there has been no change which has had or could reasonably be expected to have a Material Adverse Effect.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, I have hereunto signed my name as of the date first above written.

TC PIPELINES, LP, as Borrower

By: TC PipeLines GP, Inc.,
its General Partner

By: ____________________
Name: William (Chuck) C. Morris
Title: Treasurer

EXHIBIT 5.1(c)

Form of Compliance Certificate

[*Date*]

SunTrust Bank,
as the Administrative Agent
for the Lenders referred to below
Mail Code GA-ATL-1929
3333 Peachtree Road, 8th Floor
Atlanta, Georgia 30308
Attn: Carmen Maliza or TC PipeLines Portfolio Manager

Ladies and Gentlemen:

Reference is made to the Third Amended and Restated Revolving Credit Agreement, dated as of November [ ], 2016 (as the same may be amended, restated, supplemented or otherwise modified from time to time and in effect on the date hereof, the "Credit Agreement"), by and among TC PipeLines, LP, a Delaware limited partnership (the "Borrower"), the several banks and other financial institutions and lenders as are, or may become, parties to the Credit Agreement (collectively, the "Lenders") and SunTrust Bank, as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the "Administrative Agent"). Terms defined in the Credit Agreement are used herein with the same meanings.

I, , being the duly elected and qualified, and acting in my capacity as a Responsible Officer of TC PipeLines GP, Inc., (the "General Partner"), a Delaware corporation and the general partner of the Borrower, hereby certify in such capacity and not in any individual capacity to the Administrative Agent and each Lender as follows:

1. The consolidated financial statements of the Borrower and its Subsidiaries attached hereto for the Fiscal [Quarter][Year] ending fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as at the end of such Fiscal [Quarter]

[Year] on a consolidated basis, and the related statements of income and cash flows of the Borrower and its Subsidiaries for such Fiscal [Quarter][Year], in accordance with generally accepted accounting principles consistently applied (subject, in the case of quarterly financial statements, to normal year-end audit adjustments and the absence of footnotes).

2. The calculations set forth in Annex I are computations of the financial covenants set forth in Article VI of the Credit Agreement calculated from the financial statements referenced in clause 1 above in accordance with the terms of the Credit Agreement.

3. Based upon a review of the activities of the Borrower and its Subsidiaries and the financial statements attached hereto during the period covered thereby, as of the date hereof,

[there exists no Default or Event of Default.]

[there exists a Default or Event of Default as specified below :

and the Borrower [has taken] [proposes to take] the following actions with respect thereto:

.]

4. The Borrower hereby notifies the Administrative Agent and the Lenders that the consolidated financial statements of the Borrower and its Subsidiaries referenced in paragraph 1 above have been filed in the United States Securities and Exchange Commission's EDGAR system and are publicly available from such source.

TC PIPELINES, LP, as Borrower

By: TC PipeLines GP, Inc.,
its General Partner

By: ____________________
Name:
Title:

ANNEX I

Calculations of Financial Covenants

[Attached]

Exhibit 12.1

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

December 31 (millions of dollars)	**2016**	2015	2014	2013[a]	2012[a]
Earnings					
Net income before adjustment for income from equity investees	**128**	122	116	124	130
Fixed charges	**68**	61	45	44	41
Distributed income (loss) of equity investees[b]	**116**	(102)	88	67	99
Non-controlling interests of subsidiaries that have not incurred fixed charges	**–**	–	(10)	(14)	(13)
Total Earnings	**312**	81	239	221	257
Fixed Charges					
Interest expensed and capitalized	**66**	60	44	43	40
Amortization of other assets	**2**	1	1	1	1
Total Fixed Charges	**68**	61	45	44	41
Ratio of Earnings/Fixed Charges	**4.59X**	1.33x	5.31x	5.02x	6.27x

(a) An additional 45 percent membership interests in each of GTN and Bison were acquired from subsidiaries of TransCanada in 2013 resulting in a 70 percent ownership in each. As a result, the acquisition was accounted for as a transaction between entities under common control, similar to a pooling of interests, whereby the assets and liabilities of GTN and Bison were recorded at TransCanada's carrying value and the Partnership's historical financial information was recast, except net income (loss) per common unit, to consolidate GTN and Bison for all periods presented.

(b) Distributed income of equity investees for 2015 includes $199 million impairment charge on our Investment in Great Lakes.

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Exhibit 12.1

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

1. The Registrant holds a 98.9899 percent limited partner interest in TC GL Intermediate Limited Partnership, a Delaware limited partnership.
2. Through its interest in TC GL Intermediate Limited Partnership, the Registrant holds a 46.45 percent general partner interest in Great Lakes Gas Transmission Limited Partnership, a Delaware limited partnership.
3. The Registrant holds a 98.9899 percent limited partner interest in TC PipeLines Intermediate Limited Partnership, a Delaware limited partnership.
4. Through its interest in TC PipeLines Intermediate Limited Partnership, the Registrant holds a 50 percent general partner interest in Northern Border Pipeline Company, a Texas general partnership.
5. Through its interest in TC PipeLines Intermediate Limited Partnership, the Registrant wholly-owns Gas Transmission Northwest LLC, a Delaware limited liability company.
6. Through its interest in TC PipeLines Intermediate Limited Partnership, the Registrant wholly-owns Bison Pipeline LLC, a Delaware limited liability company.
7. Through its interest in TC PipeLines Intermediate Limited Partnership, the Registrant wholly-owns North Baja Pipeline, LLC, a Delaware limited liability company.
8. The Registrant holds a 98.9899 percent limited partner interest in TC Tuscarora Intermediate Limited Partnership, a Delaware limited partnership.
9. Through its interest in TC Tuscarora Intermediate Limited Partnership, the Registrant wholly-owns TC Pipelines Tuscarora LLC, a Delaware limited liability company.
10. Through its interest in TC Tuscarora Intermediate Limited Partnership and TC Pipelines Tuscarora LLC, the Registrant wholly-owns Tuscarora Gas Transmission Company, a Nevada general partnership.
11. Through its interest in TC PipeLines Intermediate Limited Partnership, the Registrant holds a 49.9 percent general partner interest in Portland Natural Gas Transmission System, a Maine general partnership.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors of TC PipeLines GP, Inc.
General Partner of TC PipeLines, LP:

We consent to the incorporation by reference in the registration statements (Nos. 333-211907 and 333-213024) on Form S-3 of TC PipeLines, LP of our report dated February 28, 2017, with respect to the consolidated balance sheets of TC PipeLines, LP and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, cash flows and changes in partners' equity for each of the years in the three-year period ended December 31, 2016, and the effectiveness of internal control over financial reporting as of December 31, 2016, which report appears in the December 31, 2016 annual report on Form 10-K of TC PipeLines, LP.

Our report dated February 28, 2017 refers to a change in accounting for the classification of distributions received from equity method investments.

/s/ KPMG LLP

Houston, Texas
February 28, 2017

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors of TC PipeLines GP, Inc.
General Partner of TC PipeLines, LP:

We consent to the incorporation by reference in the registration statements (Nos. 333-211907 and 333-213024) on Form S-3 of TC PipeLines, LP of our report dated February 17, 2017, with respect to the balance sheets of Northern Border Pipeline Company as of December 31, 2016 and 2015, and the related statements of income, comprehensive income, changes in partners' equity, and cash flows for each of the years in the three-year period ended December 31, 2016, which report appears in the December 31, 2016 annual report on Form 10-K of TC PipeLines, LP.

/s/ KPMG LLP

Houston, Texas
February 28, 2017

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Exhibit 23.3

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors of TC PipeLines GP, Inc
General Partner of TC PipeLines, LP:

We consent to the incorporation by reference in the registration statements (Nos. 333-211907 and 333-213024) on Form S-3 of TC PipeLines, LP of our report dated February 17, 2017, with respect to the balance sheets of Great Lakes Gas Transmission Limited Partnership as of December 31, 2016 and 2015, and the related statements of income and partners' capital, and cash flows, for each of the years in the three-year period ended December 31, 2016, which report appears in the December 31, 2016 annual report on Form 10-K of TC PipeLines, LP.

/s/ KPMG LLP

Houston, Texas
February 28, 2017

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Exhibit 23.3

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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Exhibit 31.1

CERTIFICATION OF
PRINCIPAL EXECUTIVE OFFICER

I, Brandon Anderson, certify that:

1. I have reviewed this annual report on Form 10-K of TC PipeLines, LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation, of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 28, 2017

/s/ BRANDON ANDERSON

Brandon Anderson
Principal Executive Officer and President
TC PipeLines GP, Inc., as General Partner of
TC PipeLines, LP

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Exhibit 31.2

CERTIFICATION OF
PRINCIPAL FINANCIAL OFFICER

I, Nathaniel A. Brown, certify that:

1. I have reviewed this annual report on Form 10-K of TC PipeLines, LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation, of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 28, 2017

/s/ NATHANIEL A. BROWN

Nathaniel A. Brown
Principal Financial Officer and Controller
TC PipeLines GP, Inc., as General Partner of
TC Pipelines, LP

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Exhibit 32.1

CERTIFICATION OF
PRINCIPAL EXECUTIVE OFFICER

I, Brandon Anderson, Principal Executive Officer and President of TC PipeLines GP, Inc., the General Partner of TC PipeLines, LP (the Partnership), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 hereby certify, to the best of my knowledge, in connection with the Partnership's Annual Report on Form 10-K for the period ended December 31, 2016 as filed with the Securities and Exchange Commission (the Report) on the date hereof, that:

- the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Dated: February 28, 2017

/s/ BRANDON ANDERSON

Brandon Anderson
Principal Executive Officer and President
TC PipeLines GP, Inc., as General Partner of
TC PipeLines, LP

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Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

Exhibit 32.2

CERTIFICATION OF
PRINCIPAL FINANCIAL OFFICER

I, Nathaniel A. Brown, Principal Financial Officer and Controller of TC PipeLines GP, Inc., the General Partner of TC PipeLines, LP (the Partnership), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 hereby certify, to the best of my knowledge, in connection with the Partnership's Annual Report on Form 10-K for the period ended December 31, 2016 as filed with the Securities and Exchange Commission (the Report) on the date hereof, that:

- the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Dated: February 28, 2017

/s/ NATHANIEL A. BROWN

Nathaniel A. Brown
Principal Financial Officer and Controller
TC PipeLines GP, Inc., as General Partner of
TC PipeLines, LP

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Exhibit 99.2

Great lakes
Gas Transmission Company

TRANSPORTATION SERVICE AGREEMENT
Contract Identification FT9141

This Transportation Service Agreement (Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and ANR PIPELINE COMPANY(Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. **EFFECTIVE DATE:** April 01, 2017

2. **CONTRACT IDENTIFICATION:** FT9141 (RELEASING CONTRACT ID: FT2321)

3. **RATE SCHEDULE:** FT

4. **SHIPPER TYPE:** Interstate Pl

5. **STATE/PROVINCE OF INCORPORATION:** Delaware

6. **TERM:** November 01, 2008 to March 31, 2018

7. **EFFECT ON PREVIOUS CONTRACTS:**

   This Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): Service Agreement dated April 01, 2016 with Contract Identification FT9141.

8. **MAXIMUM DAILY QUANTITY (Dth/Day):** 56,000

   Please see Appendix A for further detail.

9. **RATES:**

   Unless Shipper and Transporter have agreed to a rate other than the maximum rate, rates shall be Transporter's maximum rates and charges plus all applicable surcharges in effect from time to time under the applicable Rate Schedule (as stated above) on file with the Commission unless otherwise agreed to by the parties in writing. Provisions governing a Rate other than the maximum shall be set forth in this Paragraph 9 and/or on Appendix B hereto.

10. **POINTS OF RECEIPT AND DELIVERY:**

    The primary receipt and delivery points are set forth on Appendix A.

11. **RELEASED CAPACITY:**

    N/A

12. **INCORPORATION OF TARIFF INTO AGREEMENT:**

    This Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and the applicable Rate Schedule (as stated above) set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act (NGA) at any time and from time to time to change any rates, charges or provisions set forth in the applicable Rate Schedule (as stated above) and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any such changes

which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.

13. **MISCELLANEOUS:**

No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

14. **OTHER PROVISIONS:**

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this Agreement is limited to assets of the Transporter.

Upon termination of this Agreement, Shipper's and Transporter's obligations to each other arising under this Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this Agreement.

This capacity release is at the maximum tariff rate.

This is incremental rate capacity subject to incremental rate surcharges pursuant to Great Lakes' FERC Gas Tariff, Second Revised Volume No. 1. The surcharges applicable to this service are those listed for contract FT2321 or any superseding service.

15. **NOTICES AND COMMUNICATIONS:**

All notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission Limited Partnership
Commercial Services
700 Louisiana St., Suite 700
Houston, TX 77002-2700

ANR PIPELINE COMPANY
700 Louisiana St., Suite 700
Houston, TX 77002-2700
Attn:

AGREED TO BY:

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP
By: Great Lakes Gas Transmission Company

/s/ STEVE D. JASKOLSKI

Steve D. Jaskolski
Director, Commercial Services

Dated: April 21, 2016

ANR PIPELINE COMPANY

/s/ JOSEPH E. POLLARD

Joseph E. Pollard
Director, Long Term Marketing

Dated: April 21, 2016

APPENDIX A

Contract Identification FT9141

Date: April 01, 2017
Supersedes Appendix Dated: April 01, 2016

Shipper: ANR PIPELINE COMPANY

Maximum Daily Quantity (Dth/Day) per Location:

Begin Date	End Date	Point(s) of Primary Receipt	Point(s) of Primary Delivery	MDQ	Maximum Allowable Operating Pressure (MAOP)
11/01/2008	03/31/2016	FARWELL		56,000	974
04/01/2016	10/31/2018	FARWELL		56,000	974
11/01/2008	03/31/2016		ST. CLAIR	56,000	974
04/01/2016	03/31/2018		ST. CLAIR	56,000	974

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Exhibit 99.3

Great lakes
Gas Transmission Company

TRANSPORTATION SERVICE AGREEMENT
Contract Identification FT16128

This Transportation Service Agreement (Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and TRANSCANADA PIPELINES LIMITED (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. **EFFECTIVE DATE:** November 01, 2016

2. **CONTRACT IDENTIFICATION:** FT16128

3. **RATE SCHEDULE:** FT

4. **SHIPPER TYPE:** Other

5. **STATE/PROVINCE OF INCORPORATION:** Canada

6. **TERM:** November 01, 2011 to October 31, 2021

   Transporter and Shipper agree that Shipper may extend the primary term of this Agreement by exercising a Contractual Right of First Refusal, pursuant to the procedures set forth in Section 6.16 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

7. **EFFECT ON PREVIOUS CONTRACTS:**

   This Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): Service Agreement dated November 01, 2015 with Contract Identification FT16128.

8. **MAXIMUM DAILY QUANTITY (Dth/Day):** 313,727

   Please see Appendix A for further detail.

9. **RATES:**

   Unless Shipper and Transporter have agreed to a rate other than the maximum rate, rates shall be Transporter's maximum rates and charges plus all applicable surcharges in effect from time to time under the applicable Rate Schedule (as stated above) on file with the Commission unless otherwise agreed to by the parties in writing. Provisions governing a Rate other than the maximum shall be set forth in this Paragraph 9 and/or on Appendix B hereto.

   Shipper and Transporter agree that for service under this Agreement from the point(s) of receipt listed on Appendix A to the point(s) of delivery listed ion Appendix A, the Reservation Fee to be charged shall be the lesser of $8.212 per Dth or Great Lakes' currently effective Maximum Tariff Rate.

10. **POINTS OF RECEIPT AND DELIVERY:**

    The primary receipt and delivery points are set forth on Appendix A.

11. **RELEASED CAPACITY:**

    N/A

12. **INCORPORATION OF TARIFF INTO AGREEMENT:**

    This Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and the applicable Rate Schedule (as stated above) set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act (NGA) at any time and from time to time to change any rates, charges or provisions set forth in the applicable Rate Schedule (as stated above) and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any such changes which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.

13. **MISCELLANEOUS:**

No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

14. **OTHER PROVISIONS:**

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this Agreement is limited to assets of the Transporter.

Upon termination of this Agreement, Shipper's and Transporter's obligations to each other arising under this Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this Agreement.

15. **NOTICES AND COMMUNICATIONS:**

All notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission Limited Partnership
Commercial Services
700 Louisiana St., Suite 700
Houston, TX 77002-2700

TRANSCANADA PIPELINES LIMITED
450 – 1st Street S.W.
Calgary, AB T2P 5H1
Canada
Attn: Don Bell

AGREED TO BY:

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP
By: Great Lakes Gas Transmission Company

/s/ STEVEN D. JASKOLSKI

Steven D. Jaskolski
Director, Commercial Services

Dated: October 27, 2015

TRANSCANADA PIPELINES LIMITED

/s/ DAVE SCHULTZ

Dave Schultz
Vice-President, Commercial East Canadian Natural Gas Pipelines

Dated: October 27, 2015

/s/ STEPHEN M. V.CLARK

Stephen M. V.Clark
Senior Vice President
Canadian & Eastern U.S. Natural Gas Pipelines

Dated: October 29, 2015

APPENDIX A

Contract Identification FT16128

Date: November 01, 2016
Supersedes Appendix Dated: November 01, 2015

Shipper: TRANSCANADA PIPELINES LIMITED

Maximum Daily Quantity (Dth/Day) per Location:

Begin Date	End Date	Point(s) of Primary Receipt	Point(s) of Primary Delivery	MDQ	Maximum Allowable Operating Pressure (MAOP)
11/01/2011	10/31/2015	ST. CLAIR		313,727	974
11/01/2015	10/31/2016	ST. CLAIR		313,727	974
11/01/2016	10/31/2021	ST. CLAIR		313,727	974
11/01/2011	10/31/2015		EMERSON	313,727	974
11/01/2015	10/31/2016		EMERSON	313,727	974
11/01/2016	10/31/2021		EMERSON	313,727	974

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Exhibit 99.4

Great lakes
Gas Transmission Company

TRANSPORTATION SERVICE AGREEMENT
Contract Identification FT17190

This Transportation Service Agreement (Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and TRANSCANADA PIPELINES LIMITED (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. **EFFECTIVE DATE:** November 01, 2016

2. **CONTRACT IDENTIFICATION:** FT17190

3. **RATE SCHEDULE:** FT

4. **SHIPPER TYPE:** Other

5. **STATE/PROVINCE OF INCORPORATION:** Canada

6. **TERM:** November 01, 2012 to October 31, 2021

   Transporter and Shipper agree that Shipper may extend the primary term of this Agreement by exercising a Contractual Right of First Refusal, pursuant to the procedures set forth in Section 6.16 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

7. **EFFECT ON PREVIOUS CONTRACTS:**

   This Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): Service Agreement dated November 01, 2015 with Contract Identification FT17190.

8. **MAXIMUM DAILY QUANTITY (Dth/Day):** 160,000

   Please see Appendix A for further detail.

9. **RATES:**

   Unless Shipper and Transporter have agreed to a rate other than the maximum rate, rates shall be Transporter's maximum rates and charges plus all applicable surcharges in effect from time to time under the applicable Rate Schedule (as stated above) on file with the Commission unless otherwise agreed to by the parties in writing. Provisions governing a Rate other than the maximum shall be set forth in this Paragraph 9 and/or on Appendix B hereto.

   Shipper and Transporter agree that for service under this Agreement from the point(s) of receipt listed on Appendix A to the point(s) of delivery listed ion Appendix A, the Reservation Fee to be charged shall be the lesser of $8.212 per Dth or Great Lakes' currently effective Maximum Tariff Rate.

10. **POINTS OF RECEIPT AND DELIVERY:**

    The primary receipt and delivery points are set forth on Appendix A.

11. **RELEASED CAPACITY:**

    N/A

12. **INCORPORATION OF TARIFF INTO AGREEMENT:**

    This Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and the applicable Rate Schedule (as stated above) set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act (NGA) at any time and from time to time to change any rates, charges or provisions set forth in the applicable Rate Schedule (as stated above) and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any such changes which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.

13. **MISCELLANEOUS:**

No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

14. **OTHER PROVISIONS:**

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this Agreement is limited to assets of the Transporter.

Upon termination of this Agreement, Shipper's and Transporter's obligations to each other arising under this Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this Agreement.

15. **NOTICES AND COMMUNICATIONS:**

All notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission Limited Partnership
Commercial Services
700 Louisiana St., Suite 700
Houston, TX 77002-2700

TRANSCANADA PIPELINES LIMITED
450 – 1st Street S.W.
Calgary, AB T2P 5H1
Canada
Attn: Don Bell

AGREED TO BY:

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP
By: Great Lakes Gas Transmission Company

/s/ STEVEN D. JASKOLSKI

Steven D. Jaskolski
Director, Commercial Services

Dated: October 27, 2015

TRANSCANADA PIPELINES LIMITED

/s/ DAVE SCHULTZ

Dave Schultz
Vice-President, Commercial East Canadian Natural Gas Pipelines

Dated: October 27, 2015

/s/ STEPHEN M. V.CLARK

Stephen M. V.Clark
Senior Vice President
Canadian & Eastern U.S. Natural Gas Pipelines

Dated: October 29, 2015

APPENDIX A

Contract Identification FT17190

Date: November 01, 2016
Supersedes Appendix Dated: November 01, 2015

Shipper: TRANSCANADA PIPELINES LIMITED

Maximum Daily Quantity (Dth/Day) per Location:

Begin Date	End Date	Point(s) of Primary Receipt	Point(s) of Primary Delivery	MDQ	Maximum Allowable Operating Pressure (MAOP)
11/01/2012	03/31/2013	ST. CLAIR		123,692	974
04/01/2013	10/31/2013	ST. CLAIR		160,000	974
11/01/2013	03/31/2014	ST. CLAIR		123,692	974
04/01/2014	10/31/2014	ST. CLAIR		160,000	974
11/01/2014	03/31/2015	ST. CLAIR		123,692	974
04/01/2015	10/31/2015	ST. CLAIR		160,000	974
11/01/2015	03/31/2016	ST. CLAIR		126,805	974
04/01/2016	10/31/2016	ST. CLAIR		160,000	974
11/01/2016	10/31/2021	ST. CLAIR		126,805	974
11/01/2012	03/31/2013		EMERSON	123,692	974
04/01/2013	10/31/2013		EMERSON	160,000	974
11/01/2013	03/31/2014		EMERSON	123,692	974
04/01/2014	10/31/2014		EMERSON	160,000	974
11/01/2014	03/31/2015		EMERSON	123,692	974
04/01/2015	10/31/2015		EMERSON	160,000	974
11/01/2015	03/31/2016		EMERSON	126,805	974
04/01/2016	10/31/2016		EMERSON	160,000	974
11/01/2016	03/31/2021		EMERSON	126,805	974

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Exhibit 99.5

Great lakes
Gas Transmission Company

TRANSPORTATION SERVICE AGREEMENT
Contract Identification FT17193

This Transportation Service Agreement (Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and TRANSCANADA PIPELINES LIMITED (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. **EFFECTIVE DATE:** November 01, 2016

2. **CONTRACT IDENTIFICATION:** FT17193

3. **RATE SCHEDULE:** FT

4. **SHIPPER TYPE:** Other

5. **STATE/PROVINCE OF INCORPORATION:** Canada

6. **TERM:** November 01, 2012 to October 31, 2017

7. **EFFECT ON PREVIOUS CONTRACTS:**

   This Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): Service Agreement dated November 01, 2015 with Contract Identification FT17193.

8. **MAXIMUM DAILY QUANTITY (Dth/Day):** 36,038

   Please see Appendix A for further detail.

9. **RATES:**

   Unless Shipper and Transporter have agreed to a rate other than the maximum rate, rates shall be Transporter's maximum rates and charges plus all applicable surcharges in effect from time to time under the applicable Rate Schedule (as stated above) on file with the Commission unless otherwise agreed to by the parties in writing. Provisions governing a Rate other than the maximum shall be set forth in this Paragraph 9 and/or on Appendix B hereto.

10. **POINTS OF RECEIPT AND DELIVERY:**

    The primary receipt and delivery points are set forth on Appendix A.

11. **RELEASED CAPACITY:**

    N/A

12. **INCORPORATION OF TARIFF INTO AGREEMENT:**

    This Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and the applicable Rate Schedule (as stated above) set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act (NGA) at any time and from time to time to change any rates, charges or provisions set forth in the applicable Rate Schedule (as stated above) and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any such changes

which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.

13. **MISCELLANEOUS:**

No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

14. **OTHER PROVISIONS:**

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this Agreement is limited to assets of the Transporter.

Upon termination of this Agreement, Shipper's and Transporter's obligations to each other arising under this Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this Agreement.

15. **NOTICES AND COMMUNICATIONS:**

All notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission Limited Partnership
Commercial Services
700 Louisiana St., Suite 700
Houston, TX 77002-2700

TRANSCANADA PIPELINES LIMITED
450 – 1st Street S.W.
Calgary, AB T2P 5H1
Canada
Attn: Don Bell

AGREED TO BY:

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP
By: Great Lakes Gas Transmission Company

/s/ STEVEN D. JASKOLSKI

Steven D. Jaskolski
Director, Commercial Services

Dated: October 27, 2015

TRANSCANADA PIPELINES LIMITED

/s/ DAVE SCHULTZ

Dave Schultz
Vice-President, Commercial East Canadian Natural Gas Pipelines

Dated: October 27, 2015

/s/ STEPHEN M. V.CLARK

Stephen M. V.Clark
Senior Vice President
Canadian & Eastern U.S. Natural Gas Pipelines

Dated: October 29, 2015

APPENDIX A

Contract Identification FT17193

Date: November 01, 2016
Supersedes Appendix Dated: November 01, 2015

Shipper: TRANSCANADA PIPELINES LIMITED

Maximum Daily Quantity (Dth/Day) per Location:

Begin Date	End Date	Point(s) of Primary Receipt	Point(s) of Primary Delivery	MDQ	Maximum Allowable Operating Pressure (MAOP)
11/01/2012	03/31/2013	ST. CLAIR		36,038	974
04/01/2013	10/31/2013	ST. CLAIR		0	974
11/01/2013	03/31/2014	ST. CLAIR		36,038	974
04/01/2014	10/31/2014	ST. CLAIR		0	974
11/01/2014	03/31/2015	ST. CLAIR		36,038	974
04/01/2015	10/31/2015	ST. CLAIR		0	974
11/01/2015	03/31/2016	ST. CLAIR		33,195	974
04/01/2016	10/31/2016	ST. CLAIR		0	974
11/01/2016	03/31/2017	ST. CLAIR		33,195	974
04/01/2017	10/31/2017	ST. CLAIR		0	974
11/01/2012	03/31/2013		SAULT STE. MARIE TCPL	36,038	1142
04/01/2013	10/31/2013		SAULT STE. MARIE TCPL	0	1142
11/01/2013	03/31/2014		SAULT STE. MARIE TCPL	36,038	1142
04/01/2014	10/31/2014		SAULT STE. MARIE TCPL	0	1142
11/01/2014	03/31/2015		SAULT STE. MARIE TCPL	36,038	1142
04/01/2015	10/31/2015		SAULT STE. MARIE TCPL	0	1142
11/01/2015	03/31/2016		SAULT STE. MARIE TCPL	33,195	1142
04/01/2016	10/31/2016		SAULT STE. MARIE TCPL	0	1142
11/01/2016	03/31/2017		SAULT STE. MARIE TCPL	33,195	1142
04/01/2017	10/31/2017		SAULT STE. MARIE TCPL	0	1142

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Exhibit 99.6

Great lakes
Gas Transmission Company

TRANSPORTATION SERVICE AGREEMENT
Contract Identification FT17593

This Transportation Service Agreement (Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and ANR PIPELINE COMPANY (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. **EFFECTIVE DATE:** November 01, 2017

2. **CONTRACT IDENTIFICATION:** FT17593

3. **RATE SCHEDULE:** FT

4. **SHIPPER TYPE:** Interstate PI

5. **STATE/PROVINCE OF INCORPORATION:** Delaware

6. **TERM:** November 01, 2012 to October 31, 2018

7. **EFFECT ON PREVIOUS CONTRACTS:**

   This Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): Service Agreement dated November 01, 2016 with Contract Identification FT17593.

8. **MAXIMUM DAILY QUANTITY (Dth/Day):** 506,500

   Please see Appendix A for further detail.

9. **RATES:**

   Unless Shipper and Transporter have agreed to a rate other than the maximum rate, rates shall be Transporter's maximum rates and charges plus all applicable surcharges in effect from time to time under the applicable Rate Schedule (as stated above) on file with the Commission unless otherwise agreed to by the parties in writing. Provisions governing a Rate other than the maximum shall be set forth in this Paragraph 9 and/or on Appendix B hereto.

10. **POINTS OF RECEIPT AND DELIVERY:**

    The primary receipt and delivery points are set forth on Appendix A.

11. **RELEASED CAPACITY:**

    N/A

12. **INCORPORATION OF TARIFF INTO AGREEMENT:**

    This Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and the applicable Rate Schedule (as stated above) set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act (NGA) at any time and from time to time to change any rates, charges or provisions set forth in the applicable Rate Schedule (as stated above) and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any such changes

which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.

13. **MISCELLANEOUS:**

No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

14. **OTHER PROVISIONS:**

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this Agreement is limited to assets of the Transporter.

Upon termination of this Agreement, Shipper's and Transporter's obligations to each other arising under this Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this Agreement.

15. **NOTICES AND COMMUNICATIONS:**

All notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission Limited Partnership
Commercial Services
700 Louisiana St., Suite 700
Houston, TX 77002-2700

ANR PIPELINE COMPANY
700 Louisiana St., Suite 700
Houston, TX 77002-2700
Attn:

AGREED TO BY:

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP
By: Great Lakes Gas Transmission Company

/s/ KAY DENNISON

Kay Dennison
Director, Transportation Accounting and Contracts

Dated: January 6, 2017

ANR PIPELINE COMPANY

/s/ JOSEPH E. POLLARD

Joseph E. Pollard
Director, Long Term Marketing

Dated: January 6, 2017

APPENDIX A

Contract Identification FT17593

Date: November 01, 2017
Supersedes Appendix Dated: November 01, 2016

Shipper: ANR PIPELINE COMPANY

Maximum Daily Quantity (Dth/Day) per Location:

Begin Date	End Date	Point(s) of Primary Receipt	Point(s) of Primary Delivery	MDQ	Maximum Allowable Operating Pressure (MAOP)
11/01/2012	03/31/2013	SOUTH CHESTER		100,000	974
11/01/2012	03/31/2013	DEWARD		506,500	974
11/01/2012	03/31/2013	FARWELL		506,500	974
11/01/2012	03/31/2013	MUTTONVILLE		506,500	974
04/01/2013	10/31/2013	DEWARD		207,000	974
04/01/2013	10/31/2013	FARWELL		390,000	974
04/01/2013	10/31/2013	MUTTONVILLE		390,000	974
11/01/2013	03/31/2014	SOUTH CHESTER		100,000	974
11/01/2013	03/31/2014	DEWARD		506,500	974
11/01/2013	03/31/2014	FARWELL		506,500	974
11/01/2013	03/31/2014	MUTTONVILLE		506,500	974
04/01/2014	10/31/2014	SOUTH CHESTER		100,000	974
04/01/2014	10/31/2014	DEWARD		207,000	974
04/01/2014	10/31/2014	FARWELL		207,000	974
04/01/2014	10/31/2014	MUTTONVILLE		207,000	974
11/01/2014	03/31/2015	SOUTH CHESTER		100,000	974
11/01/2014	03/31/2015	DEWARD		506,500	974
11/01/2014	03/31/2015	FARWELL		506,500	974
11/01/2014	03/31/2015	MUTTONVILLE		506,500	974
04/01/2015	10/31/2015	DEWARD		207,000	974
04/01/2015	10/31/2015	FARWELL		207,000	974
04/01/2015	10/31/2015	MUTTONVILLE		207,000	974
11/01/2015	03/31/2016	SOUTH CHESTER		100,000	974
11/01/2015	03/31/2016	DEWARD		506,500	974
11/01/2015	03/31/2016	FARWELL		506,500	974
11/01/2015	03/31/2016	MUTTONVILLE		506,500	974
04/01/2016	10/31/2016	DEWARD		207,000	974
04/01/2016	10/31/2016	FARWELL		207,000	974
04/01/2016	10/31/2016	MUTTONVILLE		207,000	974
11/01/2016	03/31/2017	SOUTH CHESTER		100,000	974
11/01/2016	03/31/2017	DEWARD		506,500	974
11/01/2016	03/31/2017	FARWELL		506,500	974
11/01/2016	03/31/2017	MUTTONVILLE		506,500	974
04/01/2017	10/31/2017	FARWELL		506,500	974
04/01/2017	10/31/2017	MUTTONVILLE		207,000	974
11/01/2017	03/31/2018	SOUTH CHESTER		100,000	974
11/01/2017	03/31/2018	DEWARD		506,500	974
11/01/2017	03/31/2018	FARWELL		506,500	974
11/01/2017	03/31/2018	MUTTONVILLE		506,500	974
04/01/2018	10/31/2018	FARWELL		207,000	974

04/01/2018	10/31/2018	MUTTONVILLE		207,000	974
1/01/2012	03/31/2013		FORTUNE LAKE	506,500	974
11/01/2012	03/31/2013		SOUTH CHESTER	100,000	974
11/01/2012	03/31/2013		DEWARD	506,500	974
11/01/2012	03/31/2013		FARWELL	506,500	974
11/01/2012	03/31/2013		OTISVILLE	100,000	974
11/01/2012	03/31/2013		MUTTONVILLE	100,000	974
04/01/2013	10/31/2013		SOUTH CHESTER	390,000	974
04/01/2013	10/31/2013		DEWARD	390,000	974
11/01/2013	03/31/2014		FORTUNE LAKE	506,500	974
11/01/2013	03/31/2014		SOUTH CHESTER	100,000	974
11/01/2013	03/31/2014		DEWARD	506,500	974
11/01/2013	03/31/2014		FARWELL	506,500	974
11/01/2013	03/31/2014		OTISVILLE	100,000	974
11/01/2013	03/31/2014		MUTTONVILLE	100,000	974
04/01/2014	10/31/2014		SOUTH CHESTER	207,000	974
04/01/2014	10/31/2014		DEWARD	207,000	974
04/01/2014	10/31/2014		FARWELL	506,500	974
11/01/2014	03/31/2015		FORTUNE LAKE	506,500	974
11/01/2014	03/31/2015		SOUTH CHESTER	100,000	974
11/01/2014	03/31/2015		DEWARD	506,500	974
11/01/2014	03/31/2015		FARWELL	506,500	974
11/01/2014	03/31/2015		OTISVILLE	100,000	974
11/01/2014	03/31/2015		MUTTONVILLE	100,000	974
04/01/2015	10/31/2015		SOUTH CHESTER	207,000	974
04/01/2015	10/31/2015		DEWARD	207,000	974
11/01/2015	03/31/2016		FORTUNE LAKE	506,500	974
11/01/2015	03/31/2016		SOUTH CHESTER	100,000	974
11/01/2015	03/31/2016		DEWARD	506,500	974
11/01/2015	03/31/2016		FARWELL	506,500	974
11/01/2015	03/31/2016		OTISVILLE	100,000	974
11/01/2015	03/31/2016		MUTTONVILLE	100,000	974
04/01/2016	10/31/2016		SOUTH CHESTER	207,000	974
04/01/2016	10/31/2016		DEWARD	207,000	974
11/01/2016	03/31/2017		FORTUNE LAKE	506,500	974
11/01/2016	03/31/2017		SOUTH CHESTER	100,000	974
11/01/2016	03/31/2017		DEWARD	506,500	974
11/01/2016	03/31/2017		FARWELL	506,500	974
11/01/2016	03/31/2017		OTISVILLE	100,000	974
11/01/2016	03/31/2017		MUTTONVILLE	100,000	974
04/01/2017	10/31/2017		SOUTH CHESTER	207,000	974
04/01/2017	10/31/2017		DEWARD	207,000	974
11/01/2017	03/31/2018		FORTUNE LAKE	506,500	974
11/01/2017	03/31/2018		SOUTH CHESTER	100,000	974
11/01/2017	03/31/2018		DEWARD	506,500	974
11/01/2017	03/31/2018		FARWELL	506,500	974
11/01/2017	03/31/2018		OTISVILLE	100,000	974
11/01/2017	03/31/2018		MUTTONVILLE	100,000	974
04/01/2018	10/31/2018		SOUTH CHESTER	207,000	974
04/01/2018	10/31/2018		DEWARD	207,000	974

QuickLinks

Exhibit 99.7

TRANSPORTATION SERVICE AGREEMENT
Contract Identification FT18138

This Transportation Service Agreement (Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and ANR PIPELINE COMPANY(Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. **EFFECTIVE DATE:** January 31, 2017

2. **CONTRACT IDENTIFICATION:** FT18138

3. **RATE SCHEDULE:** FT

4. **SHIPPER TYPE:** Interstate Pl

5. **STATE/PROVINCE OF INCORPORATION:** Delaware

6. **TERM:** November 01, 2014 to January 31, 2017

7. **EFFECT ON PREVIOUS CONTRACTS:**

   This Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): Service Agreement dated November 01, 2016 with Contract Identification FT18138.

8. **MAXIMUM DAILY QUANTITY (Dth/Day):** 115,771

   Please see Appendix A for further detail.

9. **RATES:**

   Unless Shipper and Transporter have agreed to a rate other than the maximum rate, rates shall be Transporter's maximum rates and charges plus all applicable surcharges in effect from time to time under the applicable Rate Schedule (as stated above) on file with the Commission unless otherwise agreed to by the parties in writing. Provisions governing a Rate other than the maximum shall be set forth in this Paragraph 9 and/or on Appendix B hereto.

10. **POINTS OF RECEIPT AND DELIVERY:**

    The primary receipt and delivery points are set forth on Appendix A.

11. **RELEASED CAPACITY:**

    N/A

12. **INCORPORATION OF TARIFF INTO AGREEMENT:**

    This Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and the applicable Rate Schedule (as stated above) set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act (NGA) at any time and from time to time to change any rates, charges or provisions set forth in the applicable Rate Schedule (as stated above) and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any such changes

which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.

13. **MISCELLANEOUS:**

No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

14. **OTHER PROVISIONS:**

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this Agreement is limited to assets of the Transporter.

Upon termination of this Agreement, Shipper's and Transporter's obligations to each other arising under this Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this Agreement.

15. **NOTICES AND COMMUNICATIONS:**

All notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission Limited Partnership
Commercial Services
700 Louisiana St., Suite 700
Houston, TX 77002-2700

ANR PIPELINE COMPANY
700 Louisiana St., Suite 700
Houston, TX 77002-2700
Attn:

AGREED TO BY:

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP
By: Great Lakes Gas Transmission Company

/s/ KAY DENNISON

Kay Dennison
Director, Transportation Accounting and Contracts

Dated: January 11, 2017

ANR PIPELINE COMPANY

/s/ JOSEPH E. POLLARD

Joseph E. Pollard
Director, Long Term Marketing

Dated: January 11, 2017

APPENDIX A

Contract Identification FT18138

Date: January 31, 2017
Supersedes Appendix Dated: November 01, 2016

Shipper: ANR PIPELINE COMPANY

Maximum Daily Quantity (Dth/Day) per Location:

Begin Date	End Date	Point(s) of Primary Receipt	Point(s) of Primary Delivery	MDQ	Maximum Allowable Operating Pressure (MAOP)
11/01/2014	03/31/2015	SOUTH CHESTER		115,771	974
11/01/2014	03/31/2015	DEWARD		115,771	974
04/01/2015	10/31/2015	DEWARD		0	974
11/01/2015	03/31/2016	SOUTH CHESTER		115,771	974
11/01/2015	03/31/2016	DEWARD		115,771	974
04/01/2016	10/31/2016	DEWARD		0	974
11/01/2016	01/31/2017	SOUTH CHESTER		115,771	974
11/01/2016	01/31/2017	DEWARD		115,771	974
11/01/2014	03/31/2015		FARWELL	115,771	974
04/01/2015	10/31/2015		FARWELL	0	974
11/01/2015	03/31/2016		FARWELL	115,771	974
04/01/2016	10/31/2016		FARWELL	0	974
11/01/2016	01/31/2017		FARWELL	115,771	974

QuickLinks

Exhibit 99.8

Great lakes
Gas Transmission Company

TRANSPORTATION SERVICE AGREEMENT
Contract Identification FT18139

This Transportation Service Agreement (Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and ANR PIPELINE COMPANY(Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. **EFFECTIVE DATE:** January 31, 2017

2. **CONTRACT IDENTIFICATION:** FT18139

3. **RATE SCHEDULE:** FT

4. **SHIPPER TYPE:** Interstate Pl

5. **STATE/PROVINCE OF INCORPORATION:** Delaware

6. **TERM:** November 01, 2014 to January 31, 2017

7. **EFFECT ON PREVIOUS CONTRACTS:**

   This Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): Service Agreement dated November 01, 2016 with Contract Identification FT18139.

8. **MAXIMUM DAILY QUANTITY (Dth/Day):** 178,440

   Please see Appendix A for further detail.

9. **RATES:**

   Unless Shipper and Transporter have agreed to a rate other than the maximum rate, rates shall be Transporter's maximum rates and charges plus all applicable surcharges in effect from time to time under the applicable Rate Schedule (as stated above) on file with the Commission unless otherwise agreed to by the parties in writing. Provisions governing a Rate other than the maximum shall be set forth in this Paragraph 9 and/or on Appendix B hereto.

10. **POINTS OF RECEIPT AND DELIVERY:**

    The primary receipt and delivery points are set forth on Appendix A.

11. **RELEASED CAPACITY:**

    N/A

12. **INCORPORATION OF TARIFF INTO AGREEMENT:**

    This Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and the applicable Rate Schedule (as stated above) set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act (NGA) at any time and from time to time to change any rates, charges or provisions set forth in the applicable Rate Schedule (as stated above) and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any such changes

which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.

13. **MISCELLANEOUS:**

No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

14. **OTHER PROVISIONS:**

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this Agreement is limited to assets of the Transporter.

Upon termination of this Agreement, Shipper's and Transporter's obligations to each other arising under this Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this Agreement.

15. **NOTICES AND COMMUNICATIONS:**

All notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission Limited Partnership
Commercial Services
700 Louisiana St., Suite 700
Houston, TX 77002-2700

ANR PIPELINE COMPANY
700 Louisiana St., Suite 700
Houston, TX 77002-2700
Attn:

AGREED TO BY:

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP
By: Great Lakes Gas Transmission Company

/s/ KAY DENNISON

Kay Dennison
Director, Transportation Accounting and Contracts

Dated: January 11, 2017

ANR PIPELINE COMPANY

/s/ JOSEPH E. POLLARD

Joseph E. Pollard
Director, Long Term Marketing

Dated: January 11, 2017

APPENDIX A

Contract Identification FT18139

Date: January 31, 2017
Supersedes Appendix Dated: November 01, 2016

Shipper: ANR PIPELINE COMPANY

Maximum Daily Quantity (Dth/Day) per Location:

Begin Date	End Date	Point(s) of Primary Receipt	Point(s) of Primary Delivery	MDQ	Maximum Allowable Operating Pressure (MAOP)
11/01/2014	03/31/2015	DEWARD		178,440	974
04/01/2015	10/31/2015	DEWARD		0	974
11/01/2015	03/31/2016	DEWARD		178,440	974
04/01/2016	10/31/2016	DEWARD		0	974
11/01/2016	01/31/2017	DEWARD		178,440	974
11/01/2014	03/31/2015		FARWELL	178,440	974
04/01/2015	10/31/2015		FARWELL	0	974
11/01/2015	03/31/2016		FARWELL	178,440	974
04/01/2016	10/31/2016		FARWELL	0	974
11/01/2016	01/31/2017		FARWELL	178,440	974

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Exhibit 99.9

Great lakes
Gas Transmission Company

TRANSPORTATION SERVICE AGREEMENT
Contract Identification FT18147

This Transportation Service Agreement (Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and ANR PIPELINE COMPANY(Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. **EFFECTIVE DATE:** November 01, 2017

2. **CONTRACT IDENTIFICATION:** FT18147

3. **RATE SCHEDULE:** FT

4. **SHIPPER TYPE:** Interstate Pl

5. **STATE/PROVINCE OF INCORPORATION:** Delaware

6. **TERM:** November 01, 2014 to October 31, 2018

7. **EFFECT ON PREVIOUS CONTRACTS:**

   This Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): Service Agreement dated November 01, 2016 with Contract Identification FT18147.

8. **MAXIMUM DAILY QUANTITY (Dth/Day):** 303,900

   Please see Appendix A for further detail.

9. **RATES:**

   Unless Shipper and Transporter have agreed to a rate other than the maximum rate, rates shall be Transporter's maximum rates and charges plus all applicable surcharges in effect from time to time under the applicable Rate Schedule (as stated above) on file with the Commission unless otherwise agreed to by the parties in writing. Provisions governing a Rate other than the maximum shall be set forth in this Paragraph 9 and/or on Appendix B hereto.

10. **POINTS OF RECEIPT AND DELIVERY:**

    The primary receipt and delivery points are set forth on Appendix A.

11. **RELEASED CAPACITY:**

    N/A

12. **INCORPORATION OF TARIFF INTO AGREEMENT:**

    This Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and the applicable Rate Schedule (as stated above) set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act (NGA) at any time and from time to time to change any rates, charges or provisions set forth in the applicable Rate Schedule (as stated above) and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any such changes

which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.

13. **MISCELLANEOUS:**

No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

14. **OTHER PROVISIONS:**

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this Agreement is limited to assets of the Transporter.

Upon termination of this Agreement, Shipper's and Transporter's obligations to each other arising under this Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this Agreement.

15. **NOTICES AND COMMUNICATIONS:**

All notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission Limited Partnership
Commercial Services
700 Louisiana St., Suite 700
Houston, TX 77002-2700

ANR PIPELINE COMPANY
700 Louisiana St., Suite 700
Houston, TX 77002-2700
Attn:

AGREED TO BY:

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP
By: Great Lakes Gas Transmission Company

/s/ KAY DENNISON

Kay Dennison
Director, Transportation Accounting and Contracts

Dated: January 6, 2017

ANR PIPELINE COMPANY

/s/ JOSEPH E. POLLARD

Joseph E. Pollard
Director, Long Term Marketing

Dated: January 6, 2017

APPENDIX A

Contract Identification FT18147

Date: November 01, 2017
Supersedes Appendix Dated: November 01, 2016

Shipper: ANR PIPELINE COMPANY

Maximum Daily Quantity (Dth/Day) per Location:

Begin Date	End Date	Point(s) of Primary Receipt	Point(s) of Primary Delivery	MDQ	Maximum Allowable Operating Pressure (MAOP)
11/01/2014	03/31/2015	SOUTH CHESTER		303,900	974
04/01/2015	10/31/2015	SOUTH CHESTER		0	974
11/01/2015	03/31/2016	SOUTH CHESTER		303,900	974
04/01/2016	10/31/2016	SOUTH CHESTER		0	974
11/01/2016	03/31/2017	SOUTH CHESTER		303,900	974
04/01/2017	10/31/2017	SOUTH CHESTER		0	974
11/01/2017	03/31/2018	SOUTH CHESTER		303,900	974
04/01/2018	10/31/2018	SOUTH CHESTER		0	974
11/01/2014	03/31/2015		FORTUNE LAKE	303,900	974
04/01/2015	10/31/2015		FORTUNE LAKE	0	974
11/01/2015	03/31/2016		FORTUNE LAKE	303,900	974
04/01/2016	10/31/2016		FORTUNE LAKE	0	974
11/01/2016	03/31/2017		FORTUNE LAKE	303,900	974
04/01/2017	10/31/2017		FORTUNE LAKE	0	974
11/01/2017	03/31/2018		FORTUNE LAKE	303,900	974
04/01/2018	10/31/2018		FORTUNE LAKE	0	974

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QuickLinks -- Click here to rapidly navigate through this document

Exhibit 99.10

TRANSPORTATION SERVICE AGREEMENT
Contract Identification FT18150

This Transportation Service Agreement (Agreement) is entered into by Great Lakes Gas Transmission Limited Partnership (Transporter) and ANR PIPELINE COMPANY(Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. **EFFECTIVE DATE:** November 01, 2017

2. **CONTRACT IDENTIFICATION:** FT18150

3. **RATE SCHEDULE:** FT

4. **SHIPPER TYPE:** Interstate Pl

5. **STATE/PROVINCE OF INCORPORATION:** Delaware

6. **TERM:** November 01, 2014 to October 31, 2018

7. **EFFECT ON PREVIOUS CONTRACTS:**

   This Agreement supersedes, cancels and terminates, as of the effective date stated above, the following contract(s): Service Agreement dated November 01, 2016 with Contract Identification FT18150.

8. **MAXIMUM DAILY QUANTITY (Dth/Day):** 101,300

   Please see Appendix A for further detail.

9. **RATES:**

   Unless Shipper and Transporter have agreed to a rate other than the maximum rate, rates shall be Transporter's maximum rates and charges plus all applicable surcharges in effect from time to time under the applicable Rate Schedule (as stated above) on file with the Commission unless otherwise agreed to by the parties in writing. Provisions governing a Rate other than the maximum shall be set forth in this Paragraph 9 and/or on Appendix B hereto.

10. **POINTS OF RECEIPT AND DELIVERY:**

    The primary receipt and delivery points are set forth on Appendix A.

11. **RELEASED CAPACITY:**

    N/A

12. **INCORPORATION OF TARIFF INTO AGREEMENT:**

    This Agreement shall incorporate and in all respects be subject to the "General Terms and Conditions" and the applicable Rate Schedule (as stated above) set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, as may be revised from time to time. Transporter may file and seek Commission approval under Section 4 of the Natural Gas Act (NGA) at any time and from time to time to change any rates, charges or provisions set forth in the applicable Rate Schedule (as stated above) and the "General Terms and Conditions" in Transporter's FERC Gas Tariff, Third Revised Volume No. 1, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any such changes

which become effective by operation of law and Commission Order, without prejudice to Shipper's right to protest the same.

13. **MISCELLANEOUS:**

No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Any controversy between the parties arising under this Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Michigan.

14. **OTHER PROVISIONS:**

It is agreed that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Partner, agent, management official or employee of the Transporter or any director, officer or employee of any of the foregoing, for any obligation of the Transporter arising under this Agreement or for any claim based on such obligation and that the sole recourse of Shipper under this Agreement is limited to assets of the Transporter.

Upon termination of this Agreement, Shipper's and Transporter's obligations to each other arising under this Agreement, prior to the date of termination, remain in effect and are not being terminated by any provision of this Agreement.

15. **NOTICES AND COMMUNICATIONS:**

All notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:

ADMINISTRATIVE MATTERS

Great Lakes Gas Transmission Limited Partnership Commercial Services 700 Louisiana St., Suite 700 Houston, TX 77002-2700	ANR PIPELINE COMPANY 700 Louisiana St., Suite 700 Houston, TX 77002-2700 Attn:

AGREED TO BY:

GREAT LAKES GAS TRANSMISSION LIMITED PARTNERSHIP **By: Great Lakes Gas Transmission Company**	**ANR PIPELINE COMPANY**
/s/ KAY DENNISON	/s/ JOSEPH E. POLLARD
Kay Dennison Director, Transportation Accounting and Contracts	Joseph E. Pollard Director, Long Term Marketing
Dated: January 06, 2017	Dated: January 06, 2017

APPENDIX A

Contract Identification FT18150

Date: November 01, 2017
Supersedes Appendix Dated: November 01, 2016

Shipper: ANR PIPELINE COMPANY

Maximum Daily Quantity (Dth/Day) per Location:

Begin Date	End Date	Point(s) of Primary Receipt	Point(s) of Primary Delivery	MDQ	Maximum Allowable Operating Pressure (MAOP)
11/01/2014	03/31/2015	SOUTH CHESTER		101,300	974
11/01/2014	03/31/2015	DEWARD		101,300	974
04/01/2015	10/31/2015	SOUTH CHESTER		0	974
11/01/2015	03/31/2016	SOUTH CHESTER		101,300	974
11/01/2015	03/31/2016	DEWARD		101,300	974
04/01/2016	10/31/2016	SOUTH CHESTER		0	974
11/01/2016	03/31/2017	SOUTH CHESTER		101,300	974
11/01/2016	03/31/2017	DEWARD		101,300	974
04/01/2016	10/31/2017	SOUTH CHESTER		0	974
11/01/2017	03/31/2018	SOUTH CHESTER		101,300	974
11/01/2017	03/31/2018	DEWARD		101,300	974
04/01/2018	10/31/2018	SOUTH CHESTER		0	974
11/01/2014	03/31/2015		FARWELL	101,300	974
04/01/2015	10/31/2015		FARWELL	0	974
11/01/2015	03/31/2016		FARWELL	101,300	974
04/01/2016	10/31/2016		FARWELL	0	974
11/01/2016	03/31/2017		FARWELL	101,300	974
04/01/2017	10/31/2017		FARWELL	0	974
11/01/2017	03/31/2018		FARWELL	101,300	974
04/01/2018	10/31/2018		FARWELL	0	974

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