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

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **February 20, 2007**

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

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

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

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

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

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

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Common Unit Purchase Agreement.

On February 20, 2007, TC PipeLines, LP (the "Partnership") entered into a Common Unit Purchase Agreement (the "Purchase Agreement") with certain institutional investors (the "Purchasers") to sell 17,356,086 common units at $34.57 per common unit for gross proceeds of approximately $600 million in a private placement (the "Offering"). The Offering closed on February 22, 2007. The institutional investors, led by Kayne Anderson Capital Advisors L.P. and Tortoise Capital Advisors, acquired 8,678,041 common units for approximately $300 million. In addition, TransCan Northern Ltd., a wholly owned subsidiary of TransCanada Corporation ("TransCan"), acquired 8,678,045 common units for approximately $300 million. The Offering was made in reliance upon an exemption from the registration requirements of the Securities Act of 1933 pursuant to Section 4(2) thereof.

The Partnership used the net proceeds from the Offering to fund a portion of the cash consideration for the Partnership's previously announced proposed acquisition of a 46.45% general partner interest in Great Lakes Gas Transmission Limited Partnership, which also closed on February 22, 2007 (the "Acquisition").

Pursuant to the Purchase Agreement, the Partnership agreed to indemnify the Purchasers and their respective officers, directors and other representatives against certain losses resulting from any breach of the Partnership's representations, warranties or covenants contained therein.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified by the Purchase Agreement, which is attached as Exhibit 10.1 to this Form 8-K.

The Partnership's press release regarding the private placement is attached as Exhibit 99.1 to this Form 8-K.

Registration Rights Agreement

In connection with the Offering, the Partnership entered into a registration rights agreement (the "Registration Rights Agreement") dated February 22, 2007 with the Purchasers. A copy of the Registration Rights Agreement is filed as Exhibit 4.1 to this Form 8-K and is incorporated herein by reference. Pursuant to the Registration Rights Agreement, the Partnership is required to file a shelf registration statement to register the Common Units issued to the Purchasers within 30 days, and use its commercially reasonable efforts to cause the registration statement to become effective within 90 days of the filing of

the registration statement. In addition, the Registration Rights Agreement gives the Purchasers piggyback registration rights under certain circumstances. These registration rights are transferable to affiliates and, in certain circumstances, to third parties.

If the shelf registration statement is not effective by June 22, 2007, then the Partnership must pay the Purchasers, except TransCan, liquidated damages of 0.25% of the product of the purchase price times the number of registrable securities held by the Purchasers per 30-day period for the first 60 days following the 120th day. This amount will increase by an additional 0.25% of the product of the purchase price times the number of registrable securities held by the

Purchasers per 30-day period for each subsequent 60 days, up to a maximum of 1.0% of the product of the purchase price times the number of registrable securities held by the Purchasers per 30-day period. The aggregate amount of liquidated damages the Partnership must pay will not exceed 10.0% of the aggregate purchase price.

Item 2.01 Completion of Acquisition or Disposition of Assets

On February 22, 2007, TC GL Intermediate Limited Partnership, a wholly-owned subsidiary of the Partnership, completed the acquisition of a 46.45% general partnership interest in Great Lakes Gas Transmission Limited Partnership ("Great Lakes"). The Acquisition was made pursuant to the Purchase and Sale Agreement dated as of December 22, 2006 among El Paso Great Lakes Company, L.L.C., the seller, and TC GL Intermediate Limited Partnership and TransCanada USA Ltd. (the "Acquisition Agreement"), for a total purchase price of approximately $962 million, subject to certain closing adjustments, including the indirect assumption of approximately $212 million of debt of Great Lakes. The purchase price of the Acquisition was determined through negotiations between the parties.

The Acquisition was financed through a combination of debt and equity. The proceeds of the Offering described under Item 1.01 above were applied to the Acquisition. The balance of the purchase price was funded through the term loan as described under Item 2.03 below.

Prior to the Acquisition, TransCanada Corporation ("TransCanada"), the parent company of TC PipeLines GP, Inc., the sole general partner of the Partnership, held a 50% general partnership interest in Great Lakes. TransCanada has simultaneously closed the acquisition of ANR Pipeline Company, together with an additional 3.55% interest in Great Lakes. As a result of the aforementioned acquisitions, TransCanada is the operator of Great Lakes and holds a 53.55% interest.

The information set forth under Items 1.01 and 2.03 of this Form 8-K is incorporated herein by reference. The information set forth under Item 1.01 of TC PipeLines, LP's Form 8-K filed February 13, 2007, is also incorporated by reference herein.

The foregoing description of the Acquisition Agreement does not purport to be complete and is qualified by the Acquisition Agreement, which was attached as Exhibit 2.1 of TC PipeLines, LP's Form 8-K filed December 22, 2006.

The Partnership's press release regarding the closing of the Acquisition is attached as Exhibit 99.2 to this Form 8-K.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

In conjunction with the Acquisition, the Partnership borrowed approximately $126 million pursuant to its Credit Agreement by and among the Partnership, SunTrust Bank and the other parties named therein as of February 13, 2007 (the "Credit Agreement") to fund the balance of the purchase price of the Acquisition.

The terms of the Credit Agreement are described under Item 1.01 of TC PipeLines, LP's Form 8-K filed February 13, 2007 and are incorporated by reference herein.

Item 3.02 Unregistered Sales of Equity Securities

The information set forth under Item 1.01 above is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(a) Financial *Statements of Businesses Acquired*

Not filed herewith. Pursuant to Item 9.01(a)(4) of Form 8-K, the Partnership undertakes to file such information by amendment to this report not later than May 10, 2007 (71 calendar days after February 28, 2007).

(b) *Pro Forma Financial Information*

Not filed herewith. Pursuant to Item 9.01(a)(4) of Form 8-K, the Partnership undertakes to file such information by amendment to this report not later than May 10, 2007 (71 calendar days after February 28, 2007).

(d) *Exhibits*

2.1 Purchase and Sale Agreement dated as of December 22, 2006 among El Paso Great Lakes Company, L.L.C., as Seller and TC GL Intermediate Limited Partnership and TransCanada USA Ltd., as Buyers. (Incorporated by reference to Exhibit 2.1 of TC PipeLines, LP's Form 8-K filed December 22, 2006 (File No. 000-26091)).

4.1 Registration Rights Agreement, dated February 22, 2007, by and among TC PipeLines, LP and the purchasers thereto.

10.1 Common Unit Purchase Agreement, dated February 20, 2007, by and among TC PipeLines, LP and the purchasers thereto.

99.1 Press Release dated February 21, 2007.

99.2 Press Release dated February 22, 2007.

SIGNATURES

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

TC PipeLines, LP

by: TC PipeLines GP, Inc.,
its general partner

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

Dated: February 23, 2007

EXHIBIT INDEX

Exhibit No.	Description
2.1	Purchase and Sale Agreement dated as of December 22, 2006 among El Paso Great Lakes Company, L.L.C., as Seller and TC GL Intermediate Limited Partnership and TransCanada USA Ltd., as Buyers. (Incorporated by reference to Exhibit 2.1 of TC PipeLines, LP's Form 8-K filed December 22, 2006 (File No. 000-26091))
4.1	Registration Rights Agreement, dated February 22, 2007, by and among TC PipeLines, LP and the purchasers thereto.
10.1	Common Unit Purchase Agreement, dated February 20, 2007, by and among TC PipeLines, LP and the purchasers thereto.
99.1	Press Release dated February 21, 2007.
99.2	Press Release dated February 22, 2007.

Exhibit 4.1

EXECUTION COPY

REGISTRATION RIGHTS AGREEMENT

BY AND AMONG

TC PIPELINES, LP

AND

THE PURCHASERS NAMED HEREIN

DATED

FEBRUARY 22, 2007

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REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement"), dated as of February 22, 2007, by and among TC PIPELINES, LP, a Delaware limited partnership (the "Partnership"), and each of the purchasers set forth on Exhibit A (each, a "Purchaser" and, collectively, the "Purchasers").

WHEREAS, this Agreement is made in connection with the Closing of the issuance and sale of the Units pursuant to the Common Unit Purchase Agreement, dated as of February 20, 2007, by and among the Partnership and the Purchasers (the "Purchase Agreement");

WHEREAS, the Partnership has agreed to provide the registration and other rights set forth in this Agreement for the benefit of the Purchasers pursuant to the Purchase Agreement; and

WHEREAS, it is a condition to the obligations of each Purchaser and the Partnership under the Purchase Agreement that this Agreement be executed and delivered.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Capitalized terms used herein without definition shall have the meanings given to them in the Purchase Agreement. The terms set forth below are used herein as so defined:

"Agreement" has the meaning specified therefor in the introductory paragraph.

"Effectiveness Period" has the meaning specified therefor in Section 2.1(a)(i) of this Agreement.

"Holder" means the record holder of any Registrable Securities.

"Included Registrable Securities" has the meaning specified therefor in Section 2.2(a) of this Agreement.

"Liquidated Damages" has the meaning specified therefor in Section 2.1(a)(ii) of this Agreement.

"Liquidated Damages Multiplier" means the product of $34.57 times the number of Registrable Securities then held by such Purchaser.

"Losses" has the meaning specified therefor in Section 2.7(a) of this Agreement.

"Managing Underwriter" means, with respect to any Underwritten Offering, the book-running lead manager of such Underwritten Offering.

"Opt-Out Notice" has the meaning specified therefor in Section 2.2(a) of this Agreement.

"Partnership" has the meaning specified therefor in the introductory paragraph of this Agreement.

"Purchase Agreement" has the meaning specified therefor in the Recitals of this Agreement.

"Purchaser" and "Purchasers" have the meanings specified therefor in the introductory paragraph of this Agreement.

"Purchaser Underwriter Registration Statement" has the meaning specified therefor in Section 2.3(o) of this Agreement.

"Registrable Securities" means: (i) the Units and (ii) any Common Units issued as Liquidated Damages pursuant to this Agreement prior to the effectiveness of the Registration Statement, all of which Registrable Securities are subject to the rights provided herein until such rights terminate pursuant to the provisions hereof.

"Registration Expenses" has the meaning specified therefor in Section 2.6(a) of this Agreement.

"Registration Statement" has the meaning specified therefor in Section 2.1(a)(i) of this Agreement.

"Selling Expenses" has the meaning specified therefor in Section 2.6(a) of this Agreement.

"Selling Holder" means a Holder who is selling Registrable Securities pursuant to a registration statement.

"Underwritten Offering" means an offering (including an offering pursuant to a Registration Statement) in which Common Units are sold to an underwriter for reoffering to the public or an offering that is a "bought deal" with one or more investment banks.

Section 1.2 Registrable Securities. Any Registrable Security will cease to be a Registrable Security when: (a) a registration statement covering such Registrable Security has been declared effective by the Commission and such Registrable Security has been sold or disposed of pursuant to such effective registration statement; (b) such Registrable Security has been disposed of pursuant to any section of Rule 144 (or any similar provision then in force) under the Securities Act; (c) such Registrable Security can be disposed of pursuant to Rule 144(k) (or any similar provision then in force) under the Securities Act; (d) such Registrable Security is held by the Partnership or one of its Subsidiaries; or (e) such Registrable Security has

been sold in a private transaction in which the transferor's rights under this Agreement are not assigned to the transferee of such securities.

ARTICLE II

REGISTRATION RIGHTS

Section 2.1 Registration.

(a) Registration.

(i) *Deadline To Go Effective*. As soon as practicable following the Closing, but in any event within 30 days of the Closing Date, the Partnership shall prepare and file a shelf registration statement on Form S-3 under the Securities Act to permit the resale of the Registrable Securities from time to time, including as permitted by Rule 415 under the Securities Act (or any similar provision then in force) under the Act with respect to all of the Registrable Securities (the "Registration Statement"). The Partnership shall use its commercially reasonable efforts to cause the Registration Statement to become effective no later than 90 days following the date the Registration Statement is filed. The Partnership will use its commercially reasonable efforts to cause the Registration Statement filed pursuant to this Section 2.1 to be continuously effective under the Securities Act until the earlier of (i) the date as of which all such Registrable Securities are sold by the Purchasers, (ii) the date when such Registrable Securities become eligible for resale under Rule 144(k) (or any similar provision then in force) under the Securities Act, or two years from the date the Registration Statement is declared effective by the Commission (the "Effectiveness Period"). The Registration Statement, when declared effective (including the documents incorporated therein by reference), shall comply as to form with all applicable requirements of the Securities Act and the Exchange Act and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(ii) *Failure To Go Effective*. If the Registration Statement required by Section 2.1 of this Agreement is not declared effective within 120 days after the Closing Date, then each Purchaser that is not a TransCanada Purchaser shall be entitled to a payment with respect to the Units of each such Purchaser, as liquidated damages and not as a penalty, of 0.25% of the Liquidated Damages Multiplier per 30-day period for the first 60 days following the 120th day after the Closing Date, increasing by an additional 0.25% of the Liquidated Damages Multiplier per 30-day period for each subsequent 60 days, up to a maximum of 1.00% of the Liquidated Damages Multiplier per 30-day period (the "Liquidated Damages"). The maximum aggregate Liquidated Damages shall not exceed 10% of the gross proceeds from the sale of the Units pursuant to the Purchase Agreement to Purchasers that are not TransCanada Purchasers. The Liquidated Damages payable pursuant to the immediately preceding sentence shall be payable within ten Business Days of the end of each such 30-day period. Any Liquidated Damages shall be paid to each eligible Purchaser in cash or immediately available funds; *provided*, *however*, if the Partnership certifies that it is unable to pay Liquidated Damages in cash

or immediately available funds because such payment would result in a breach under any of the Partnership's or the Partnership's Subsidiaries' credit facilities or other indebtedness filed as exhibits to the Partnership SEC Documents, then the Partnership may pay the Liquidated Damages in kind in the form of the issuance of additional Common Units. Upon any issuance of Common Units as Liquidated Damages, the Partnership shall promptly prepare and file an amendment to the Registration Statement prior to its effectiveness adding such Common Units to such Registration Statement as additional Registrable Securities. The determination of the number of Common Units to be issued as Liquidated Damages shall be equal to the amount of Liquidated Damages divided by the volume weighted average closing price of the Common Units on The Nasdaq Global Select Market for the ten trading days immediately preceding the date on which the Liquidated Damages payment is due, less a discount of 2%. The payment of Liquidated Damages to a Purchaser shall cease at such time as the Units of such Purchaser become eligible for resale under Rule 144(k) under the Securities Act. As soon as practicable following the date that the Registration Statement becomes effective, but in any event within two Business Days of such date, the Partnership shall provide the Purchasers with written notice of the effectiveness of the Registration Statement.

(iii) *Waiver of Liquidated Damages*. If the Partnership is unable to cause a Registration Statement to go effective within 120 days following the Closing Date as a result of an acquisition, merger, reorganization, disposition or other similar transaction, then the Partnership may request a waiver of the Liquidated Damages, which may be granted or withheld by the consent of the Holders of a majority of the Units that are not held by TransCanada Purchasers, taken as a whole, in their sole discretion. A Purchaser's rights (and any transferee's rights pursuant to Section 2.10 of this Agreement) under this Section 2.1 shall terminate upon the earlier of (i) when all such Registrable Securities are sold by such Purchaser or transferee, as applicable, and (ii) when such Registrable Securities become eligible for resale under Rule 144(k) (or any similar provision then in force) under the Securities Act.

(b) Delay Rights. Notwithstanding anything to the contrary contained herein, the Partnership may, upon written notice to any Selling Holder whose Registrable Securities are included in the Registration Statement, suspend such Selling Holder's use of any prospectus which is a part of the Registration Statement (in which event the Selling Holder shall discontinue sales of the Registrable Securities pursuant to the Registration Statement but may settle any such existing sales) if (i) the Partnership is pursuing an acquisition, merger, reorganization, disposition or other similar transaction and the Partnership determines in good faith that the Partnership's ability to pursue or consummate such a transaction would be materially adversely affected by any required disclosure of such transaction in the Registration Statement or (ii) the Partnership has experienced some other material non-public event the disclosure of which at such time, in the good faith judgment of the Partnership, would materially adversely affect the Partnership; *provided*, *however*, in no event shall the Purchasers be suspended for a period that exceeds an aggregate of 30 days in any 90-day period or 90 days in any 365-day period. Upon disclosure of such information or the termination of the condition described above, the Partnership shall provide prompt notice to the Selling Holders whose Registrable Securities are included in the Registration Statement, shall promptly terminate any suspension of sales it has

put into effect and shall take such other actions to permit registered sales of Registrable Securities as contemplated in this Agreement.

(c) Additional Rights to Liquidated Damages. If (i) the Holders shall be prohibited from selling their Registrable Securities under the Registration Statement as a result of a suspension pursuant to Section 2.1(b) of this Agreement in excess of the periods permitted therein or (ii) the Registration Statement is filed and declared effective but, during the Effectiveness Period, shall thereafter cease to be effective or fail to be usable for its intended purpose without being succeeded by a post-effective amendment to the Registration Statement, a supplement to the prospectus or a report filed with the Commission pursuant to Section 13(a), 13(c), 14 or l5(d) of the Exchange Act, then, until the suspension is lifted or a post-effective amendment, supplement or report is filed with the Commission, but not including any day on which a suspension is lifted or such amendment, supplement or report is filed and declared effective, if applicable, the Partnership shall owe the Holders (other than TransCanada Purchasers) an amount equal to the Liquidated Damages, following (x) the date on which the suspension period exceeded the permitted period under 2.1(b) of this Agreement or (y) the day after the Registration

Statement ceased to be effective or failed to be useable for its intended purposes, as liquidated damages and not as a penalty. For purposes of this Section 2.1(c), a suspension shall be deemed lifted on the date that notice that the suspension has been lifted is delivered to the Holders pursuant to Section 3.1 of this Agreement.

Section 2.2 Piggyback Rights.

(a) Participation. If at any time after 120 days after the Closing Date the Partnership proposes to file (i) a prospectus supplement to an effective shelf registration statement, other than the Registration Statement contemplated by Section 2.1 of this Agreement, or (ii) a registration statement, other than a shelf registration statement, in either case, for the sale of Common Units in an Underwritten Offering for its own account and/or another Person, then as soon as practicable but not less than three Business Days prior to the filing of (x) any preliminary prospectus supplement relating to such Underwritten Offering pursuant to Rule 424(b) under the Securities Act, (y) the prospectus supplement relating to such Underwritten Offering pursuant to Rule 424(b) under the Securities Act (if no preliminary prospectus supplement is used) or (z) such registration statement, as the case may be, then the Partnership shall give notice of such proposed Underwritten Offering to the Holders and such notice shall offer the Holders the opportunity to include in such Underwritten Offering such number of Registrable Securities (the "Included Registrable Securities") as each such Holder may request in writing; *provided*, *however*, that if the Partnership has been advised by the Managing Underwriter that the inclusion of Registrable Securities for sale for the benefit of the Holders in the amounts requested by the Holders will have a material adverse effect on the price, timing or distribution of the Common Units in the Underwritten Offering, then the amount of Registrable Securities to be offered for the accounts of Holders shall be determined based on the provisions of Section 2.2(b) of this Agreement. The notice required to be provided in this Section 2.2(a) to Holders shall be provided on a Business Day pursuant to Section 3.1 hereof and receipt of such notice shall be confirmed by such Holder. Each such Holder shall then have three Business Days after receiving such notice to request inclusion of Registrable Securities in the Underwritten Offering, except that such Holder shall have one Business Day after such Holder confirms receipt of the notice to request inclusion of Registrable Securities in the Underwritten Offering in the case of a "bought

deal" or "overnight transaction" where no preliminary prospectus is used. If no request for inclusion from a Holder is received within the specified time, such Holder shall have no further right to participate in such Underwritten Offering. If, at any time after giving written notice of its intention to undertake an Underwritten Offering and prior to the closing of such Underwritten Offering, the Partnership shall determine for any reason not to undertake or to delay such Underwritten Offering, the Partnership may, at its election, give written notice of such determination to the Selling Holders and, (x) in the case of a determination not to undertake such Underwritten Offering, shall be relieved of its obligation to sell any Included Registrable Securities in connection with such terminated Underwritten Offering, and (y) in the case of a determination to delay such Underwritten Offering, shall be permitted to delay offering any Included Registrable Securities for the same period as the delay in the Underwritten Offering. Any Selling Holder shall have the right to withdraw such Selling Holder's request for inclusion of such Selling Holder's Registrable Securities in such offering by giving written notice to the Partnership of such withdrawal up to and including the time of pricing of such offering. Each Holder's rights under this Section 2.2(a) are subject to a minimum request for inclusion of $5 million and shall terminate when such Holder (together with any Affiliates of such Holder) holds less than $15 million of Units. Notwithstanding the foregoing, any Holder may deliver written notice (an "Opt-Out Notice") to the Partnership requesting that such Holder not receive notice from the Partnership of any proposed Underwritten Offering; *provided* that such Holder may later revoke any such notice.

(b) Priority of Rights. If the Managing Underwriter or Underwriters of any proposed Underwritten Offering of Common Units included in an Underwritten Offering pursuant to Section 2.2(a), involving Included Registrable Securities advises the Partnership, or the Partnership reasonably determines, that the total amount of Common Units that the Selling Holders and any other Persons intend to include in such offering exceeds the number that can be sold in such offering without being likely to have a material adverse effect on the price, timing or distribution of the Common Units offered or the market for the Common Units, then the Common Units to be included in such Underwritten Offering shall include the number of Registrable Securities that such Managing Underwriter or Underwriters advises the Partnership, or the Partnership reasonably determines, can be sold without having such adverse effect. The Common Units to be included in the Offering shall be allocated (i) first, to the Partnership, and (ii) second, pro rata among the Selling Holders who have requested participation in such Underwritten Offering. The pro rata allocations for each such Selling Holder shall be the product of (a) the aggregate number of Common Units proposed to be sold by all Selling Holders in such Underwritten Offering (after reduction as provided above) multiplied by (b) the fraction derived by dividing (x) the number of Common Units owned on the Closing Date by such Selling Holder by (y) the aggregate number of Common Units owned on the Closing Date by all Selling Holders participating in the Underwritten Offering. All participating Selling Holders shall have the opportunity to share pro rata that portion of such priority allocable to any Selling Holder(s) not so participating. As of the date of execution of this Agreement, there are no other Persons with Registration Rights relating to Common Units other than as described in this Section 2.2(b) and in the Partnership Agreement.

(c) General Procedures for Underwritten Offering. In connection with any Underwritten Offering under this Agreement, the Partnership shall be entitled to select the Managing Underwriter or Underwriters. In connection with an Underwritten Offering

contemplated by this Agreement in which a Selling Holder participates, each Selling Holder and the Partnership shall be obligated to enter into an underwriting agreement that contains such representations, covenants, indemnities and other rights and obligations as are customary in underwriting agreements for firm commitment offerings of securities. No Selling Holder may participate in such Underwritten Offering unless such Selling Holder agrees to sell its Registrable Securities on the basis provided in such underwriting agreement and completes and executes all questionnaires, powers of attorney, indemnities and other documents reasonably required under the terms of such underwriting agreement. Each Selling Holder may, at its option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Partnership to and for the benefit of such underwriters also be made to and for such Selling Holder's benefit and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also be conditions precedent to its obligations. No Selling Holder shall be required to make any representations or warranties to or agreements with the Partnership or the underwriters other than representations, warranties or agreements regarding such Selling Holder and its ownership of the securities being registered on its behalf, its intended method of distribution and any other representation required by Law. If any Selling Holder disapproves of the terms of an underwriting, such Selling Holder may elect to withdraw therefrom by notice to the Partnership and the Managing Underwriter; *provided*,

however, that such withdrawal must be made up to and including the time of pricing of such Underwritten Offering. No such withdrawal or abandonment shall affect the Partnership's obligation to pay Registration Expenses.

Section 2.3 Sale Procedures. In connection with its obligations under this Article II, the Partnership will, as expeditiously as possible:

(a) prepare and file with the Commission such amendments and supplements to the Registration Statement and the prospectus used in connection therewith as may be necessary to keep the Registration Statement effective for the Effectiveness Period and as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by the Registration Statement;

(b) if a prospectus supplement will be used in connection with the marketing of an Underwritten Offering from the Registration Statement and the Managing Underwriter at any time shall notify the Partnership in writing that, in the sole judgment of such Managing Underwriter, inclusion of detailed information to be used in such prospectus supplement is of material importance to the success of the Underwritten Offering of such Registrable Securities, use its commercially reasonable efforts to include such information in such prospectus supplement;

(c) furnish to each Selling Holder (i) as far in advance as reasonably practicable before filing the Registration Statement or any other registration statement contemplated by this Agreement or any supplement or amendment thereto, upon request, copies of reasonably complete drafts of all such documents proposed to be filed (including exhibits and each document incorporated by reference therein to the extent then required by the rules and regulations of the Commission), and provide each such Selling Holder the opportunity to object to any information pertaining to such Selling Holder and its plan of distribution that is contained therein and make the corrections reasonably requested by such Selling Holder with respect to

such information prior to filing the Registration Statement or such other registration statement or supplement or amendment thereto, and (ii) such number of copies of the Registration Statement or such other registration statement and the prospectus included therein and any supplements and amendments thereto as such Persons may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities covered by such Registration Statement or other registration statement;

(d) if applicable, use its commercially reasonable efforts to register or qualify the Registrable Securities covered by the Registration Statement or any other registration statement contemplated by this Agreement under the securities or blue sky laws of such jurisdictions as the Selling Holders or, in the case of an Underwritten Offering, the Managing Underwriter, shall reasonably request; *provided*, *however*, that the Partnership will not be required to qualify generally to transact business in any jurisdiction where it is not then required to so qualify or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;

(e) promptly notify each Selling Holder and each underwriter of Registrable Securities, at any time when a prospectus relating thereto is required to be delivered by any of them under the Securities Act, of (i) the filing of the Registration Statement or any other registration statement contemplated by this Agreement or any prospectus or prospectus supplement to be used in connection therewith, or any amendment or supplement thereto, and, with respect to such Registration Statement or any other registration statement or any post-effective amendment thereto, when the same has become effective; and (ii) any written comments from the Commission with respect to any filing referred to in clause (i) and any written request by the Commission for amendments or supplements to the Registration Statement or any other registration statement or any prospectus or prospectus supplement thereto;

(f) promptly notify each Selling Holder and each underwriter of Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of (i) the happening of any event as a result of which the prospectus or prospectus supplement contained in the Registration Statement or any other registration statement contemplated by this Agreement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; (ii) the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any other registration statement contemplated by this Agreement, or the initiation of any proceedings for that purpose; or (iii) the receipt by the Partnership of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction. Following the provision of such notice, the Partnership agrees to as promptly as practicable amend or supplement the prospectus or prospectus supplement or take other appropriate action so that the prospectus or prospectus supplement does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing and to take such other action as is necessary to remove a stop order, suspension or proceedings related thereto;

(g) upon request and subject to appropriate confidentiality obligations, furnish to each Selling Holder copies of any and all transmittal letters or other correspondence with the Commission or any other governmental agency or self-regulatory body or other body having jurisdiction (including any domestic or foreign securities exchange) relating to such offering of Registrable Securities;

(h) in the case of an Underwritten Offering, furnish upon request, (i) an opinion of counsel for the Partnership dated the effective date of the applicable registration statement or the date of any amendment or supplement thereto, and a letter of like kind dated the date of the closing under the underwriting agreement, and (ii) a "cold comfort" letter, dated the date of the applicable registration statement or the date of any amendment or supplement thereto and a letter of like kind dated the date of the closing under the underwriting agreement, in each case, signed by the independent public accountants who have certified the Partnership's financial statements included or incorporated by reference into the applicable registration statement, and each of the opinion and the "cold comfort" letter shall be in customary form and covering substantially the same matters with respect to such registration statement (and the prospectus and any prospectus supplement included therein) as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to the underwriters in Underwritten Offerings of securities and such other matters as such underwriters or Selling Holders may reasonably request;

(i) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 promulgated thereunder;

(j) make available to the appropriate representatives of the Managing Underwriter and the Selling Holders access to such information and the Partnership personnel as is reasonable and customary to enable such parties to establish a due diligence defense under the Securities Act; *provided*, *however*, that the Partnership need not disclose any such information to any such representative unless and until such representative has entered into or is otherwise subject to a confidentiality agreement with the Partnership satisfactory to the Partnership (including any confidentiality agreement referenced in Section 9.6 of the Purchase Agreement);

(k) cause all such Registrable Securities registered pursuant to this Agreement to be listed on each securities exchange on which similar securities issued by the Partnership are then listed;

(l) use its commercially reasonable efforts to cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Partnership to enable the Selling Holders to consummate the disposition of such Registrable Securities;

(m) provide a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(n) enter into customary agreements and take such other actions as are reasonably requested by the Selling Holders or the underwriters, if any, in order to expedite or facilitate the disposition of such Registrable Securities; and

(o) the Partnership agrees that, if any Purchaser, upon written advice of legal counsel, could reasonably be deemed to be an "underwriter," as defined in Section 2(a)(11) of the Securities Act, in connection with the registration statement in respect of any registration of the Partnership's securities of any Purchaser pursuant to this Agreement, and any amendment or supplement thereof (any such registration statement or amendment or supplement a "Purchaser Underwriter Registration Statement"), then the Partnership will cooperate with such Purchaser in allowing such Purchaser to conduct customary "underwriter's due diligence" with respect to the Partnership and satisfy its obligations in respect thereof. In addition, at such Purchaser's request, the Partnership will furnish to such Purchaser, on the date of the effectiveness of any Purchaser Underwriter Registration Statement and thereafter, upon the sale of Registrable Securities in excess of $5,000,000, on such dates as such Purchaser may reasonably request, (i) a letter, dated such date, from the Partnership's independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to such Purchaser, and (ii) an opinion, dated as of such date, of counsel representing the Partnership for purposes of such Purchaser Underwriter Registration Statement, in form, scope and substance as is customarily given in an underwritten public offering, including a standard "10b-5" opinion for such offering, addressed to such Purchaser. The Partnership will also permit legal counsel to such Purchaser to review and comment upon any such Purchaser Underwriter Registration Statement at least three Business Days prior to its filing with the Commission and all amendments and supplements to any such Purchaser Underwriter Registration Statement within a reasonable number of days prior to their filing with the Commission.

Each Selling Holder, upon receipt of notice from the Partnership of the happening of any event of the kind described in Section 2.3(f) of this Agreement, shall forthwith discontinue disposition of the Registrable Securities until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 2.3(f) of this Agreement or until it is advised in writing by the Partnership that the use of the prospectus may be resumed, and has received copies of any additional or supplemental filings incorporated by reference in the prospectus, and, if so directed by the Partnership, such Selling Holder will, or will request the managing underwriter or underwriters, if any, to deliver to the Partnership (at the Partnership's expense) all copies in their possession or control, other than permanent file copies then in such Selling Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

If requested by a Purchaser, the Partnership shall: (i) as soon as practicable incorporate in a prospectus supplement or post-effective amendment such information as such Purchaser reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) as soon as practicable make all required filings of such prospectus supplement or post-effective amendment after being notified

of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) as soon as practicable, supplement or make amendments to any Registration Statement.

Section 2.4 Cooperation by Holders. The Partnership shall have no obligation to include in the Registration Statement Common Units of a Holder or in an Underwritten Offering pursuant to Section 2.2 of this Agreement, Common Units of a Selling Holder, who has failed to timely furnish such information that, in the opinion of counsel to the Partnership, is reasonably required in order for the registration statement or prospectus supplement, as applicable, to comply with the Securities Act.

Section 2.5 Restrictions on Public Sale by Holders of Registrable Securities. For a period of 365 days from the Closing Date, each Holder of Registrable Securities who is included in the Registration Statement agrees not to effect any public sale or distribution of the Registrable Securities during the 30-day period following completion of an Underwritten Offering of equity securities by the Partnership (except as provided in this Section 2.5); *provided*, *however*, that the duration of the foregoing restrictions shall be no longer than the duration of the shortest restriction generally imposed by the underwriters on the officers or directors or any other Unitholder of the Partnership on whom a restriction is imposed in connection with such public offering.

In addition, the provisions of this Section 2.5 shall not apply with respect to a Holder that (A) owns less than $15,000,000 of Units, based on the Commitment Amounts, (B) has delivered an Opt-Out Notice to the Partnership pursuant to Section 2.2 or (C) has submitted a notice requesting the inclusion of Registrable Securities in an Underwritten Offering pursuant to Section 2.2(a) but is unable to do so as a result of the priority provisions contained in Section 2.2(b).

Section 2.6 Expenses.

(a) Certain Definitions. "Registration Expenses" means all expenses (other than Selling Expenses) incident to the Partnership's performance under or compliance with this Agreement to effect the registration of Registrable Securities on the Registration Statement pursuant to Section 2.1 hereof or an Underwritten Offering covered under this Agreement, and the disposition of such securities, including, without limitation, all registration, filing, securities exchange listing and The Nasdaq Global Select Market fees, all registration, filing, qualification and other fees and expenses of complying with securities or blue sky laws, fees of the National Association of Securities Dealers, Inc., transfer taxes and fees of transfer agents and registrars, all word processing, duplicating and printing expenses and the fees and disbursements of counsel and independent public accountants for the Partnership, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance. "Selling Expenses" means all underwriting fees, discounts and selling commissions allocable to the sale of the Registrable Securities.

(b) Expenses. The Partnership will pay all reasonable Registration Expenses as determined in good faith, including, in the case of an Underwritten Offering, whether or not any sale is made pursuant to such Underwritten Offering. In addition, except as otherwise provided in Section 2.7 hereof, the Partnership shall not be responsible for legal fees incurred by Holders in connection with the exercise of such Holders' rights hereunder. Each Selling Holder shall pay all Selling Expenses in connection with any sale of its Registrable Securities hereunder.

Section 2.7 Indemnification.

(a) By the Partnership. In the event of an offering of any Registrable Securities under the Securities Act pursuant to this Agreement, the Partnership will indemnify and hold harmless each Selling Holder thereunder, its directors and officers, and each underwriter, pursuant to the applicable underwriting agreement with such underwriter, of Registrable Securities thereunder and each Person, if any, who controls such Selling Holder or underwriter within the meaning of the Securities Act or of the Exchange Act, and its directors and officers, against any losses, claims, damages, expenses or liabilities (including reasonable attorneys' fees and expenses) (collectively, "Losses"), joint or several, to which such Selling Holder, director, officer, underwriter or controlling Person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such Losses (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement or any other registration statement contemplated by this Agreement, any preliminary prospectus, free writing prospectus or final prospectus contained therein, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading, and will reimburse (to the extent provided in Section 2.7(c) below) each such Selling Holder, its directors and officers, each such underwriter, and each such controlling Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Loss or actions or proceedings; *provided*, *however*, that the Partnership will not be liable in any such case if and to the extent that any such Loss arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by such Selling Holder, its directors or officers or any underwriter or controlling Person in writing specifically for use in the Registration Statement or such other registration statement, or prospectus supplement, as applicable. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Selling Holder, its directors or officers or any underwriter or controlling Person, and shall survive the transfer of such securities by such Selling Holder.

(b) By Each Selling Holder. Each Selling Holder agrees severally and not jointly to indemnify and hold harmless the Partnership, its directors and officers, and each underwriter, pursuant to the applicable underwriting agreement with such underwriters, of Registrable Securities thereunder and each Person, if any, who controls the Partnership within the meaning of the Securities Act or of the Exchange Act, and its directors and officers, to the same extent as the foregoing indemnity from the Partnership to the Selling Holders, but only with respect to information regarding such Selling Holder furnished in writing by or on behalf of such Selling Holder expressly for inclusion in the Registration Statement or any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, and will reimburse (to the extent provided in Section 2.7(c) below) the Partnership, its directors and officers, each such underwriter, and each such controlling Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Loss or actions or proceedings; *provided*, *however*, that the liability of each Selling Holder shall not be greater in amount than the dollar amount of the proceeds (net of any Selling Expenses) received

by such Selling Holder from the sale of the Registrable Securities giving rise to such indemnification.

(c) Notice. Promptly after receipt by an indemnified party hereunder of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party hereunder, notify the indemnifying party in writing thereof, but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party other than under this Section 2.7. In any action brought against any indemnified party, it shall notify the indemnifying party of the commencement thereof. The indemnifying party shall be entitled to participate in and, to the extent it shall wish, to assume and undertake the defense thereof with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume and undertake the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 2.7 for any legal expenses subsequently incurred by such indemnified party in connection with the defense thereof; *provided*, *however*, that, (i) if the indemnifying party has failed to assume the defense or employ counsel reasonably acceptable to the indemnified party or (ii) if the defendants in any such action include both the indemnified party and the indemnifying party and counsel to the indemnified party shall have concluded that there may be reasonable defenses available to the indemnified party that are different from or additional to those available to the indemnifying party, or if the interests of the indemnified party reasonably may be deemed to conflict with the interests of the indemnifying party, then the indemnified party shall have the right to select a separate counsel and to assume such legal defense and otherwise to

participate in the defense of such action, with the reasonable expenses and fees of such separate counsel and other reasonable expenses related to such participation to be reimbursed by the indemnifying party as incurred. Notwithstanding any other provision of this Agreement, no indemnified party shall settle any action brought against it with respect to which it is entitled to indemnification hereunder without the consent of the indemnifying party, unless the settlement thereof imposes no liability or obligation on, and includes a complete and unconditional release from all liability of, the indemnifying party.

(d) Contribution. If the indemnification provided for in this Section 2.7 is applicable by its terms but held by a court or government agency of competent jurisdiction to be unavailable to any indemnified party, then each such indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Loss in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of such indemnified party on the other in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations; *provided*, *however*, that in no event shall any Selling Holder be required to contribute an aggregate amount in excess of the dollar amount of proceeds (net of Selling Expenses) received by such Selling Holder from the sale of Registrable Securities giving rise to such obligation to contribute. The relative fault of the indemnifying party on the one hand and the indemnified party on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact has been made by, or relates to, information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just

and equitable if contributions pursuant to this paragraph were to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to herein. The amount paid by an indemnified party as a result of the Losses referred to in the first sentence of this paragraph shall be deemed to include any legal and other expenses reasonably incurred by such indemnified party in connection with investigating or defending any Loss which is the subject of this paragraph. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) Other Indemnification. The provisions of this Section 2.7 shall be in addition to any other rights to indemnification or contribution which an indemnified party may have pursuant to law, equity, contract or otherwise.

Section 2.8 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Registrable Securities to the public without registration, the Partnership agrees to use its commercially reasonable efforts to:

(a) make and keep public information regarding the Partnership available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times from and after the date hereof through the expiration or termination of the Effectiveness Period;

(b) file with the Commission in a timely manner all reports and other documents required of the Partnership under the Securities Act and the Exchange Act at all times from and after the date hereof through the expiration or termination of the Effectiveness Period; and

(c) through the expiration or termination of the Effectiveness Period, so long as a Holder owns any Registrable Securities, furnish, unless otherwise not available at no charge by access electronically to the Commission's EDGAR filing system, to such Holder forthwith upon request a copy of the most recent annual or quarterly report of the Partnership, and such other reports and documents so filed as such Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing such Holder to sell any such securities without registration.

Section 2.9 Transfer or Assignment of Registration Rights. The rights to cause the Partnership to register Registrable Securities granted to the Purchasers by the Partnership under this Article II may be transferred or assigned by any Purchaser to one or more transferee(s) or assignee(s) of such Registrable Securities or by total return swap; *provided*, *however*, that, (a) unless such transferee is an Affiliate of such Purchaser, each such transferee or assignee holds Registrable Securities representing at least $15,000,000 of the Units, (b) the Partnership is given written notice prior to any said transfer or assignment, stating the name and address of each such transferee and identifying the securities with respect to which such registration rights are being transferred or assigned, and (c) each such transferee assumes in writing responsibility for its portion of the obligations of such Purchaser under this Agreement.

Section 2.10 Limitation on Subsequent Registration Rights. From and after the date hereof through the expiration or termination of the Effectiveness Period, the Partnership shall not, without the prior written consent of the Holders of a majority of the outstanding Registrable Securities, (i) enter into any agreement with any current or future holder of any securities of the Partnership that would allow such current or future holder to require the Partnership to include securities in any registration statement filed by the Partnership on a basis that is superior in any way to the piggyback rights granted to the Purchasers hereunder or (ii) grant registration rights to any other Person that would be superior to the Purchasers' registration rights hereunder.

ARTICLE III
MISCELLANEOUS

Section 3.1 Communications. All notices and other communications provided for or permitted hereunder shall be made in writing by facsimile, electronic mail, courier service or personal delivery:

(a) if to Purchaser, to the address set forth under that Purchaser's name on Exhibit A in accordance with the provisions of this Section 3.1;

(b) if to a transferee of Purchaser, to such Holder at the address provided pursuant to Section 2.11 hereof; and

(c) if to the Partnership, at 450 – 1st Street S.W., Calgary, Alberta, Canada T2P 5H1, Attention: General Counsel and Treasury Department, Facsimile: (403) 920-2363, notice of which is given in accordance with the provisions of this Section 3.1

All such notices and communications shall be deemed to have been received: at the time delivered by hand, if personally delivered; when receipt acknowledged, if sent via facsimile or electronic mail; and when actually received, if sent by courier service or any other means.

Section 3.2 Successor and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including subsequent Holders of Registrable Securities to the extent permitted herein.

Section 3.3 Aggregation of Units. All Units held or acquired by Persons who are Affiliates of one another shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

Section 3.4 Recapitalization, Exchanges, Etc. Affecting the Common Units. The provisions of this Agreement shall apply to the full extent set forth herein with respect to any and all units of the Partnership or any successor or assign of the Partnership (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for or in substitution of, the Registrable Securities, and shall be appropriately adjusted for combinations, unit splits, recapitalizations and the like occurring after the date of this Agreement.

Section 3.5 Specific Performance. Damages in the event of breach of this Agreement by a party hereto may be difficult, if not impossible, to ascertain, and it is therefore agreed that each such Person, in addition to and without limiting any other remedy or right it may have, will have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach, and enforcing specifically the terms and provisions hereof, and each of the parties hereto hereby waives any and all defenses it may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief. The existence of this right will not preclude any such Person from pursuing any other rights and remedies at law or in equity which such Person may have.

Section 3.6 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 3.7 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.8 Governing Law. The Laws of the State of New York shall govern this Agreement without regard to principles of conflict of Laws.

Section 3.9 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting or impairing the validity or enforceability of such provision in any other jurisdiction.

Section 3.10 Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the rights granted by the Partnership set forth herein. This Agreement and the Purchase Agreement supersede all prior agreements and understandings between the parties with respect to such subject matter.

Section 3.11 Amendment. This Agreement may be amended only by means of a written amendment signed by the Partnership and the Holders of a majority of the then outstanding Registrable Securities; *provided*, *however*, that no such amendment shall materially and adversely affect the rights of any Holder hereunder relative to any other Holders without the consent of such Holder.

Section 3.12 No Presumption. If any claim is made by a party relating to any conflict, omission or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular party or its counsel.

Section 3.13 Obligations Limited to Parties to Agreement. Each of the Parties hereto covenants, agrees and acknowledges that no Person other than the Purchasers (and their

permitted assignees) and the Partnership shall have any obligation hereunder and that, notwithstanding that one or more of the Purchasers may be a corporation, partnership or limited liability company, no recourse under this Agreement or the Purchase Agreement or under any documents or instruments delivered in connection herewith or therewith shall be had against any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the Purchasers or the Partnership or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the Purchasers or the Partnership or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the foregoing, as such, for any obligations of the Purchasers or the Partnership, as the case may

be, under this Agreement or the Purchase Agreement or any documents or instruments delivered in connection herewith or therewith or for any claim based on, in respect of or by reason of such obligations or their creation.

Section 3.14 Interpretation. Article and Section references are to this Agreement, unless otherwise specified. All references to instruments, documents, contracts and agreements are references to such instruments, documents, contracts and agreements as the same may be amended, supplemented and otherwise modified from time to time, unless otherwise specified. The word "including" shall mean "including but not limited to." Whenever any determination, consent or approval is to be made or given by a Purchaser under this Agreement, such action shall be in such Purchaser's sole discretion unless otherwise specified.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto execute this Agreement, effective as of the date first above written.

PARTNERSHIP

TC PipeLines, LP

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

By: /s/Mark Zimmerman
Name: Mark Zimmerman
Title: President

By: /s/Donald DeGrandis
Name: Donald DeGrandis
Title: Secretary

[Signature page to Registration Rightrs Agreement]

PURCHASERS

TransCan Northern Ltd.

By: /s/Donald J. DeGrandis
Name: Donald J. DeGrandis
Title: Secretary

[Signature page to Registration Rights Agreement]

Kayne Anderson MLP Investment Company

By: /s/James C. Baker
Name: James C. Baker
Title: Vice President

[Signature page to Registration Rights Agreement]

Kayne Anderson Energy Total Return Fund, Inc.

By: /s/James C. Baker
Name: James C. Baker
Title: Vice President

[Signature page to Registration Rights Agreement]

Kayne Anderson MLP Fund, L.P.

By: Kayne Anderson Capital Advisors, LP,
its general partner

By: /s/David Shladovsky
Name: David Shladovsky
Title: General Counsel

[Signature page to Registration Rights Agreement]

Kayne Anderson Capital Income Partners (QP),
L.P.

By: Kayne Anderson Capital Advisors, LP, its
general partner

By: /s/David Shladovsky
Name: David Shladovsky
Title: General Counsel

[Signature page to Registration Rights Agreement]

Strome MLP Fund, LP

By: Strome Investment Management, its general
partner

By: /s/Peter Davies
Name: Peter Davies
Title: Chief Executive Officer

[Signature page to Registration Rights Agreement]

Royal Bank of Canada

By: RBC Capital Markets Corporation, its agent

By: /s/Josef Muskatel
Name: Josef Muskatel
Title: Director and Senior Counsel

By: /s/Steve Milke
Name: Steven Milke
Title: Managing Director

[Signature page to Registration Rights Agreement]

Tortoise Energy Infrastructure Corporation

By: /s/David J. Schulte
Name: David J. Schulte
Title: President and Chief Executive Officer

[Signature page to Registration Rights Agreement]

Tortoise Energy Capital Corporation

By: /s/David J. Schulte
Name: David J. Schulte
Title: President and Chief Executive Officer

[Signature page to Registration Rights Agreement]

Tortoise North American Energy Corporation

By: /s/David J. Schulte
Name: David J. Schulte
Title: President and Chief Executive Officer

[Signature page to Registration Rights Agreement]

GPS Income Fund LP

By: GPS Partners LLC,
its general partner

By: /s/Brett Messing
Name: Brett Messing
Title: Managing Partner

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Registration Rights Agreement

GPS High Yield Equities Fund

By: GPS Partners LLC,
its general partner

By: /s/Brett Messing
Name: Brett Messing
Title: Managing Partner

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HFR RVAGPS Master Trust

By: GPS Partners LLC,
its trading manager

By: /s/Brett Messing
Name: Brett Messing
Title: Managing Partner

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GPS New Equity Fund LP

By: GPS Partners LLC,
its general partner

By: /s/Brett Messing
Name: Brett Messing
Title: Managing Partner

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TPG-Axon Partners, LP

By: TPG-Axon GP, LLC, its general partner

By: /s/Mary Ailee
Name: Mary Ailee
Title: Vice President

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Lehman Brothers Inc.

By: /s/Walter G. Maloney
Name: Walter G. Maloney
Title: Managing Director

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Registration Rights Agreement

Structured Finance Americas, LLC

By: /s/Sunil Hariani
Name: Sunil Hariani
Title: Vice President

By: /s/ Jill Rathjen
Name: Jill Rathjen
Title: Vice President

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Registration Rights Agreement

The Cushing MLP Opportunity Fund I, LP

By: /s/Jerry V. Swank
Name: Jerry V. Swank
Title: Managing Partner

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Registration Rights Agreement

Swank MLP Convergence Fund, LP

By: /s/Jerry V. Swank
Name: Jerry V. Swank
Title: Managing Partner

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Registration Rights Agreement

Citigroup Global Markets, Inc.

By: /s/Daniel P. Breen
Name: Daniel P. Breen
Title: Managing Director

Signature Page to
Registration Rights Agreement

COMMON UNIT PURCHASE AGREEMENT

BY AND AMONG

TC PIPELINES, LP

AND

THE PURCHASERS SET FORTH ON EXHIBIT A

DATED

FEBRUARY 20, 2007

COMMON UNIT PURCHASE AGREEMENT

COMMON UNIT PURCHASE AGREEMENT, dated as of February 20, 2007 (this "Agreement"), by and among TC PIPELINES, LP, a Delaware limited partnership (the "Partnership"), and each of the Purchasers set forth on Exhibit A, acting individually (each, a "Purchaser" and, collectively, the "Purchasers").

WHEREAS, (i) TC Pipelines GP, Inc., a Delaware corporation (the "General Partner"), is a wholly owned subsidiary of TransCanada PipeLines Limited, a Canadian corporation ("TransCanada"); (ii) the General Partner is the general partner of the Partnership, TC Tuscarora Intermediate Limited Partnership, a Delaware limited partnership ("TCT Intermediate Partnership"), and TC PipeLines Intermediate Limited Partnership, a Delaware limited partnership ("TCP Intermediate Partnership") and TC GL Intermediate Partnership, a Delaware limited partnership ("TCGL Intermediate Partnership" and, together with TCT Intermediate Partnership and TCP Intermediate Partnership, the "Intermediate Partnerships"); (iii) the Partnership owns all of the limited partner interests in each of the Intermediate Partnerships; (iv) TCT Intermediate Partnership owns a 98% general partner interest in Tuscarora Gas Transmission Company, a Nevada general partnership ("Tuscarora"); and (v) TCP Intermediate Partnership owns a 50% general partner interest in Northern Border Pipeline Company, a Texas general partnership ("NBPC"). The Partnership, the General Partner and the Intermediate Partnerships are collectively referred to herein as the "TCP Parties;"

WHEREAS, TCGL Intermediate Partnership has entered into an agreement to purchase a 46.45% general partner interest in Great Lakes Gas Transmission Limited Partnership (the "Acquisition"), which is expected to close on or about February 22, 2007;

WHEREAS, the Partnership desires to pay a portion of the purchase price related to the Acquisition out of the proceeds of the sale of an aggregate of approximately $600,000,000 of Common Units representing limited partner interests in the Partnership ("Common Units"), and the Purchasers desire to purchase an aggregate of approximately $600,000,000 of Common Units from the Partnership, each in accordance with the provisions of this Agreement; and

WHEREAS, the Partnership has agreed to provide the Purchasers with certain registration rights with respect to the Common Units acquired pursuant to this Agreement; and

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Partnership and each of the Purchasers, severally and not jointly, hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"8-K Filing" shall have the meaning specified in Section 5.4.

"Acquisition" shall have the meaning specified in the recitals.

"Acquisition Agreement" means that certain Purchase and Sale Agreement among El Paso Great Lakes Company, L.L.C., TCGL Intermediate Limited Partnership and TransCanada PipeLine USA Ltd. dated as of December 22, 2006, as amended to date.

"Action" against a Person means any lawsuit, action, proceeding, investigation or complaint before any Governmental Authority, mediator or arbitrator.

"Affiliate" means, with respect to a specified Person, any other Person, whether now in existence or hereafter created, directly or indirectly controlling, controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with

correlative meanings, "controlling," "controlled by" and "under common control with") means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" shall have the meaning specified in the introductory paragraph.

"Basic Documents" means, collectively, this Agreement, the Registration Rights Agreement, the Escrow Agreement and any and all other agreements or instruments executed and delivered by the Parties to evidence the execution, delivery and performance of this Agreement, and any amendments, supplements, continuations or modifications thereto.

"Board of Directors" means the board of directors of the General Partner.

"Business Day" means any day other than a Saturday, a Sunday, or a legal holiday for commercial banks in New York, New York.

"Closing" shall have the meaning specified in Section 2.2.

"Closing Date" shall have the meaning specified in Section 2.2.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commission" means the United States Securities and Exchange Commission.

"Commitment Amount" means the dollar amount set forth opposite each Purchaser's name on Exhibit A to this Agreement.

"Common Units" shall have the meaning specified in the recitals.

"DGCL" shall have the meaning specified in Section 3.2(a).

"DRULPA" shall have the meaning specified in Section 3.2(a).

"Escrow Agent" shall have the meaning specified in the Escrow Agreement.

"Escrow Agreement" means that certain Escrow Agreement dated as of February 20, 2007, by and among the Partnership, Citigroup Global Markets Inc., and the Escrow Agent in substantially the form attached hereto as Exhibit B.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations of the Commission promulgated thereunder.

"GAAP" means generally accepted accounting principles in the United States of America in effect from time to time.

"General Partner" shall have the meaning specified in the recitals.

"Governmental Authority" shall include the country, state, county, city and political subdivisions in which any Person or such Person's property is located or that exercises valid jurisdiction over any such Person or such Person's property, and any court, agency, department, commission, board, bureau or instrumentality of any of them and any monetary authorities that exercise valid jurisdiction over any such Person or such Person's property. Unless otherwise specified, all references to Governmental Authority herein shall mean a Governmental Authority having jurisdiction over, where applicable, the Partnership, its Subsidiaries or any of their property or any of the Purchasers.

"Incentive Distribution Rights" shall have the meaning specified in Section 3.5.

"Indemnified Party" shall have the meaning specified in Section 8.3.

"Indemnifying Party" shall have the meaning specified in Section 8.3.

"Intermediate Partnership Agreements" shall have the meaning specified in Section 3.4.

"Intermediate Partnerships" shall have the meaning specified in the recitals.

"Law" means any federal, state, local or foreign order, writ, injunction, judgment, settlement, award, decree, statute, law, rule or regulation.

"Lien" means any mortgage, claim, encumbrance, pledge, lien (statutory or otherwise), security agreement, conditional sale or trust receipt or a lease, consignment or bailment, preference or priority or other encumbrance upon or with respect to any property of any kind.

"Lock-Up Date" means the earlier of (i) 90 days from the Closing Date or (ii) the date that a registration statement under the Securities Act to permit the resale of the Units is declared effective by the Commission.

"NBPC" shall have the meaning specified in the recitals.

"Partnership" shall have the meaning specified in the introductory paragraph.

"Partnership Agreement" shall have the meaning specified in Section 2.1(a).

"Partnership Material Adverse Effect" shall have the meaning specified in Section 3.2.

"Partnership Related Parties" shall have the meaning specified in Section 8.2.

"Partnership SEC Documents" shall have the meaning specified in Section 3.1.

"Party" or "Parties" means the Partnership and the Purchasers, individually or collectively, as the case may be.

"Person" means any individual, corporation, company, voluntary association, partnership, joint venture, trust, limited liability company, unincorporated organization or government or any agency, instrumentality or political subdivision thereof, or any other form of entity.

"Purchase Price" means the aggregate of the Purchasers' Commitment Amount.

"Purchaser" shall have the meaning specified in the introductory paragraph.

"Purchaser Material Adverse Effect" means any material and adverse effect on (i) the ability of a Purchaser to meet its obligations under the Basic Documents on a timely basis or (ii) the ability of a Purchaser to consummate the transactions under any Basic Document.

"Purchaser Related Parties" shall have the meaning specified in Section 8.1.

"Purchasers" shall have the meaning specified in the introductory paragraph.

"Registration Rights Agreement" means the Registration Rights Agreement, substantially in the form attached to this Agreement as Exhibit C, to be entered into at the Closing, among the Partnership and the Purchasers, acting individually.

"Representatives" of any Person means the officers, directors, employees, Affiliates, control persons, counsel, investment banker, agents and other representatives of such Person.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and the rules and regulations of the Commission promulgated thereunder.

"Subsidiary" means, as to any Person, any corporation or other entity of which a majority of the outstanding equity interest having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation or other entity (irrespective of whether or not at the time any equity interest of any other class or classes of such corporation or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more of its Subsidiaries.

"TCGL Intermediate Partnership" shall have the meaning specified in the recitals.

"TCP Intermediate Partnership" shall have the meaning specified in the recitals.

"TCP Parties" shall have the meaning specified in the recitals.

"TCT Intermediate Partnership" shall have the meaning specified in the recitals.

"TransCanada" shall have the meaning specified in the recitals.

"TransCanada Purchaser" means any Purchaser that is TransCan Northern Ltd. or an Affiliate of TransCanada.

"Tuscarora" shall have the meaning specified in the recitals.

"Unit Price" shall have the meaning specified in Section 2.1(b).

"Unitholders" means the Unitholders of the Partnership (within the meaning of the Partnership Agreement).

"Units" means the Units to be issued and sold to the Purchasers pursuant to this Agreement.

Section 1.2 Accounting Procedures and Interpretation. Unless otherwise specified in this Agreement, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters under this Agreement shall be made, and all financial statements and certificates and reports as to financial matters required to be furnished to the Purchasers under this Agreement shall be prepared, in accordance with GAAP applied on a consistent basis during the periods involved (except, in the case of unaudited statements, as permitted by Form 10-Q promulgated by the Commission) and in compliance as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the Commission with respect thereto.

ARTICLE II
SALE AND PURCHASE

Section 2.1 Sale and Purchase. Subject to the terms and conditions of this Agreement, at the Closing, the Partnership hereby agrees to issue and sell to each Purchaser, and each Purchaser hereby agrees, severally and not jointly, to purchase from the Partnership, the number of Units set forth opposite its name on Exhibit A hereto. Each Purchaser agrees to pay the Partnership the Unit Price for each Unit. The respective obligations of each Purchaser under this Agreement are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser under this Agreement. The failure or waiver of performance under this Agreement by any Purchaser, or on its behalf, does not excuse performance by any other Purchaser. Nothing contained herein or in any other Basic Document, and no action taken by any Purchaser pursuant thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by any Basic Document. Except as otherwise provided in this Agreement or the other Basic Documents, each Purchaser shall be entitled to independently protect and enforce its rights, including the rights arising out of this Agreement or out of the other Basic Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose.

(a) Units. The number of Units to be issued and sold to each Purchaser is set forth opposite such Purchaser's name on Exhibit A hereto. The Units shall have those rights, preferences, privileges and restrictions governing the Common Units as set forth in the

agreement of limited partnership of the Partnership, as amended to date (the "Partnership Agreement").

(b) Consideration. The amount per Unit each Purchaser will pay to the Partnership to purchase the Units (the "Unit Price") shall be $34.57.

(c) Funding into Escrow by Purchasers (other than TransCanada Purchasers). Each Purchaser (other than a TransCanada Purchaser) shall deposit its Commitment Amount into an escrow account as provided in the Escrow Agreement on the date which is two Business Days prior to the Closing Date. On the Closing Date, upon receipt of satisfactory evidence that the conditions set forth in ARTICLE VI have been satisfied, each Purchaser (other than a TransCanada Purchaser) shall deliver notice to the Escrow Agent to promptly and timely release the funds escrowed under the Escrow Agreement to the Partnership.

(d) Funding by TransCanada Purchasers. On the Closing Date, upon receipt of satisfactory evidence that the conditions set forth in Article VI have been satisfied, each TransCanada Purchaser shall pay the amount of its Commitment by wire transfer of immediately available funds to an account directed by the Partnership.

Section 2.2 Closing. The execution and delivery of the Basic Documents (other than this Agreement), the delivery of certificates representing the Units, the release of the funds escrowed under the Escrow Agreement to the Partnership pursuant to the terms of the Escrow Agreement, the payment by each TransCanada Purchaser of its Commitment Amount, and execution and delivery of all other instruments, agreements and other documents required by this Agreement (the "Closing") shall take place concurrently with the closing of the Acquisition on February 22, 2007 (the "Closing Date") at the offices of Vinson & Elkins L.L.P., 1001 Fannin Street, Suite 2500, Houston, Texas 77002.

Section 2.3 Termination. Notwithstanding anything to the contrary, in the event that (i) 100% of the Purchase Price is not received by the Partnership on the purported Closing Date, or (ii) the Closing has not occurred prior to February 28, 2007, this Agreement shall automatically terminate and any payments of a Purchaser's Commitment Amount received by the Escrow Agent or the Partnership shall be returned to such Purchaser within one Business Day.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE PARTNERSHIP

The Partnership represents and warrants to the Purchasers, on and as of the date of this Agreement and on and as of the Closing Date, as follows:

Section 3.1 Partnership SEC Documents. The Partnership has timely filed with the Commission all forms, registration statements, reports, schedules and statements required to be filed by it under the Exchange Act or the Securities Act (all such documents as filed, collectively, the "Partnership SEC Documents"). The Partnership SEC Documents prior to the date hereof, when they were filed, conformed in all material respects to the requirements of the Exchange Act and did not, as of the time each such document was filed, contain an untrue

statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made not misleading.

Section 3.2 Formation and Qualification of the TCP Parties. The Partnership and each of its Subsidiaries has been duly formed and is validly existing in good standing as a corporation or limited partnership under the Delaware General Corporation Law ("DGCL") or the Delaware Revised Uniform Limited Partnership Act ("DRULPA"), as the case may be, with full corporate or partnership power and authority to own or lease its properties and to conduct the businesses in which it is engaged, in each case in all material respects, and has all material governmental licenses, authorizations, consents and approvals as described in the Partnership SEC Documents. Each of the General Partner, the Partnership and its Subsidiaries is or, at the Closing Date will, be duly registered or qualified as a foreign corporation or limited partnership, as the case may be, for the transaction of business under the laws of each jurisdiction in which the character of the business conducted by it or the nature or location of the properties owned or leased by it makes such registration or qualification necessary, except where the failure so to register or qualify would not (i) have a material adverse effect on (A) the condition (financial or otherwise), business, prospects, assets, liabilities, affairs or results of operations of the Partnership and its Subsidiaries, taken as a whole, (B) the ability of the Partnership and its Subsidiaries, taken as a whole, to carry out their business as of the date of this Agreement or to meet their obligations under the Basic Documents on a timely basis or (C) the ability of the Partnership to consummate the transactions under any Basic Document (any of the foregoing a "Partnership Material Adverse Effect") or (ii) subject the limited partners of the Partnership to any material liability or disability.

Section 3.3 Formation and Qualification of NBPC and Tuscarora. Each of NBPC and Tuscarora has been duly formed and is validly existing in good standing as a general partnership under the laws of the State of Texas and the laws of the State of Nevada, respectively, with full partnership power and authority to own or lease its properties and to conduct its businesses in which it is engaged, in each case in all material respects as described in the Partnership SEC Documents. Each of NBPC and Tuscarora is or, at the Closing Date will be duly registered or qualified as a foreign general partnership for the transaction of business under the laws of each jurisdiction in which the character of the business conducted by it or the nature or location of the properties owned or leased by it makes such registration or qualification necessary, except where the failure so to register or qualify would not (i) have a Partnership Material Adverse Effect or (ii) subject the limited partners of the Partnership to any material liability or disability.

Section 3.4 Ownership of the General Partner Interests. The General Partner is the sole general partner of the Partnership and each of the Intermediate Partnerships with a 1.0% general partner interest in the Partnership and a 1.0101% general partner interest in each of the Intermediate Partnerships; such general partner interests have been duly authorized and validly issued in accordance with the Partnership Agreement, or the partnership agreements of each of the Intermediate Partnerships, each as amended to date (collectively, the "Intermediate Partnership Agreements"); and the General Partner owns such general partner interests free and clear of all Liens (except restrictions on transferability as described in the Partnership SEC Documents).

Section 3.5 Capitalization. (a) As of the date hereof and prior to the issuance and sale of the Units, the issued and outstanding limited partner interests of the Partnership consist of 17,500,000 Common Units and the Incentive Distribution Rights (as defined in the Partnership Agreement, the "Incentive Distribution Rights"). All outstanding Common Units and Incentive Distribution Rights and the limited partner interests represented thereby have been duly authorized and validly issued in accordance with the Partnership Agreement and are fully paid (to the extent required under the Partnership Agreement) and nonassessable (except as such nonassessability may be affected by Section 17-607 of the DRULPA and as otherwise disclosed in the Partnership SEC Documents).

(b) The Partnership has no equity compensation plans that contemplate the issuance of Common Units (or securities convertible into or exchangeable for Common Units). The Company has no outstanding indebtedness having the right to vote (or convertible into or exchangeable for securities having the right to vote) on any matters on which the Unitholders may vote. Except as contemplated by this Agreement or as are contained in the Partnership Agreement, there are no outstanding or authorized (i) options, warrants, preemptive rights, subscriptions, calls or other rights, convertible securities, agreements, claims or commitments of any character obligating the Partnership or any of its Subsidiaries to issue, transfer or sell any equity interests in the Partnership or any of its Subsidiaries or securities convertible into or exchangeable for such equity interests, (ii) obligations of the Partnership or any of its Subsidiaries to repurchase, redeem or otherwise acquire any equity interests in the Partnership or any of its Subsidiaries or any such securities or agreements listed in clause (i) of this sentence or (iii) voting trusts or similar agreements to which the Partnership or any of its Subsidiaries is a party with respect to the voting of the equity interests of the Partnership or any of its Subsidiaries.

Section 3.6 Authorization and Rights of Units. The offer and sale of the Units and the limited partnership interests represented thereby will be duly authorized by the Partnership pursuant to the Partnership Agreement prior to the Closing and, when issued and delivered to the Purchasers against payment therefor in accordance with the terms of this Agreement, will be validly issued, fully paid (to the extent required under the Partnership Agreement) and nonassessable (except as such nonassessability may be affected by Section 17-607 of the DRULPA and as otherwise disclosed in the Partnership SEC Documents) and will be free of any and all Liens and restrictions on transfer, other than restrictions on transfer under the Partnership Agreement, the Registration Rights Agreement and applicable state and federal securities Laws and other than such Liens as are created by the Purchasers. The Units shall have those rights, preferences, privileges and restrictions governing the Units as set forth in the Partnership Agreement. A true and correct copy of the Partnership Agreement, as amended through the date hereof, was filed by the Partnership with the Commission on as Exhibit 10.3 to the Partnership's Annual Report on Form 10-K for the year ended December 31, 1999.

Section 3.7 Ownership of the Limited Partner Interests in the Intermediate Partnerships. The Partnership owns a 98.9899% limited partner interest in each of the Intermediate Partnerships; such limited partner interests have been duly authorized and validly issued in accordance with the applicable Intermediate Partnership Agreement and are fully paid (to the extent required under the applicable Intermediate Partnership Agreement) and nonassessable (except as such nonassessability may be affected by Section 17-607 of the

DRULPA); and the Partnership owns such limited partner interests free and clear of all Liens or claims.

Section 3.8 Ownership of Interest in NBPC. TCP Intermediate Partnership owns a 50% general partner interest in NBPC; such general partner interest has been duly authorized and validly issued in accordance with the partnership agreement of NBPC, as amended to date; and TCP Intermediate Partnership owns such general partner interest free and clear of all Liens or claims.

Section 3.9 Ownership of Interest in Tuscarora. TCT Intermediate Partnership owns a 98% general partner interest in Tuscarora; such general partner interest has been duly authorized and validly issued in accordance with the partnership agreement of Tuscarora, as amended to date; and TCT Intermediate Partnership owns such general partner interest free and clear of all Liens or claims.

Section 3.10 No Other Subsidiaries. Other than (i) the Partnership's ownership interest in the Intermediate Partnerships and (ii) the Intermediate Partnerships' ownership interests in each of NBPC and Tuscarora, as applicable, neither the Partnership nor the Intermediate Partnerships own, directly or indirectly, any equity or long-term debt securities of any corporation, partnership, limited liability company, joint venture, association or other entity. Other than its ownership of its partnership interests in the Partnership and each of the Intermediate Partnerships, the General Partner does not own, directly or indirectly, any equity or long-term debt or other securities of any corporation, partnership, limited liability company, joint venture, association or other entity.

Section 3.11 No Preemptive Rights, Registration Rights or Options. Except as described in the Partnership SEC Documents, there are no preemptive rights or other rights to subscribe for or to purchase, nor any restriction upon the voting or transfer of, any partnership or equity interests of

the Partnership. None of the execution of this Agreement, the filing of the registration statement relating to the Units pursuant to the Registration Rights Agreement nor the issuance or sale of the Units as contemplated by this Agreement gives rise to any rights for or relating to the registration of any Common Units or other securities of the Partnership other than as provided in the Partnership SEC Documents. There are no outstanding options or warrants to purchase any Common Units.

Section 3.12 MLP Status. The Partnership met for the taxable years ended December 31, 2005 and 2006, and the Partnership expects to meet for the taxable year ending December 31, 2007, the gross income requirements of Section 7704(c)(2) of the Code, and accordingly the Partnership is not, and does not reasonably expect to be, taxed as a corporation for U.S. federal income tax purposes or for applicable state tax purposes.

Section 3.13 Offering. Assuming the accuracy of the representations and warranties of the Purchasers contained in this Agreement, the sale and issuance of the Units pursuant to this Agreement are exempt from the registration requirements of the Securities Act, and neither the Partnership nor, to the Partnership's knowledge, any authorized Representative acting on its behalf has taken or will take any action that would cause the loss of such exemption.

Section 3.14 Certain Fees. No fees or commissions, other than those payable to Citigroup Global Markets Inc. (or its affiliate), will be payable by the Partnership to brokers, finders or investment bankers with respect to the sale of any of the Units or the consummation of the transactions contemplated by this Agreement.

Section 3.15 No Side Agreements. Except for the confidentiality agreements entered into by and between some of the Purchasers and the Partnership and the Registration Rights Agreement, there are no other agreements by, among or between the Partnership or its Affiliates, on the one hand, and any of the Purchasers or their Affiliates, on the other hand, with respect to the transactions contemplated hereby nor promises or inducements for future transactions between or among any of such parties.

Section 3.16 Authorization and Enforceability of Basic Documents and Other Agreements. The Partnership has all necessary limited partnership power and authority to execute, deliver and perform its obligations under the Basic Documents and the Acquisition Agreement to which it is a party and to consummate the transactions contemplated thereby. The Basic Documents and the Acquisition Agreement have been duly authorized, validly executed and delivered and are valid and legally binding agreements, enforceable against the Partnership in accordance with their terms; provided that, with respect to each such agreement, the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and, provided further, that the indemnity, contribution and exoneration provisions contained in any of such agreements may be limited by applicable laws and public policy. No approval of the Unitholders is required as a result of the Partnership's issuance and sale of the Units pursuant to this Agreement.

Section 3.17 No Conflicts. None of the sale by the Partnership of the Units, the execution, delivery and performance of the Basic Documents or the Acquisition Agreement by the Partnership and all other agreements and instruments in connection with the transactions contemplated by the Basic Documents or the Acquisition Agreement, or the consummation of the transactions contemplated hereby or thereby by the Partnership (i) conflicts or will conflict with or constitutes or will constitute a violation of the Partnership Agreement, (ii) conflicts or will conflict with or constitutes or will constitute a breach or violation of, or a default under (or an event that, with notice or lapse of time or both, would constitute such a default), any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Partnership or any of its Subsidiaries is a party or by which any of them or any of their respective properties may be bound, (iii) violates or will violate any statute, law or regulation, including exchange regulation, or any order, judgment, decree or injunction of any court or governmental agency or body directed to any of the Partnership or its Subsidiaries or any of their properties in a proceeding to which any of them or their property is a party, or (iv) results or will result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Partnership or any of its Subsidiaries, which conflicts, breaches, violations, defaults or liens, in the case of clauses (ii), (iii) or (iv), would, individually or in the aggregate, have a Partnership Material Adverse Effect or would materially impair the ability of the Partnership to perform its obligations under the Basic Documents or the Acquisition Agreement.

Section 3.18 No Consents. No permit, consent, approval, authorization, waiver, license, declaration, order, registration, filing or qualification ("consent") of or with any court, governmental agency or body having jurisdiction over the Partnership or any of its properties is required in connection with the offering and sale by the Partnership of the Units, the execution, delivery and performance of the Basic Documents and the Acquisition Agreement by the Partnership, or the consummation by the Partnership of the transactions contemplated by the Basic Documents and the Acquisition Agreement, except for such consents required under the Securities Act or state securities or "Blue Sky" laws.

Section 3.19 Independent Registered Public Accounting Firm. The independent registered public accounting firm, KPMG LLP, who has audited the financial statements of the Partnership, the General Partner and NBPC included in the Partnership SEC Documents is a registered independent public accounting firm with respect to the Partnership, the General Partner and NBPC, as required by the Exchange Act or the Securities Act, as applicable, and has not resigned or been dismissed as independent registered public accountants of the Partnership as a result of or in connection with any disagreement with the Partnership on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures.

Section 3.20 Financial Statements. At September 30, 2006, the Partnership had a capitalization as indicated in the Partnership's Quarterly Report on Form 10-Q for the three months ended September 30, 2006. The historical financial statements (including the related notes and supporting schedules) of the Partnership, the General Partner and NBPC included in the Partnership SEC Documents comply as to form in all material respects with the requirements of Regulation S-X under the Exchange Act or the Securities Act, as applicable, and present fairly in all material respects the financial position, results of operations and cash flows of the Partnership, the General Partner and NBPC on the basis stated therein at the respective dates or for the respective periods which have been prepared in accordance with GAAP consistently applied through the periods involved, except to the extent disclosed therein.

Section 3.21 No Material Adverse Change. None of the Partnership or any of its Subsidiaries or NBPC has sustained, since the date of the latest financial statements included in the Partnership's Quarterly Report on Form 10-Q for the three months ended September 30, 2006, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, investigation, order or decree, otherwise than as set forth or contemplated in the Partnership SEC Documents. Except as disclosed in the Partnership SEC Documents, subsequent to the respective dates as of which such information is given in the Partnership SEC Documents, (i) none of the Partnership or any of its Subsidiaries has incurred any liability or obligation, indirect, direct or contingent, or entered into any transactions, not in the ordinary course of business, that, individually or in the aggregate, is material to the Partnership and its Subsidiaries, taken as a whole, (ii) there has not been any material change in the capitalization or material increase in the short-term debt or long-term debt of the Partnership and its Subsidiaries, taken as a whole, except for debt incurred to finance the Acquisition, (iii) there has been no acquisition or disposition of any material asset by the Partnership or any of its Subsidiaries or any contract or arrangement therefor, otherwise than for fair value in the ordinary course of business, (iv) there has been no material change in the Partnership's accounting principles, practices or methods and (v) there has not been any material adverse change, or any development

involving, individually or in the aggregate, that has had or would be reasonably expected to have a Partnership Material Adverse Effect.

Section 3.22 Investment Company. The Partnership is not now, and after issuance and sale of the Units to be issued and sold by the Partnership hereunder and application of the net proceeds from such sale as described in Section 5.5 hereof will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 3.23 Litigation. Except as described in the Partnership SEC Documents or the forms, reports, schedules and statements filed with the Commission by NBPC under the Exchange Act or the Securities Act, there is (i) no action, suit or proceeding before or by any court, arbitrator or governmental agency, body or official, domestic or foreign, now pending or, to the best of the Partnership's knowledge, threatened, to which the Partnership or any of its Subsidiaries or NBPC is or may be a party or to which the business or property of any of the Partnership or its Subsidiaries or NBPC is or may be subject, (ii) no statute, rule, regulation or order that has been enacted, adopted or issued by any governmental agency or that has been formally proposed by any governmental agency, and (iii) no injunction, restraining order or order of any nature issued by a federal or state court or foreign court of competent jurisdiction to which any of the Partnership or its Subsidiaries or NBPC is or may be subject, that, in the case of clauses (i), (ii) and (iii) above, is reasonably expected to (A) individually or in the aggregate have a Partnership Material Adverse Effect, (B) prevent or result in the suspension of the offering and sale of the Units, or (C) in any manner draw into question the validity of this Agreement.

Section 3.24 Listing. The Common Units are listed on the Nasdaq Global Select Market. The Units will be issued in compliance with all applicable rules of The Nasdaq Market. Prior to the Closing, the Partnership will have submitted to The Nasdaq Market a "Notification Form: Listing of Additional Shares" with respect to the Units. The Partnership has not received a notice of delisting with respect to the Common Units.

Section 3.25 Acknowledgment Regarding Certificates. Any certificate signed by any officer of any of the General Partner on behalf of the Partnership and delivered to the Purchasers or counsel for the Purchasers in connection with the offering of the Units shall be deemed a representation and warranty by the Partnership as to matters covered thereby to each Purchaser.

Section 3.26 Insurance. The Partnership and its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as the Partnership believes are prudent for its businesses. The Partnership does not have any reason to believe that it or any Subsidiary will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business.

Section 3.27 Form S-3 Eligibility. The Partnership is eligible to register the Units for resale by the Purchasers on a registration statement on Form S-3 under the Securities Act.

Section 3.28 No Integration. Neither the Partnership, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Units to be integrated with prior offerings by the Partnership for purposes of the Securities Act or any applicable stockholder approval provisions, including, without limitation, under the rules and regulations of the exchange on which the Units are currently listed or quoted.

Section 3.29 Taxes. Each of the Partnership and its Subsidiaries has filed all necessary federal, state and foreign income and franchise tax returns and has paid or accrued all taxes shown as due thereon except for taxes being contested in good faith by the Partnership for which adequate reserves have been established, and neither the Partnership nor any of its subsidiaries has knowledge of a tax deficiency which has been asserted in writing against it which would reasonably be expected to have a Material Adverse Effect.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF EACH PURCHASER

Each Purchaser, severally and not jointly, represents and warrants to the Partnership with respect to itself, on and as of the date of this Agreement and on and of the Closing Date, as follows:

Section 4.1 Valid Existence. Such Purchaser (i) is duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization and (ii) has all requisite power, and has all material governmental licenses, authorizations, consents and approvals, necessary to own its properties and carry on its business as its business is now being conducted, except where the failure to obtain such licenses, authorizations, consents and approvals would not have and would not reasonably be expected to have a Purchaser Material Adverse Effect.

Section 4.2 No Breach. The execution, delivery and performance by such Purchaser of the Basic Documents to which it is a party and all other agreements and instruments in connection with the transactions contemplated by the Basic Documents to which it is a party, and compliance by such Purchaser with the terms and provisions hereof and thereof and the purchase of the Units by such Purchaser do not and will not (a) violate any provision of any Law, governmental permit, determination or award having applicability to such Purchaser or any of its properties, (b) conflict with or result in a violation of any provision of the organizational documents of such Purchaser or (c) require any consent (other than standard internal consents), approval or notice under or result in a violation or breach of or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under (i) any note, bond, mortgage, license, or loan or credit agreement to which such Purchaser is a party or by which such Purchaser or any of its properties may be bound or (ii) any other such agreement, instrument or obligation, except in the case of clauses (a) and (c) where such violation, default, breach, termination, cancellation, failure to receive consent or approval, or acceleration with respect to the foregoing provisions of this Section 4.2 would not, individually or in the aggregate, reasonably be expected to have a Purchaser Material Adverse Effect.

Section 4.3 Investment. The Units are being acquired for such Purchaser's own account, or the accounts of clients for whom such Purchaser exercises discretionary investment authority (all of whom such Purchaser represents and warrants are "accredited investors" within the meaning of Rule 501 of Regulation D promulgated by the Commission pursuant to the Securities Act), not as a nominee or agent, and with no present intention of distributing the Units or any part thereof, and such Purchaser has no present intention of selling or granting any participation in or otherwise distributing the same in any transaction in violation of the securities Laws of the United States of America or any state, without prejudice, however, to such Purchaser's right at all times to sell or otherwise dispose of all or any part of the Units under a registration statement under the Securities Act and applicable state securities Laws or under an exemption from such registration available thereunder (including, if available, Rule 144 promulgated thereunder). If such Purchaser should in the future decide to dispose of any of the Units, such Purchaser understands and agrees (a) that it may do so only (i) in compliance with the Securities Act and applicable state securities Law, as then in effect, or pursuant to an exemption therefrom or (ii) in the manner contemplated by any registration statement pursuant to which such securities are being offered, and (b) that stop-transfer instructions to that effect will be in effect with respect to such securities. Notwithstanding the foregoing, each Purchaser may at any time enter into one or more total return swaps with respect to such Purchaser's Units with a third party provided that such transactions are exempt from registration under the Securities Act.

Section 4.4 Nature of Purchaser. Such Purchaser represents and warrants to, and covenants and agrees with, the Partnership that (a) it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated by the Commission pursuant to the Securities Act and (b) by reason of its business and financial experience it has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Units, is able to bear the economic risk of such investment and, at the present time, would be able to afford a complete loss of such investment.

Section 4.5 Receipt of Information; Authorization. Such Purchaser acknowledges that it has (a) had access to the Partnership SEC Documents, (b) had access to information publicly disclosed regarding the Acquisition and its potential effect on the Partnership's operations and financial results and (c) been provided a reasonable opportunity to ask questions of and receive answers from Representatives of the Partnership regarding such matters.

Section 4.6 Restricted Securities. Such Purchaser understands that the Units it is purchasing are characterized as "restricted securities" under the federal securities Laws inasmuch as they are being acquired from the Partnership in a transaction not involving a public offering and that under such Laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances. In this connection, such Purchaser represents that it is knowledgeable with respect to Rule 144 of the Commission promulgated under the Securities Act.

Section 4.7 Certain Fees. No fees or commissions will be payable by such Purchaser to brokers, finders or investment bankers with respect to the sale of any of the Units or the consummation of the transactions contemplated by this Agreement.

Section 4.8 Legend. It is understood that the certificates evidencing the Units initially will bear the following legend: "These securities have not been registered under the Securities Act of 1933, as amended. These securities may not be sold, offered for sale, pledged or hypothecated in the absence of a registration statement in effect with respect to the securities under such Act or pursuant to an exemption from registration thereunder and, in the case of a transaction exempt from registration, unless sold pursuant to Rule 144 under such Act or the issuer has received documentation reasonably satisfactory to it that such transaction does not require registration under such Act."

Section 4.9 No Side Agreements. Except for the confidentiality agreements entered into by and between such Purchaser and the Partnership and the Registration Rights Agreement, there are no other agreements by, among or between the Partnership or its Affiliates, on the one hand, and such Purchaser or its Affiliates, on the other hand, with respect to the transactions contemplated hereby nor promises or inducements for future transactions between or among any of such parties.

ARTICLE V
COVENANTS

Section 5.1 Subsequent Offerings. Without the written consent of the holders of a majority of the Units (other than the Units held by TransCanada or its Affiliates), taken as a whole, from the date of this Agreement until the Lock-Up Date, the Partnership shall not, and shall cause its directors, officers and Affiliates not to, grant, issue or sell any Common Units or other equity or voting securities of the Partnership, any securities convertible into or exchangeable therefor or take any other action that may result in the issuance of any of the foregoing, other than (i) the issuance or sale of up to an aggregate of 15 million Common Units issued or sold in a registered public offering to finance future acquisitions that are accretive to cash flow per Common Unit (or the repayment of indebtedness incurred in connection with such accretive acquisitions) at a price no less than 110% of the Unit Price, or in a private offering to finance future acquisitions that are accretive to cash flow per Common Unit (or the repayment of indebtedness incurred in connection with such accretive acquisitions) at a price no less than 105% of the Unit Price, (ii) the issuance of up to 5 million Common Units as purchase price consideration in

connection with future acquisitions that are accretive to cash flow per Common Unit, and (iii) the sale of restricted Common Units or general partner interests to TransCanada or its Affiliates at the Unit Price; *provided*, *however*, that any recipient of Common Units issued or sold in reliance on this Section 5.1 (other than in a registered public offering) shall agree in writing to be bound by Section 5.2 below as if such recipient was a Purchaser. Notwithstanding the foregoing, the Partnership shall not, and shall cause its directors, officers and Affiliates not to, sell, offer for sale or solicit offers to buy any security (as defined in the Securities Act) that would be integrated with the sale of the Units in a manner that would require the registration under the Securities Act of the sale of the Units to the Purchasers.

Section 5.2 Purchaser Lock-Up. Without the prior written consent of the Partnership, each Purchaser agrees that from and after the Closing it will not sell any of its Units prior to the Lock-Up Date; *provided*, *however*, that each Purchaser may (i) enter into one or more total return swaps or similar transactions at any time with respect to the Units purchased by such Purchaser, or (ii) transfer its Units to an Affiliate of such Purchaser or

to any other Purchaser or an Affiliate of such other Purchaser provided that such Purchaser or Affiliate agrees to the restrictions in this Section 5.2.

Section 5.3 Taking of Necessary Action. Each of the Parties hereto shall use its commercially reasonable efforts promptly to take or cause to be taken all action and promptly to do or cause to be done all things necessary, proper or advisable under applicable Law and regulations to consummate and make effective the transactions contemplated by this Agreement. Without limiting the foregoing, the Partnership and each Purchaser will, and the Partnership shall cause each of its Subsidiaries to, use its commercially reasonable efforts to make all filings and obtain all consents of Governmental Authorities that may be necessary or, in the reasonable opinion of the Purchasers or the Partnership, as the case may be, advisable for the consummation of the transactions contemplated by this Agreement, the other Basic Documents and the Acquisition Agreement.

Section 5.4 Non-Disclosure; Interim Public Filings. The Partnership shall, on or before 8:30 a.m., New York time, on the first Business Day following execution of this Agreement, issue a press release reasonably acceptable to the Purchasers disclosing the transactions contemplated hereby. Before 8:30 a.m., New York Time, on the second Business Day following the Closing Date, the Partnership shall file a Current Report on Form 8-K with the Commission (the "8-K Filing") describing the terms of the transactions contemplated by this Agreement, the other Basic Documents and the Acquisition Agreement and including as exhibits to such Current Report on Form 8-K this Agreement, the other Basic Documents and the Acquisition Agreement, in the form required by the Exchange Act. Thereafter, the Partnership shall timely file any filings and notices required by the Commission or applicable Law with respect to the transactions contemplated hereby. Except with respect to the 8-K Filing and the press release referenced above (a copy of which will be provided to the Purchasers for their review as early as practicable prior to its filing), the Partnership shall, at least two Business Days prior to the filing or dissemination of any disclosure required by this Section 5.4, provide a copy thereof to the Purchasers for their review. The Partnership and the Purchasers shall consult with each other in issuing any press releases or otherwise making public statements or filings and other communications with the Commission or any regulatory agency or The Nasdaq Stock Market (or other exchange on which securities of the Partnership are listed or traded) with respect to the transactions contemplated hereby, and neither Party shall issue any such press release or otherwise make any such public statement, filing or other communication without the prior consent of the other, except if such disclosure is required by Law, in which case the disclosing Party shall promptly provide the other Party with prior notice of such public statement, filing or other communication. Notwithstanding the foregoing, the Partnership shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any press release, without the prior written consent of such Purchaser except to the extent the names of the Purchasers are included in this Agreement as filed as an exhibit to the 8-K Filing and the press release referred to in the first sentence above. The Partnership shall not, and shall cause each of its respective Representatives not to, provide any Purchaser with any material non-public information regarding the Partnership from and after the issuance of the above-referenced press release without the express written consent of such Purchaser.

Section 5.5 Use of Proceeds. The Partnership shall use the collective proceeds from the sale of the Units to provide funds to TCGL Intermediate Partnership to partially fund the purchase price set forth in the Acquisition Agreement.

Section 5.6 Tax Information. The Partnership shall provide the Purchasers with any reasonably requested tax information related to their ownership of the Units.

Section 5.7 Certain Special Allocations of Book and Taxable Income. To the extent that the Unit Price is less than the trading price of the Common Units of the Partnership on the Nasdaq Global Select Market as of the Closing Date, the General Partner intends to specially allocate items of book and taxable income to the Purchasers so that their capital accounts in their Units are consistent, on a per-Unit basis, with the capital accounts of the other holders of Common Units (and thus to assure fungibility of all Common Units). The Purchasers acknowledge and agree to such special allocations.

ARTICLE VI
CONDITIONS TO CLOSING

Section 6.1 Mutual Conditions. The respective obligation of each Party to consummate the purchase and issuance and sale of the Units shall be subject to the satisfaction on or prior to the Closing Date of each of the following conditions (any or all of which may be waived by a particular Party on behalf of itself in writing, in whole or in part, to the extent permitted by applicable Law):

(a) no Law shall have been enacted or promulgated, and no action shall have been taken, by any Governmental Authority of competent jurisdiction which temporarily, preliminarily or permanently restrains, precludes, enjoins or otherwise prohibits the consummation of the transactions contemplated by this Agreement or makes the transactions contemplated by this Agreement illegal; and

(b) there shall not be pending any Action by any Governmental Authority seeking to restrain, preclude, enjoin or prohibit the transactions contemplated by this Agreement.

Section 6.2 Each Purchaser's Conditions. The respective obligation of each Purchaser to consummate the purchase of its Units shall be subject to the satisfaction on or prior to the Closing Date of each of the following conditions (any or all of which may be waived by a particular Purchaser on behalf of itself in writing, in whole or in part, to the extent permitted by applicable Law):

(a) the Partnership shall have performed and complied in all material respects with the covenants and agreements contained in this Agreement that are required to be performed and complied with by it on or prior to the Closing Date;

(b) the representations and warranties of the Partnership contained in this Agreement that are qualified by materiality or Partnership Material Adverse Effect shall be true and correct when made and as of the Closing Date and all other representations and warranties shall be true and correct in all material respects when made and as of the Closing Date, in each

case as though made at and as of the Closing Date (except that representations made as of a specific date shall be required to be true and correct as of such date only);

(c) since the date of this Agreement, no Partnership Material Adverse Effect shall have occurred and be continuing;

(d) the Partnership shall have delivered, or caused to be delivered, to the Purchasers at the Closing, its closing deliveries described in Section 7.1;

(e) each TransCanada Purchaser shall have purchased from the Partnership, pursuant to this Agreement, its Units and paid to the Partnership its Commitment Amount (provided that this condition may not be asserted by any TransCanada Purchaser); and

(f) the Partnership shall have submitted to The Nasdaq Market a "Notification Form: Listing of Additional Shares" with respect to the Units and no notice of delisting from The Nasdaq Market shall have been received by the Partnership with respect to the Common Units.

Section 6.3 The Partnership's Conditions. The obligation of the Partnership to consummate the sale of the Units to each of the Purchasers shall be subject to the satisfaction on or prior to the Closing Date of each of the following conditions with respect to each Purchaser individually and not the Purchasers jointly (any or all of which may be waived by the Partnership in writing, in whole or in part, to the extent permitted by applicable Law):

(a) each Purchaser shall have performed and complied in all material respects with the covenants and agreements contained in this Agreement that are required to be performed and complied with by that Purchaser on or prior to the Closing Date;

(b) the representations and warranties of each Purchaser contained in this Agreement that are qualified by materiality or Purchaser Material Adverse Effect shall be true and correct when made and as of the Closing Date and all other representations and warranties of such Purchaser shall be true and correct in all material respects when made and as of the Closing Date, in each case as though made at and as of the Closing Date (except that representations or warranties made as of a specific date shall be required to be true and correct as of such date only);

(c) each Purchaser (other than the TransCanada Purchasers) shall have delivered, or caused to be delivered, such Purchaser's closing deliveries described in Section 7.2(a); and

(d) each TransCanada Purchaser shall have delivered, or caused to be delivered, its closing deliveries described in Section 7.2(b) (including payment of its Commitment Amount as provided in Section 7.2(b)(ii) and Section 2.1(d)).

ARTICLE VII
CLOSING DELIVERIES

Section 7.1 The Partnership Deliveries. At the Closing, subject to the terms and conditions of this Agreement, the Partnership shall have delivered, or caused to be delivered, to each Purchaser:

(a) the Units by delivering certificates (bearing the legend set forth in Section 4.8) evidencing such Units, all free and clear of any Liens, encumbrances or interests of any other party;

(b) an opinion from each counsel listed on Exhibit D, substantially similar in substance to such counsel's form of opinion attached to this Agreement as Exhibit D;

(c) the Registration Rights Agreement in substantially the form attached to this Agreement as Exhibit C, which shall have been duly executed by the Partnership;

(d) the Escrow Agreement fully executed by all parties thereto;

(e) a certificate signed on behalf of the Partnership by the Chairman of the Board of Directors or the President and the principal financial or accounting officer of the General Partner, dated the Closing Date, to the effect that:

(i) the representations and warranties of the Partnership in this Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date and the Partnership has performed and complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date;

(ii) since the date of the most recent financial statements included or incorporated by reference in the Partnership SEC Documents, there has been no Partnership Material Adverse Effect, except as set forth in or contemplated in the Partnership SEC Documents; and

(iii) the conditions to the closing of the Acquisition set forth in the Acquisition Agreement (other than the payment of the purchase price by the Partnership) have been satisfied or waived;

(f) a certificate dated as of a recent date of the Secretary of State of the State of Delaware with respect to the due organization and good standing in the State of Delaware of the Partnership; and

(g) a receipt, dated the Closing Date, executed by the Partnership and delivered to each Purchaser certifying that the Partnership has received the Purchase Price with respect to the Units issued and sold to such Purchaser.

Section 7.2 Purchaser Deliveries.

(a) *Deliveries by Purchasers Other Than the TransCanada Purchaser*. Subject to the terms and conditions of this Agreement, each Purchaser (other than the TransCanada Purchasers) will deliver, or cause to be delivered to the Partnership:

(i) at least two Business Days prior to Closing, payment of such Purchaser's Commitment Amount by wire transfer(s) of immediately available funds to an account designated in the Escrow Agreement;

(ii) at the Closing, notice to the Escrow Agent instructing the Escrow Agent to release the funds escrowed pursuant to the Escrow Agreement in respect of such Purchaser to the Partnership;

(iii) at the Closing, the Registration Rights Agreement in substantially the form attached to this Agreement as Exhibit C, which shall have been duly executed by such Purchaser; and

(iv) at the Closing, an Officer's Certificate substantially in the form attached to this Agreement as Exhibit E.

(b) *Deliveries by the TransCanada Purchasers*. Subject to the terms and conditions of this Agreement, each TransCanada Purchaser will deliver, or cause to be delivered, at the Closing:

(i) an Officer's Certificate substantially in the form attached to this Agreement as Exhibit E; and

(ii) payment to the Partnership of such TransCanada Purchaser's Commitment Amount by wire transfer(s) of immediately available funds to an account designated by the Partnership.

ARTICLE VIII
INDEMNIFICATION, COSTS AND EXPENSES

Section 8.1 Indemnification by the Partnership. The Partnership agrees to indemnify each Purchaser and its Representatives (collectively, the "Purchaser Related Parties") from, and hold each of them harmless against, any and all actions, suits, proceedings (including any investigations, litigation or inquiries), demands and causes of action, and, in connection therewith, and promptly upon demand, pay and reimburse each of them for all costs, losses, liabilities, damages or expenses of any kind or nature whatsoever, including the reasonable fees and disbursements of counsel and all other reasonable expenses incurred in connection with investigating, defending or preparing to defend any such matter that may be incurred by them or asserted against or involve any of them as a result of, arising out of or in any way related to (i) any actual or proposed use by the Partnership of the proceeds of the sale of the Units, (ii) the breach of any of the representations, warranties or covenants of the Partnership contained herein or (iii) in connection with any payment to the escrow agent pursuant to Section 5(b) of the Escrow Agreement; *provided* that such claim for indemnification relating to a breach of a representation or warranty is made prior to the expiration of such representation or warranty;

provided further, that no Purchaser Related Party shall be entitled to recover special, consequential (including lost profits or diminution in value) or punitive damages.

Section 8.2 Indemnification by Purchasers. Each Purchaser agrees, severally and not jointly, to indemnify the Partnership and its Representatives (collectively, the "Partnership Related Parties") from, and hold each of them harmless against, any and all actions, suits, proceedings (including any investigations, litigation or inquiries), demands and causes of action, and, in connection therewith, and promptly upon demand, pay and reimburse each of them for all costs, losses, liabilities, damages or expenses of any kind or nature whatsoever, including the reasonable fees and disbursements of counsel and all other reasonable expenses incurred in connection with investigating, defending or preparing to defend any such matter that may be incurred by them or asserted against or involve any of them as a result of, arising out of or in any way related to the breach of any of the covenants of such Purchaser contained herein; *provided further,* that no Partnership Related Party shall be entitled to recover special, consequential (including lost profits or diminution in value) or punitive damages.

Section 8.3 Indemnification Procedure. Promptly after any the Partnership Related Party or Purchaser Related Party (hereinafter, the "Indemnified Party") has received notice of any indemnifiable claim hereunder, or the commencement of any action or proceeding by a third party, which the Indemnified Party believes in good faith is an indemnifiable claim under this Agreement, the Indemnified Party shall give the indemnitor hereunder (the "Indemnifying Party") written notice of such claim or the commencement of such action or proceeding, but failure to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability it may have to such Indemnified Party hereunder except to the extent that the Indemnifying Party is materially prejudiced by such failure. Such notice shall state the nature and the basis of such claim to the extent then known. The Indemnifying Party shall have the right to defend and settle, at its own expense and by its own counsel who shall be reasonably acceptable to the Indemnified Party, any such matter as long as the Indemnifying Party pursues the same diligently and in good faith. If the Indemnifying Party undertakes to defend or settle, it shall promptly notify the Indemnified Party of its intention to do so, and the Indemnified Party shall cooperate with the Indemnifying Party and its counsel in all commercially reasonable respects in the defense thereof and the settlement thereof. Such cooperation shall include furnishing the Indemnifying Party with any books, records and other information reasonably requested by the Indemnifying Party and in the Indemnified Party's possession or control. Such cooperation of the Indemnified Party shall be at the cost of the Indemnifying Party. After the Indemnifying Party has notified the Indemnified Party of its intention to undertake to defend or settle any such asserted liability, and for so long as the Indemnifying Party diligently pursues such defense, the Indemnifying Party shall not be liable for any additional legal expenses incurred by the Indemnified Party in connection with any defense or settlement of such asserted liability; *provided*, *however*, that the Indemnified Party shall be entitled (i) at its expense, to participate in the defense of such asserted liability and the negotiations of the settlement thereof and (ii) if (A) the Indemnifying Party has failed to assume the defense or employ counsel reasonably acceptable to the Indemnified Party or (B) if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and counsel to the Indemnified Party shall have concluded that there may be reasonable defenses available to the Indemnified Party that are different from or in addition to those available to the Indemnifying Party or if the interests of the Indemnified Party reasonably may be deemed to conflict with the interests of the

Indemnifying Party, then the Indemnified Party shall have the right to select a separate counsel and to assume such legal defense and otherwise to participate in the defense of such action, with the expenses and fees of such separate counsel and other expenses related to such participation to be reimbursed by the Indemnifying Party as incurred. Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not settle any indemnified claim without the consent of the Indemnified Party, unless the settlement thereof imposes no liability or obligation on, involves no admission of wrongdoing or malfeasance by, and includes a complete release from liability of, the Indemnified Party.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Interpretation. Article, Section, Schedule and Exhibit references are to this Agreement, unless otherwise specified. All references to instruments, documents, contracts and agreements are references to such instruments, documents, contracts and agreements as the same may be amended, supplemented and otherwise modified from time to time, unless otherwise specified. The word "including" shall mean "including but not limited to". Whenever the Partnership has an obligation under the Basic Documents, the expense of complying with such obligation shall be an expense of the Partnership unless otherwise specified. Whenever any determination, consent or approval is to be made or given by a Purchaser under this Agreement, such action shall be in such Purchaser's sole discretion unless otherwise specified. If any provision in the Basic Documents is held to be illegal, invalid, not binding or unenforceable, such provision shall be fully severable and the Basic Documents shall be construed and enforced as if such illegal, invalid, not binding or unenforceable provision had never comprised a part of the Basic Documents, and the remaining provisions shall remain in full force and effect. The Basic Documents have been reviewed and negotiated by sophisticated parties with access to legal counsel and shall not be construed against the drafter.

Section 9.2 Survival of Provisions. The representations and warranties set forth in Sections 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.11, 3.12, 3.14, 3.15, 3.16, 3.22, 3.23, 4.1, 4.3, 4.4, 4.6, 4.7, 4.8 and 4.9 of this Agreement shall survive the execution and delivery of this Agreement indefinitely, and the other representations and warranties set forth in this Agreement shall survive for a period of twelve (12) months following the Closing Date regardless of any investigation made by or on behalf of the Partnership or any Purchaser. The covenants made in this Agreement or any other Basic Document shall survive the closing of the transactions described herein and remain operative and in full force and effect regardless of acceptance of any of the Units and payment therefor and conversion, exercise or repurchase thereof. All indemnification obligations of the Partnership and the Purchasers pursuant to Article VIII of this Agreement shall remain operative and in full force and effect unless such obligations are expressly terminated in a writing by the Parties referencing the particular Article or Section, regardless of any purported general termination of this Agreement.

Section 9.3 No Waiver; Modifications in Writing.

(a) Delay. No failure or delay on the part of any Party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the

exercise of any right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to a Party at law or in equity or otherwise.

(b) Specific Waiver. Except as otherwise provided in this Agreement or the Registration Rights Agreement, no amendment, waiver, consent, modification or termination of any provision of this Agreement or any other Basic Document shall be effective unless signed by each of the Parties or each of the original signatories thereto affected by such amendment, waiver, consent, modification or termination. Any amendment, supplement or modification of or to any provision of this Agreement or any other Basic Document, any waiver of any provision of this Agreement or any other Basic Document and any consent to any departure by the Partnership from the terms of any provision of this Agreement or any other Basic Document shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on any Party in any case shall entitle any Party to any other or further notice or demand in similar or other circumstances.

Section 9.4 Binding Effect; Assignment.

(a) Binding Effect. This Agreement shall be binding upon the Partnership, each Purchaser, and their respective successors and permitted assigns. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any Person other than the Parties to this Agreement and as provided in Article VII, and their respective successors and permitted assigns.

(b) Assignment of Units. All or any portion of a Purchaser's Units purchased pursuant to this Agreement may be sold, assigned or pledged by such Purchaser, subject to compliance with applicable securities Laws, Section 5.2 of this Agreement and the Registration Rights Agreement.

(c) Assignment of Rights. Each Purchaser may assign all or any portion of its rights and obligations under this Agreement without the consent of the Partnership (i) to any Affiliate of such Purchaser or (ii) in connection with a total return swap or similar transaction with respect to the Units purchased by such Purchaser, and in each case the assignee shall be deemed to be a Purchaser hereunder with respect to such assigned rights or obligations and shall agree to be bound by the provisions of this Agreement. Except as expressly permitted by this Section 9.4(c), such rights and obligations may not otherwise be transferred except with the prior written consent of the Partnership (which consent shall not be unreasonably withheld), in which case the assignee shall be deemed to be a Purchaser hereunder with respect to such assigned rights or obligations and shall agree to be bound by the provisions of this Agreement.

Section 9.5 Aggregation of Units. All Units held or acquired by Persons who are Affiliates of one another shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

Section 9.6 Confidentiality and Non-Disclosure. Notwithstanding anything herein to the contrary, each Purchaser that has executed a confidentiality agreement in favor of the Partnership with respect to the transactions contemplated by this Agreement shall continue to

be bound by such confidentiality agreement in accordance with the terms thereof until such time as the Partnership discloses on Form 8-K with the Commission the transactions contemplated hereby.

Section 9.7 Communications. All notices and demands provided for hereunder shall be in writing and shall be given by regular mail, registered or certified mail, return receipt requested, facsimile, air courier guaranteeing overnight delivery, electronic mail or personal delivery to the following addresses:

(a) If to a Purchaser, to the address set forth on Exhibit A;

(b) If to the Partnership:

TC Pipelines, LP
450 – 1st Street S.W.
Calgary, Alberta, Canada T2P 5H1

Attention: Mark Zimmerman
Facsimile: (403) 920-2363

with a copy to:

Attention: Donald DeGrandis
Facsimile: (403) 920-2460

with a copy to:

Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105
Attention: Alan Talkington
Facsimile: (415) 773-5759;

or to such other address as the Partnership or such Purchaser may designate in writing. All notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; upon actual receipt if sent by registered or certified mail, return receipt requested, or regular mail, if mailed; when receipt acknowledged, if sent via facsimile; and upon actual receipt when delivered by an air courier guaranteeing overnight delivery or via electronic mail.

Section 9.8 Removal of Legend. The Partnership shall remove the legend described in Section 4.8 from the certificates evidencing the Units at the request of a Purchaser submitting to the Partnership such certificates, together with such other documentation as may be reasonably requested by the Partnership or required by its transfer agent, unless the Partnership, with the advice of counsel, reasonably determines that such removal is inappropriate; provided that no opinion of counsel shall be required in the event a Purchaser is effecting a sale of such Units pursuant to Rule 144 or an effective registration statement (unless required by the

Partnership's transfer agent). The Partnership shall cooperate with such Purchaser to effect removal of such legend. The legend described in Section 4.8 shall be removed and the Partnership shall issue a certificate without such legend to the holder of Units upon which it is stamped, if, unless otherwise required by state securities Laws, (i) such Units are sold pursuant to an effective Registration Statement, (ii) in connection with a sale, assignment or other transfer, such holder provides the Partnership with an opinion of a law firm reasonably acceptable to the Partnership, in a generally acceptable form, to the effect that such sale, assignment or transfer of such Units may be made without registration under the applicable requirements of the Securities Act, or (iii) such holder provides the Partnership with reasonable assurance that such Units can be sold, assigned or transferred pursuant to Rule 144 or Rule 144A under the Securities Act.

Section 9.9 Expenses. The Partnership shall pay up to $50,000 of legal fees of one counsel to the Purchasers in connection with the preparation of and performance under this Agreement. Such payment shall be made promptly following receipt by the Partnership of a satisfactory written invoice for such expenses. Each Purchaser (other than the TransCanada Purchasers) shall be responsible for its pro rata share, based on its Commitment Amount, of the total legal fees of such counsel to the Purchasers beyond the amount to be reimbursed by the Partnership pursuant to this Section 9.9.

Section 9.10 Entire Agreement. This Agreement and the other Basic Documents are intended by the Parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the Parties hereto and thereto in respect of the subject matter contained herein and therein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein or therein with respect to the rights granted by the Partnership or a Purchaser set forth herein or therein. This Agreement and the other Basic Documents supersede all prior agreements and understandings between the Parties with respect to such subject matter.

Section 9.11 Governing Law. This Agreement will be construed in accordance with and governed by the Laws of the State of New York without regard to principles of conflicts of Laws.

Section 9.12 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different Parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 9.13 Expenses. If any action at law or equity is necessary to enforce or interpret the terms of the Basic Documents, the prevailing Party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such Party may be entitled.

Section 9.14 Termination.

(a) Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time at or prior to the Closing by the mutual written consent of the Purchasers entitled to purchase a majority of the Units and the Partnership.

(b) Notwithstanding anything herein to the contrary, this Agreement shall automatically terminate at any time at or prior to the Closing:

(i) if a Law shall have been enacted or promulgated, or if any action shall have been taken by any Governmental Authority of competent jurisdiction which permanently restrains, precludes, enjoins or otherwise prohibits the consummation of the transactions contemplated by this Agreement or makes the transactions contemplated by this Agreement illegal;

(ii) if the Closing shall not have occurred on or before February 28, 2007;

(iii) in accordance with Section 2.3 of this Agreement; or

(iv) if the Acquisition Agreement shall have been terminated in accordance with its terms.

(c) In the event of the termination of this Agreement as provided in Section 9.14(a) or Section 9.14(b), this Agreement shall forthwith become null and void. In the event of such termination, there shall be no liability on the part of any Party hereto, except as provided in Article VIII and with respect to the requirement to comply with any confidentiality agreement in favor of the Partnership; *provided* that nothing herein shall relieve any Party from any liability or obligation with respect to any willful breach of this Agreement.

Section 9.15 Recapitalization, Exchanges, Etc. Affecting the Units. The provisions of this Agreement shall apply to the full extent set forth herein with respect to any and all units or other equity interests of the Partnership or any successor or assign of the Partnership (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for or in substitution of, the Units, and shall be appropriately adjusted for combinations, unit splits, recapitalizations and the like occurring after the date of this Agreement.

Section 9.16 Obligations Limited to Parties to Agreement. Each of the parties hereto covenants, agrees and acknowledges that no Person other than the Purchasers (and their permitted assignees) and the Partnership shall have any obligation hereunder and that, notwithstanding that one or more of the Purchasers may be a corporation, partnership or limited liability company, no recourse under this Agreement or the other Basic Documents or under any documents or instruments delivered in connection herewith or therewith shall be had against any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the Purchasers or the Partnership or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the Purchasers or the Partnership or any former, current or future director, officer, employee, agent, general or limited

partner, manager, member, stockholder or Affiliate of any of the foregoing, as such, for any obligations of the Purchasers and the Partnership under this Agreement or the other Basic Documents or any documents or instruments delivered in connection herewith or therewith or for any claim based on, in respect of or by reason of such obligation or its creation.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto execute this Agreement, effective as of the date first above written.

PARTNERSHIP

TC PipeLines, LP

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

By: /s/Mark Zimmerman
Name: Mark Zimmerman
Title: President

By: /s/Donald DeGrandis
Name: Donald DeGrandis
Title: Secretary

[Signature page to Common Unit Purchase Agreement]

PURCHASERS

TransCan Northern Ltd.

By: /s/Donald J. DeGrandis
Name: Donald J. DeGrandis
Title: Secretary

[Signature page to Common Unit Purchase Agreement]

Kayne Anderson MLP Investment Company

By: /s/James C. Baker
Name: James C. Baker
Title: Vice President

[Signature page to Common Unit Purchase Agreement]

Kayne Anderson Energy Total Return Fund, Inc.

By: /s/James C. Baker
Name: James C. Baker

Title: Vice President

[Signature page to Common Unit Purchase Agreement]

Kayne Anderson MLP Fund, L.P.

By: Kayne Anderson Capital Advisors, LP, its general partner

By: /s/David Shladovsky
Name: David Shladovsky
Title: General Counsel

[Signature page to Common Unit Purchase Agreement]

Kayne Anderson Capital Income Partners (QP), L.P.

By: Kayne Anderson Capital Advisors, LP, its general partner

By: /s/David Shladovsky
Name: David Shladovsky
Title: General Counsel

[Signature page to Common Unit Purchase Agreement]

Strome MLP Fund, LP

By: Strome Investment Management, its general partner

By: /s/Peter Davies
Name: Peter Davies
Title: Chief Executive Officer

[Signature page to Common Unit Purchase Agreement]

Royal Bank of Canada

By: RBC Capital Markets Corporation, its agent

By: /s/Josef Muskatel
Name: Josef Muskatel
Title: Director and Senior Counsel

By: /s/Steven Milke
Name: Steven Milke
Title: Managing Director

[Signature page to Common Unit Purchase Agreement]

Tortoise Energy Infrastructure Corporation

By: /s/David J. Schulte
Name: David J. Schulte
Title: President and Chief Executive Officer

[Signature page to Common Unit Purchase Agreement]

Tortoise Energy Capital Corporation

By: /s/David J. Schulte
Name: David J. Schulte
Title: President and Chief Executive Officer

[Signature page to Common Unit Purchase Agreement]

Tortoise North American Energy Corporation

By: /s/David J. Schulte
Name: David J. Schulte
Title: President and Chief Executive Officer

[Signature page to Common Unit Purchase Agreement]

GPS Income Fund LP

By: GPS Partners LLC,
its general partner

By: /s/Brett Messing
Name: Brett Messing
Title: Managing Partner

[Signature page to Common Unit Purchase Agreement]

GPS High Yield Equities Fund

By: GPS Partners LLC,
its general partner

By: /s/Brett Messing
Name: Brett Messing
Title: Managing Partner

[Signature page to Common Unit Purchase Agreement]

HFR RVAGPS Master Trust

By: GPS Partners LLC,
its trading manager

By: /s/Brett Messing
Name: Brett Messing
Title: Managing Partner

[Signature page to Common Unit Purchase Agreement]

GPS New Equity Fund LP

By: GPS Partners LLC,
its general partner

By: /s/Brett Messing
Name: Brett Messing
Title: Managing Partner

[Signature page to Common Unit Purchase Agreement]

TPG-Axon Partners, LP

By: TPG-Axon GP, LLC, its general partner

By: /s/Mary Ailee
Name: Mary Ailee
Title: Vice President

[Signature page to Common Unit Purchase Agreement]

Lehman Brothers Inc.

By: /s/Walter G. Maloney
Name: Walter G. Maloney
Title: Managing Director

[Signature page to Common Unit Purchase Agreement]

Structured Finance Americas, LLC

By: /s/Sunil Hariani
Name: Sunil Hariani
Title: Vice President

By: /s/Jill Rathjen
Name: Jill Rathjen
Title: Vice President

[Signature page to Common Unit Purchase Agreement]

The Cushing MLP Opportunity Fund I, LP

By: /s/Jerry V. Swank
Name: Jerry V. Swank
Title: Managing Partner

[Signature page to Common Unit Purchase Agreement]

Swank MLP Convergence Fund, LP

By: /s/Jerry V. Swank
Name: Jerry V. Swank
Title: Managing Partner

[Signature page to Common Unit Purchase Agreement]

Citigroup Global Markets, Inc.

By: /s/Daniel P. Breen
Name: Daniel P. Breen
Title: Managing Director

[Signature page to Common Unit Purchase Agreement]

GUARANTEE

TransCanada PipeLines Limited ("Guarantor") guarantees each and every representation, warranty, covenant, agreement and other obligation of its indirect, wholly owned subsidiary, TransCan Northern Ltd., and any other TransCanada Purchaser, and/or any of their respective permitted assigns, and the full and timely performance of their respective obligations under the provisions of the foregoing Agreement. This is a guarantee of payment and performance, and not of collection, and Guarantor acknowledges and agrees that this guarantee is unconditional, and no release or extinguishment of any TransCanada Purchaser's obligations or liabilities (other than in accordance with the terms of the Agreement), whether by decree in any bankruptcy proceeding or otherwise, shall affect the continuing validity and enforceability of this guarantee, as well as any provision requiring or contemplating performance by Guarantor.

Without limiting in any way the foregoing guarantee, Guarantor covenants and agrees to take all actions to enable TransCan Northern Ltd. and any other TransCanada Purchaser to adhere to the provisions of Section 2.1(d) of the Agreement.

We understand that the Partnership is relying on this guarantee in entering into the Agreement and may enforce this guarantee as if Guarantor were a party thereto.

This Guarantee may be executed in any number of counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Guarantee.

TransCanada PipeLines Limited

By: /s/Mark Zimmerman
Name: Mark Zimmerman
Title: Vice President Commercial Transactions

By: /s/Donald J. DeGrandis
Name: Donald J. DeGrandis
Title: Corporate Secretary

[Guarantee Relating to Common Unit Purchase Agreement]

Exhibit A

to Common Unit Purchase Agreement

Purchaser	Number of Units	Commitment Amount
TransCan Northern Ltd. TC Pipelines, LP 450 – 1st Street S.W. Calgary, Alberta, Canada T2P 5H1 Attention: Mark Zimmerman	8,678,045	$ 300,000,015.65
Kayne Anderson MLP Investment Company 1800 Avenue of the Stars, 2nd Floor Los Angeles, California 90067 Attention: David Shladovsky, Esq.	867,804	$ 29,999,984.28
Kayne Anderson Energy Total Return Fund, Inc. 1800 Avenue of the Stars, 2nd Floor Los Angeles, California 90067 Attention: David Shladovsky, Esq.	144,634	$ 4,999,997.38
Kayne Anderson MLP Fund, L.P. 1800 Avenue of the Stars, 2nd Floor Los Angeles, California 90067 Attention: David Shladovsky, Esq.	723,170	$ 24,999,986.90
Kayne Anderson Capital Income Partners (QP), L.P. 1800 Avenue of the Stars, 2nd Floor Los Angeles, California 90067 Attention: David Shladovsky, Esq.	72,317	$ 2,499,998.69
Strome MLP Fund, LP Strome Investment Management 100 Wilshire Blvd., Suite 1750 Santa Monica, California 90401 Phone 310-752-1487 Fax 310-752-1483 Attention: Casey Borman	144,634	$ 4,999,997.38
Royal Bank of Canada Royal Bank of Canada c/o Dan Weinstein One Liberty Plaza 2nd Floor New York, NY 10006	650,853	$ 22,499,988.21
Tortoise North American Energy Corporation 10801 Mastin Boulevard Suite 222 Overland Park, Kansas 66210	216,951	$ 7,499,996.07
Tortoise Energy Capital Corporation 10801 Mastin Boulevard Suite 222 Overland Park, Kansas 66210	867,804	$ 29,999,984.28
Tortoise Energy Infrastructure Corporation 10801 Mastin Boulevard Suite 222 Overland Park, Kansas 66210	1,229,390	$ 42,500,012.30

Structured Finance Americas, LLC c/o Deutsche Bank Securities, Inc. 60 Wall Street NY, NY 10005 Attn: Sunil Hariani, 4th Floor with a copy to Attn: Colleen Crooks, 14th Floor	867,804	$	29,999,984.28
Citigroup Global Markets, Inc. 390 Greenwich Street, 3rd Fl New York, NY 10013 Attn: Pat Borst	289,268	$	9,999,994.76

GPS Income Fund LP GPS Partners LLC 100 Wilshire Blvd., Suite 900 Santa Monica, California 90401	453,411	$	15,674,418.27
GPS High Yield Equities Fund GPS Partners LLC 100 Wilshire Blvd., Suite 900 Santa Monica, California 90401	139,485	$	4,821,996.45
HFR RVAGPS Master Trust GPS Partners LLC 100 Wilshire Blvd., Suite 900 Santa Monica, California 90401	77,515	$	2,679,693.55
GPS New Equity Fund LP GPS Partners LLC 100 Wilshire Blvd., Suite 900 Santa Monica, California 90401	57,945	$	2,003,158.65
Lehman Brothers Inc. Lehman Brothers Inc. 745 Seventh Avenue New York, New York 10019-6801 Attention: Walter Maloney Telephone: 212-526-1955 Facsimile: 212-526-6327 with a copy to: Attention: Tim Collins Telephone: 212-526-1027 Facsimile: 646-834-0996	717,984	$	24,820,706.88
The Cushing MLP Opportunity Fund I, LP 3300 Oak Lawn, Suite 650 Dallas, Texas 75219 Phone 214.635.1676 Fax 214.219.2353 Attention: Dan Spears	636,390	$	22,000,002.30

Swank MLP Convergence Fund, LP 3300 Oak Lawn, Suite 650 Dallas, Texas 75219 Phone 214.635.1676 Fax 214.219.2353 Attention: Dan Spears	86,780	$	2,999,984.60

TPG -Axon Capital Management, LP 888 Seventh Avenue - 38th Floor New York, New York 10019 Attention: Mary Lee, Esq. or Legal Department Facsimile: (212) 479-2001	433,902	$	14,999,992.14
Total	**17,356,086**	**$**	**599,999,893.02**

NewsRelease

TC PipeLines, LP Enters Agreement for $600 Million Private Placement of Common Units

CALGARY, Alberta – February 21, 2007 – (Nasdaq: TCLP) – TC PipeLines, LP (the Partnership) today announced it has entered into an agreement to sell 17,356,086 common units at $34.57 per common unit for gross proceeds of $600 million. The common units are being sold to new and existing institutional accredited investors in a private placement.

The institutional investors, led by Kayne Anderson Capital Advisors L.P. and Tortoise Capital Advisors, will acquire 8,678,041 common units for approximately $300 million. In addition, TransCan Northern Ltd., a wholly owned subsidiary of TransCanada Corporation (TCPL) will acquire 8,678,045 common units for approximately $300 million.

A TransCanada subsidiary will also invest approximately $12 million to maintain the general partnership interest.

Closing of the placement is conditioned on the closing of the Partnership's proposed acquisition of a 46.45 per cent general partner interest in Great Lakes Gas Transmission Limited Partnership (GLGT). The acquisition, subject to standard closing conditions, is expected to close by the end of February, 2007.

The $600 million in equity proceeds reflect the Partnership's previously stated commitment to maintain a strong balance sheet following its recent acquisitions of an additional 20 per cent interest in Northern Border, 50 per cent interest in Tuscorara and now its 46.45 per cent interest in GLGT. The Partnership will use the net proceeds from this private placement to fund a portion of the approximately $750 million cash consideration for the acquisition. The Partnership plans to finance the balance of the total consideration through its $950 million senior revolving debt credit facility announced on February 13, 2007.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy the securities described herein. The securities offered have not been registered under the Securities Act of 1933 and may not be offered or sold in

the United States absent registration or an applicable exemption from registration requirements.

TC PipeLines, LP is a publicly traded limited partnership. Pending the closing of the acquisition of a 46.45 per cent interest in Great Lakes Gas Transmission Limited Partnership announced December 22, 2006, TC PipeLines, LP will have interests in more than 3,600 miles of federally regulated U.S. interstate natural gas pipelines including Northern Border Pipeline Company (50 per cent ownership) and Tuscarora Gas Transmission Company (99 per cent owned or controlled). For more information about TC PipeLines, LP, visit the Partnership's website at www.tcpipelineslp.com.

Cautionary Statement Regarding Forward-Looking Information

This news release may include forward-looking statements regarding future events and the future financial performance of TC PipeLines, LP. Words such as "believes," "expects," "intends," "forecasts," "projects," and similar expressions identify forward-looking statements. All forward-looking statements are based on the Partnership's current beliefs as well as assumptions made by and information currently available to the Partnership. These statements reflect the Partnership's current views with respect to future events. The Partnership assumes no obligation to update any such forward-looking statement to reflect events or circumstances occurring after the date hereof. Important factors that could cause actual results to materially differ from the Partnership's current expectations include the ability to close the Great Lakes acquisition, regulatory decisions, particularly those of the Federal Energy Regulatory Commission and the Securities and Exchange Commission, the ability of Northern Border Pipeline to recontract its available capacity at maximum rates, operational decisions of Northern Border Pipeline's operator, the failure of a shipper on either one of the Partnership's pipelines to perform its contractual obligations, cost of acquisitions, future demand for natural gas, overcapacity in the industry, and other risks inherent in the transportation of natural gas as discussed in the Partnership's filings with the Securities and Exchange Commission, including the Partnership's Annual Report on Form 10-K for the year ended December 31, 2005 and subsequent quarterly reports on Form 10-Q.

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Media Inquiries:	Shela Shapiro	(403) 920-7859 (800) 608-7859
Unitholder and Analyst Inquiries:	Myles Dougan	(877) 290-2772

investor_relations@tcpipelineslp.com

NewsRelease

TC PipeLines, LP Closes Great Lakes Gas Transmission Acquisition

CALGARY, Alberta – February 22, 2007 – (Nasdaq: TCLP) – TC PipeLines, LP (the Partnership) today announced it has closed the acquisition of a 46.45 per cent interest in Great Lakes Gas Transmission Limited Partnership (Great Lakes) from El Paso for approximately US$962 million, subject to certain closing adjustments, including US$212 million of assumed debt.

"With the acquisition of Great Lakes, the Partnership now has interests in more than 3,600 miles of federally regulated U.S. interstate natural gas pipelines delivering to a diverse market base in the Western, Midwestern, and Northeastern U.S. as well as Eastern Canada," said Russ Girling, chief executive officer of the general partner, TC PipeLines GP, Inc. "As a result of the Partnership's acquisition activity in the past year, we have significantly expanded the size of our asset base and strengthened the Partnership."

The acquisition was partially financed through a private placement of 17,356,086 common units at $34.57 per common unit for gross proceeds of $600 million announced on February 21, 2007. The placement closed concurrently with the acquisition. The common units were sold to new and existing institutional accredited investors. The Partnership financed the balance of the total consideration with a draw on its $950 million senior debt credit facility announced on February 13, 2007.

Great Lakes owns and operates a 2,115 mile interstate natural gas pipeline system with a design capacity of 2.5 billion cubic feet per day. Extending from the Minnesota-Manitoba border at Emerson to the Michigan-Ontario border at St. Clair, Great Lakes provides a direct, cost-effective link between Western Canada's abundant natural gas basin and major industrial and market centers in Minnesota, Wisconsin, Michigan and eastern Canada.

TC PipeLines, LP is a publicly traded limited partnership. With the close of the acquisition of a 46.45 per cent interest in Great Lakes Gas Transmission Limited Partnership, TC PipeLines, LP has interests in more than 3,600 miles of federally regulated U.S. interstate natural gas pipelines including

Northern Border Pipeline Company (50 per cent ownership) and Tuscarora Gas Transmission Company (99 per cent owned or controlled). For more information about TC PipeLines, LP, visit the Partnership's website at www.tcpipelineslp.com.

Cautionary Statement Regarding Forward-Looking Information

This news release may include forward-looking statements regarding future events and the future financial performance of TC PipeLines, LP. Words such as "believes," "expects," "intends," "forecasts," "projects," and similar expressions identify forward-looking statements. All forward-looking statements are based on the Partnership's current beliefs as well as assumptions made by and information currently available to the Partnership. These statements reflect the Partnership's current views with respect to future events. The Partnership assumes no obligation to update any such forward-looking statement to reflect events or circumstances occurring after the date hereof. Important factors that could cause actual results to materially differ from the Partnership's current expectations include, regulatory decisions, particularly those of the Federal Energy Regulatory Commission and the Securities and Exchange Commission, the ability of Northern Border Pipeline to recontract its available capacity at maximum rates, operational decisions of Northern Border Pipeline's operator, the failure of a shipper on either one of the Partnership's pipelines to perform its contractual obligations, cost of acquisitions, future demand for natural gas, overcapacity in the industry, and other risks inherent in the transportation of natural gas as discussed in the Partnership's filings with the Securities and Exchange Commission, including the Partnership's Annual Report on Form 10-K for the year ended December 31, 2005 and subsequent quarterly reports on Form 10-Q.

– 30 –

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Unitholder and Analyst Inquiries:	Myles Dougan	(877) 290-2772

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