Partnership Profile

June 2017

TC PipeLines, LP

Forward-Looking Information and Non-GAAP Measures

This presentation may contain “forward-looking statements” within the meaning of securities laws. Forward-looking statements can be identified by words such as “expects,” “intends,” “anticipates,” “plans,” “seeks,” “believes,” “estimates” and other words or expressions of similar reference to future periods. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. As such, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. We caution you against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward looking statements include but are not limited to: change in customer base and contract profile; failure of announced dropdowns from TransCanada to close and anticipated dropdowns from TransCanada to materialize; failure of acquisitions to be immediately accretive to cash per common unit generated from operations; changes in availability of natural gas from existing supply basins; and other risks inherent in an investment in us as discussed in our most recent Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and other SEC filings. Any forward-looking statement made in this presentation speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may occur from time-to-time and it is not possible to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

We use the non-GAAP financial measures “EBITDA” and ‘‘Distributable cash flow” as a supplement to our GAAP financial statements. “EBITDA” is an approximate measure of our operating cash flow during the current earnings period. “Distributable cash flow” provides a measure of distributable cash generated during the current earnings period. It measures our earnings before deducting depreciation and amortization and it includes cash distribution from our equity investments less income from those equity investments. These measures are performance measures presented to assist investors in the evaluation of our business performance. We believe these measures provide additional meaningful information in evaluating our financial performance and cash generating capacity. These non-GAAP financial measures are provided as a supplement to GAAP financial results and are not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. A reconciliation to the most closely related GAAP measures is included in this presentation and in our most recent Management’s Discussion and Analysis filed with the SEC. These measures do not have any standardized meaning prescribed by GAAP. They are, therefore, considered to be non-GAAP measures and are unlikely to be comparable to similarly titled measures presented by other entities.

TC PipeLines, LP (TCP) – Investment Proposition

Track Record of Delivering Long-Term Value

14% average annual return since 1999

Disciplined Growth

Anticipate dropdowns from TransCanada's broad and diversified footprint of natural gas infrastructure

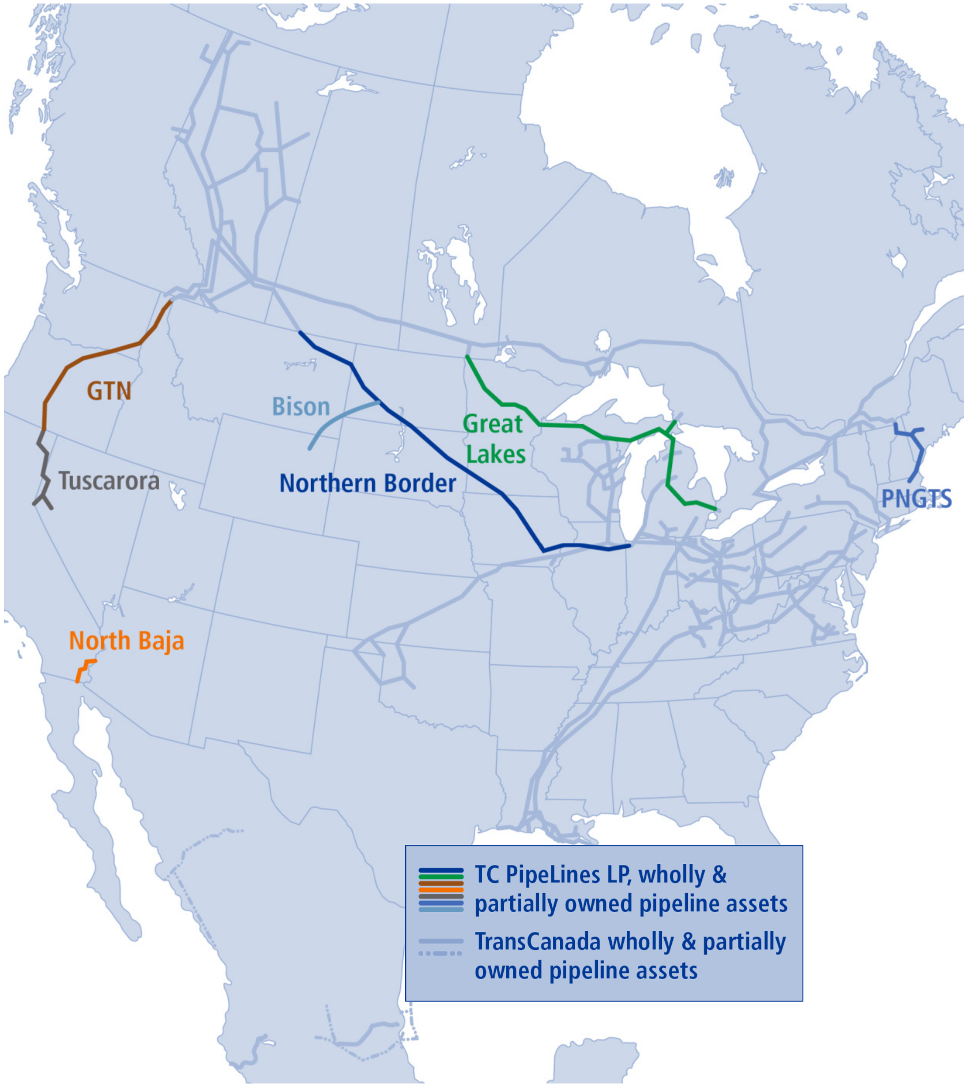
Low-Risk Energy Infrastructure Assets

Almost entirely underpinned by long-term, ship-or-pay contracts

Solid Financial Position

Conservative balance sheet Investment grade credit ratings

Strong History of Consistent Distribution Growth



TC PipeLines, LP (NYSE:TCP)

Portfolio of seven natural gas pipelines
- Growing industry, clean fuel
- Serves regionally diverse basins and customer bases

Limited variability
- FERC regulated with long-term, ship-or-pay contracts
- No commodity price exposure
- Very little volume risk

Financial flexibility and liquidity
- Solid balance sheet
- Investment grade credit ratings

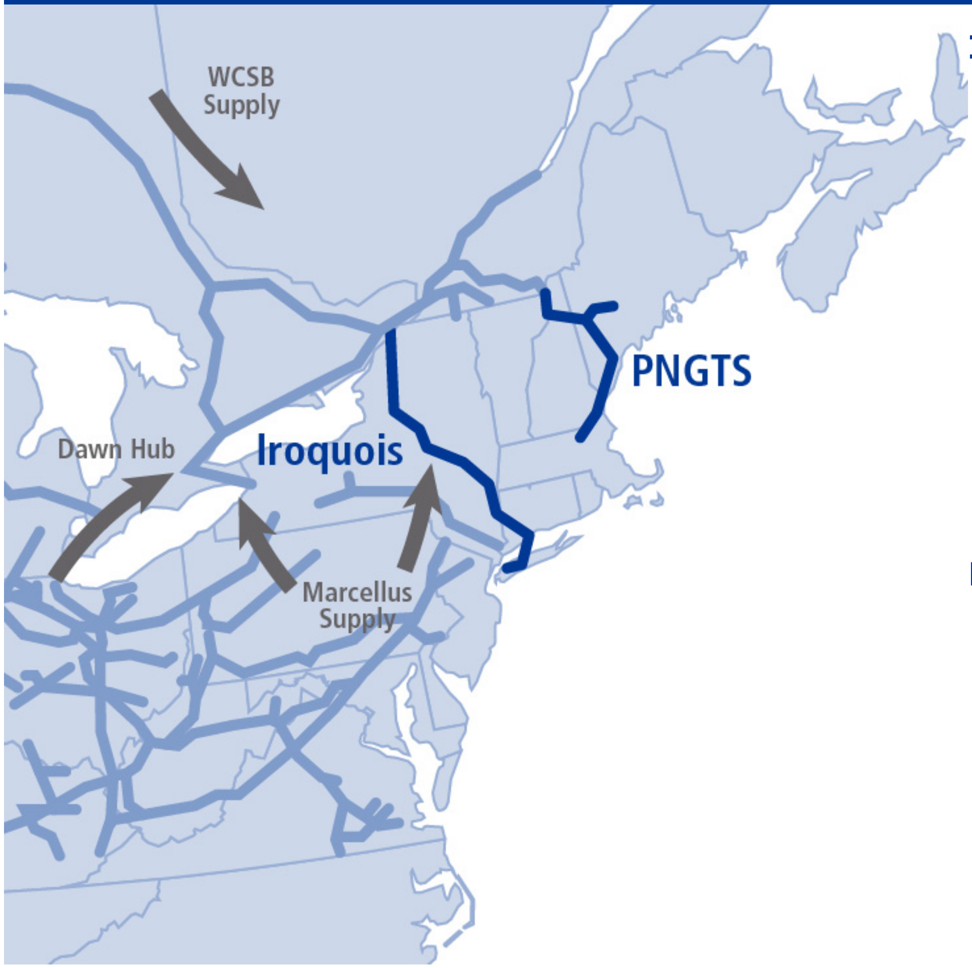
MLP of TransCanada Corporation
- TCP is a core element of TransCanada's strategy
- Following a transformational year in 2016, TransCanada progressing a large capital program over the next three years

Acquisition of 49.3% Interest in Iroquois and 11.8% Interest in PNGTS


- **On May 4, 2017, announced we reached an agreement to purchase a 49.3% interest in Iroquois and an 11.8% interest in PNGTS from TransCanada for $765 million**
  - Inclusive of approximately $164 and $4 million in proportionate Iroquois and PNGTS debt, respectively
  - 2016 EBITDA of approximately $74 million on a combined basis
  - Expected to close mid-year 2017
- **Financing of the transaction expected to be a combination of debt and ATM equity**
- **Immediately accretive**
- **Expect to recommend a six percent increase to distributions in July, 2017**

Transaction further solidifies TC PipeLines' position in the U.S. Northeast

Iroquois and PNGTS – Critical Energy Infrastructure in U.S. Northeast



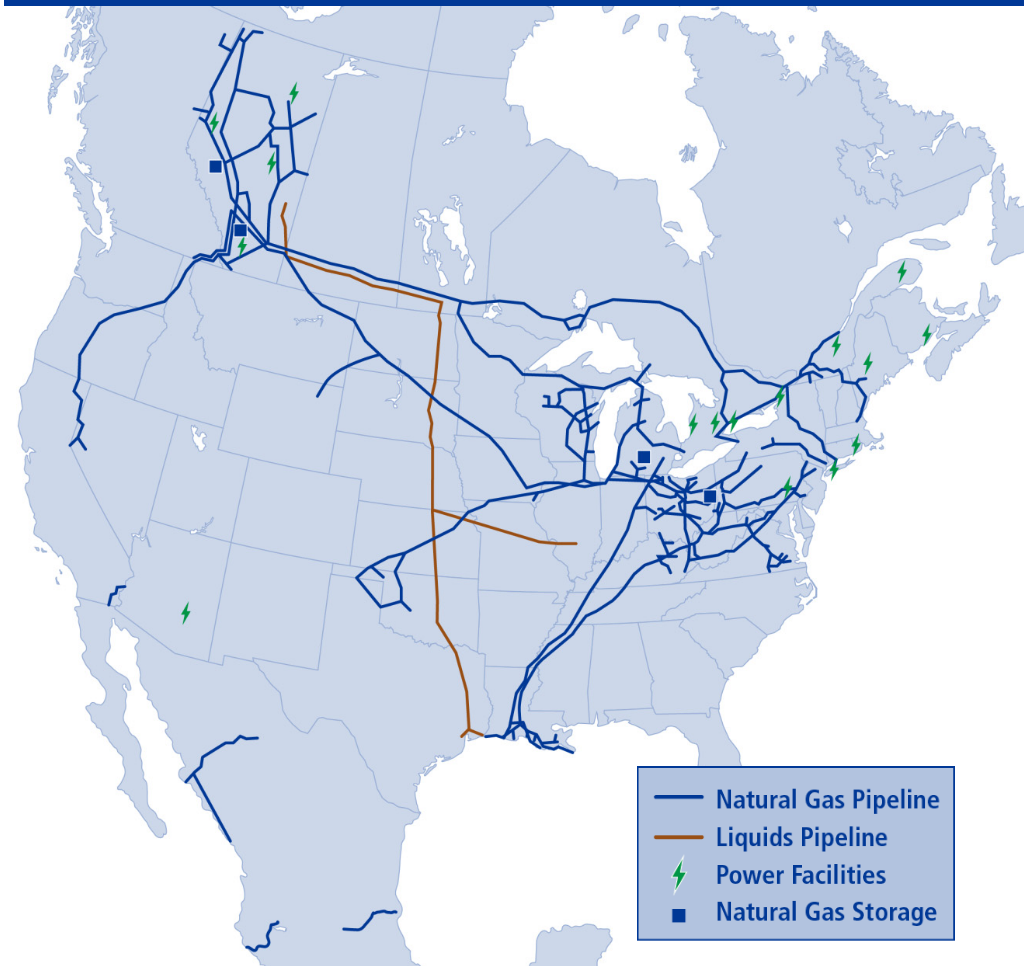
Iroquois pipeline system

- 49.3% interest in a FERC-regulated interstate natural gas pipeline
- Transports gas from a number of supply areas:
- WCSB via TransCanada's Mainline
- Marcellus via various pipeline interconnects
- Dawn hub
- Key market connections into New York City
- Serves LDCs and electric power plants
- Supported by long-term contracts; rate certainty to 2020

PNGTS

- Interest increases to 61.7%
- FERC-regulated interstate natural gas pipeline
- Supported by long-term contracts
- Serves key markets in New England – "steel-in-the-ground" advantage and a critical link in meeting New England's growing gas peaking needs
- Future potential to serve Canada's maritime market

Strong GP in TransCanada (TSX, NYSE:TRP)



One of North America's Largest Natural Gas Pipeline Networks

- 56,900 miles of pipeline
- 653 Bcf of storage capacity
- Transports approximately 25% of North America's natural gas demand

Premier Liquids Pipeline System

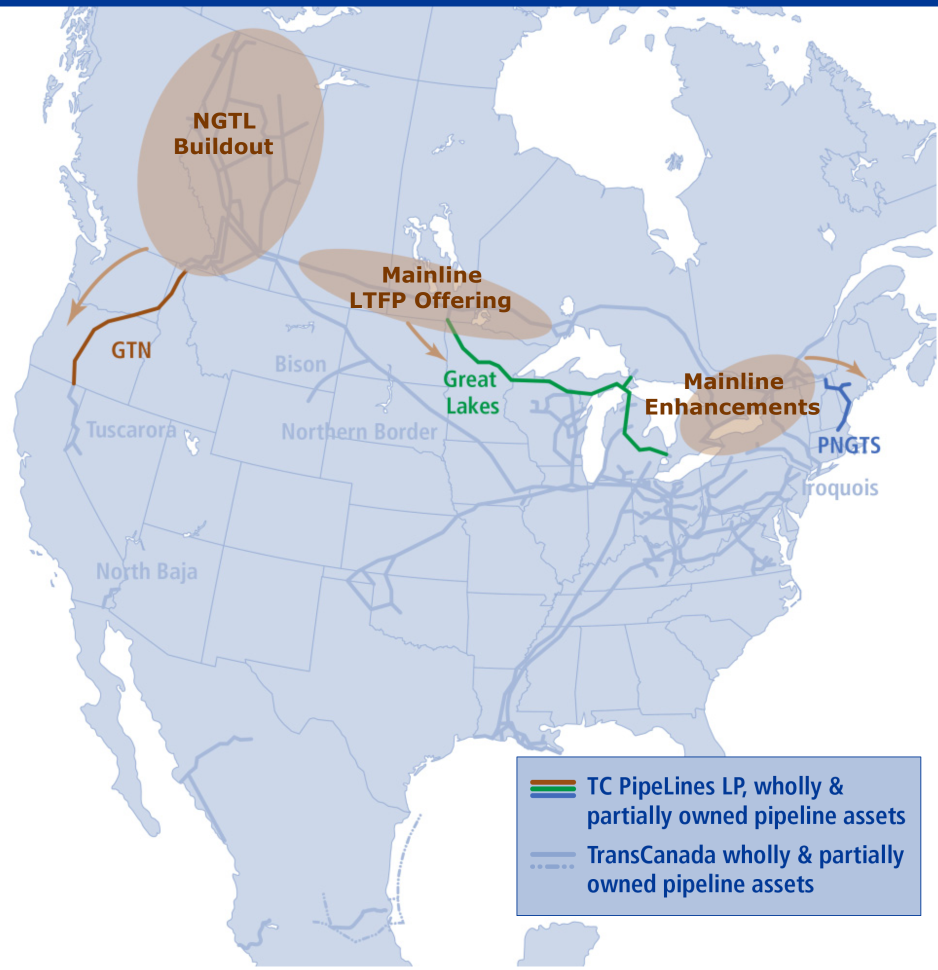
- 2,700 miles of pipeline
- Transports 20% of Western Canadian exports

One of the Largest Private Sector Power Generators in Canada

Enterprise value of ~C$100 billion

Portfolio of complementary energy infrastructure assets

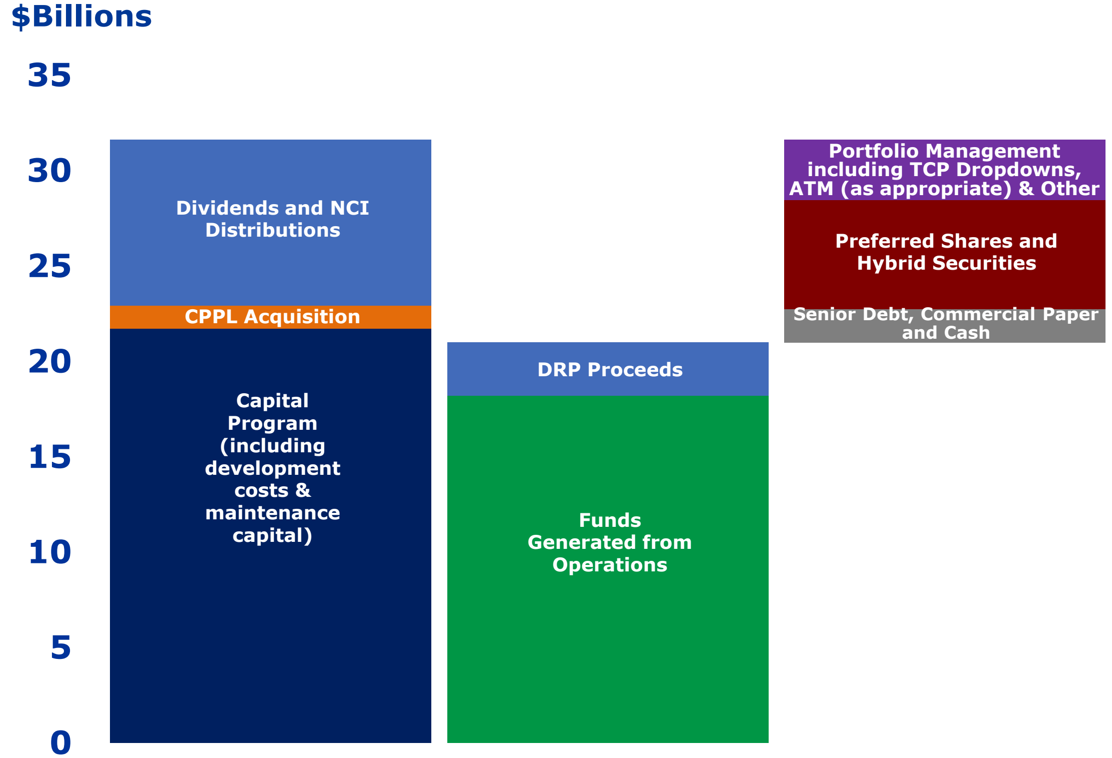
TCP's Assets Highly Interconnected to TransCanada's Asset Portfolio



- **TransCanada's NGTL System buildout and west path expansion**
  - Opportunities for expanded volumes on GTN
- **TransCanada's Mainline load attraction offering**
  - Leads to TBO contract on Great Lakes
- **TransCanada's Mainline capacity enhancements in Eastern Canada**
  - Support PNGTS' growth plans by providing opportunities for cost-efficient expansion and synergies

TCP benefits from GP's initiatives at upstream pipelines

TransCanada's Funding Program for Near-Term Growth Portfolio



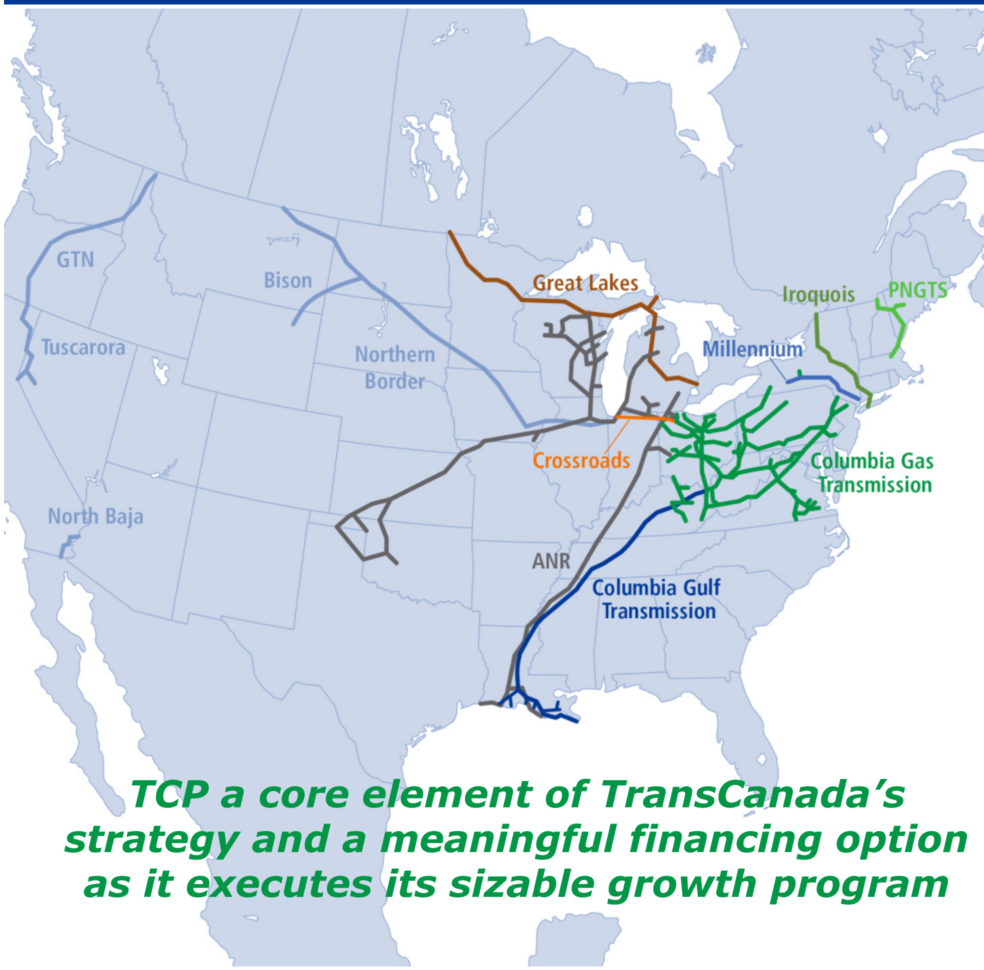
TransCanada's 2017 – 2019 Outlook

Numerous Levers Available to Fund Near-Term Capital Program

- Cash flow from operations
- Dividend Reinvestment Plan
- Access to capital markets including senior debt and preferred shares and hybrid securities
- *Portfolio management including dropdowns to TC PipeLines, LP*
- At-The-Market (ATM) program, as appropriate

TCP is a core element of TransCanada's strategy

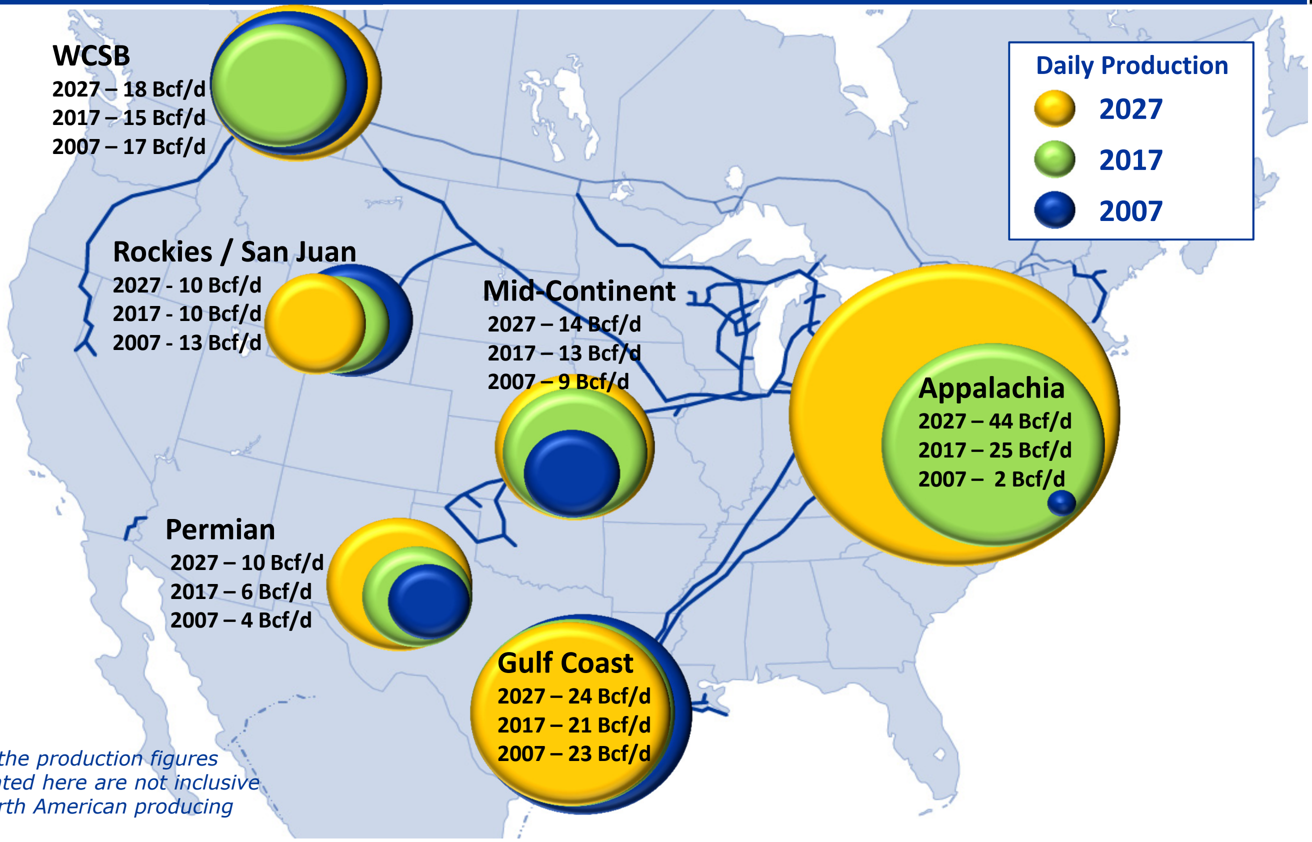
TCP Expects Future Dropdowns from TransCanada



TCP a core element of TransCanada's strategy and a meaningful financing option as it executes its sizable growth program

- **TCP is TransCanada's MLP vehicle and a core element of its strategy**
- **Natural gas pipelines well-positioned with access to multiple supply basins & large market centers**
  - ANR to benefit from rate case settlement - includes $837 million of maintenance capital for reliability and modernization projects, reflected in its rates
  - GTN opportunities from upstream expansion
  - Great Lakes positioned to benefit from WCSB production through Mainline LTFP TBO arrangement
  - Iroquois and PNGTS well positioned for expansions
- **Pending acquisition of 49.3% interest in Iroquois and TransCanada's remaining 11.8% interest in PNGTS**
  - Purchase price of $765 million includes approximately $164 and $4 million in proportionate Iroquois and PNGTS debt, respectively
  - 2016 EBITDA of approximately $74 million on a combined basis

Natural Gas Production Estimates by Major Basins

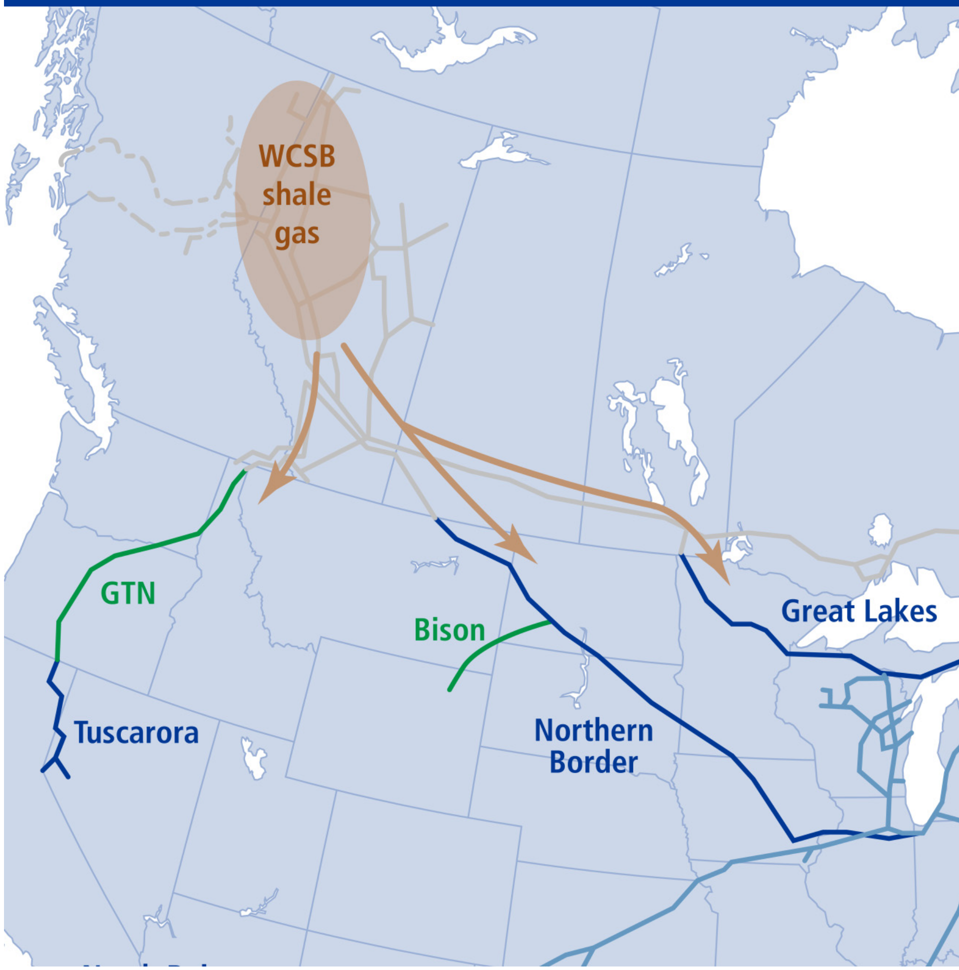


** Note: the production figures represented here are not inclusive of all North American producing regions*

TCP's pipeline assets benefit from continued strong production

Source: TransCanada

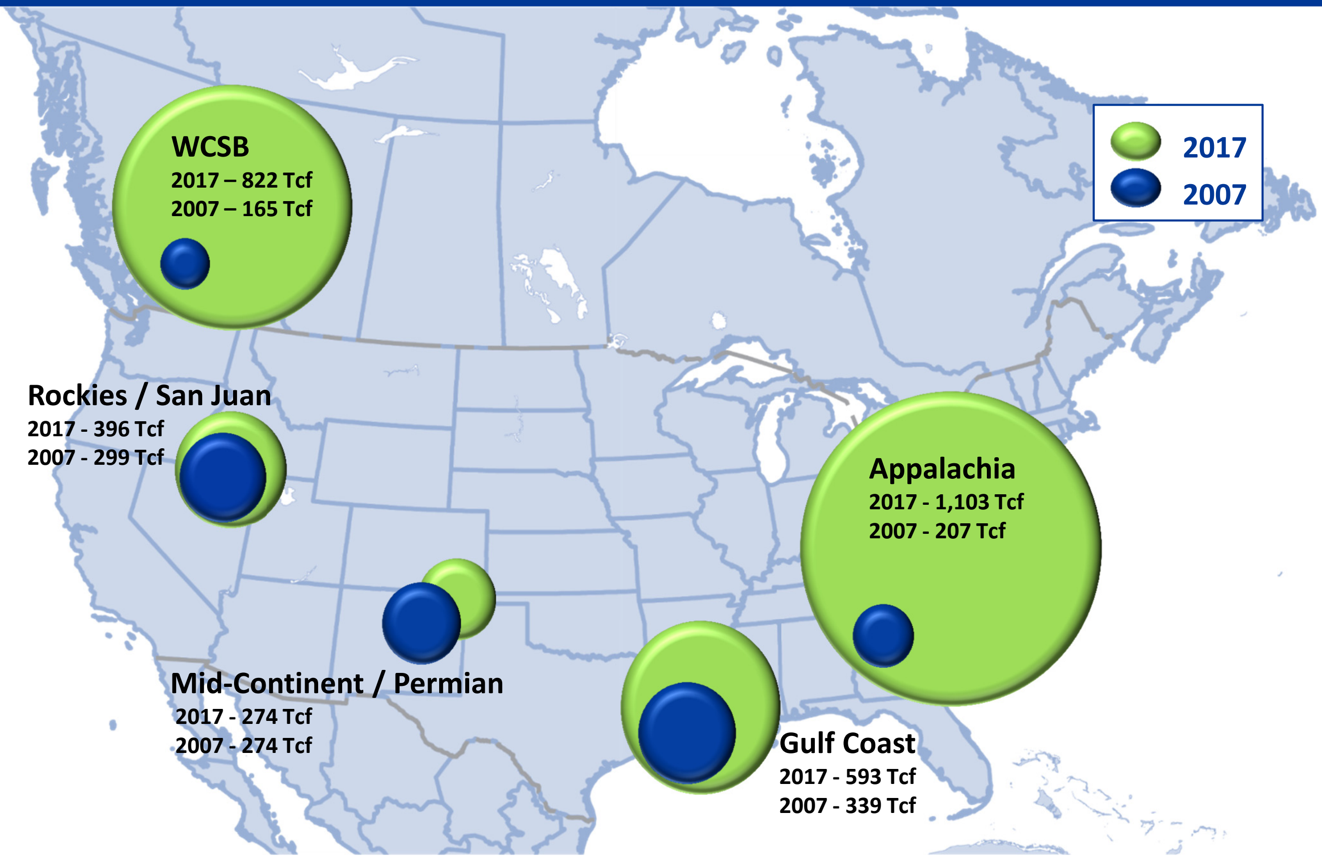
TC PipeLines, LP – Relationship to WCSB



- **Historical cost base significantly more competitive than greenfield development**
- **WCSB is one of the lowest cost basins in North America**
- **Rolled-in economics**
- **Quicker access to market**
- **Production connected to our GTN, Northern Border and Great Lakes pipelines**
- **TransCanada's Mainline successfully negotiated a long-term fixed price agreement with its customers, a supportive factor for maintaining WCSB production at robust levels**

Continued long-term sustainability of our pipelines

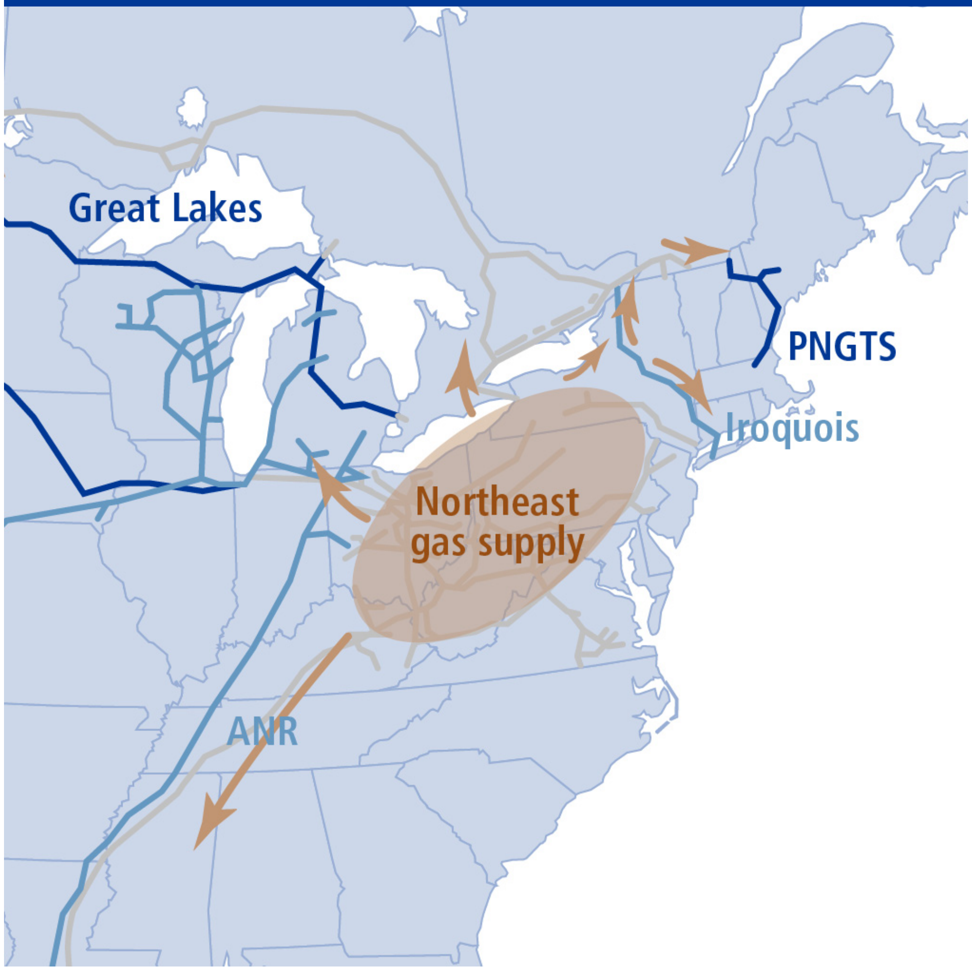
Natural Gas Resource Estimates by Major Basins



Resource estimates have grown significantly

Source: Solomon Associates Gas Production Outlook by Basin 2025 and Ziff Economic Ranking of North American Gas Basins, 2008

TC PipeLines, LP – Relationship to U.S. Northeast Gas Supply



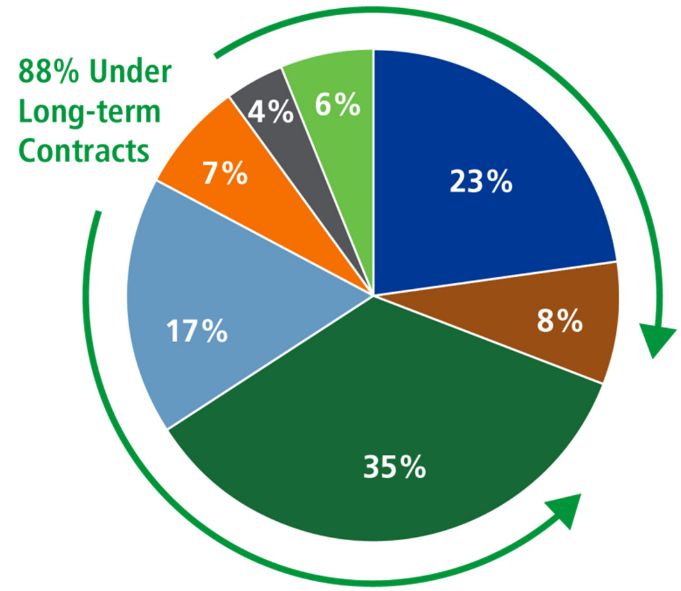
Marcellus / Utica strong gas supply growth

- TransCanada's strong incumbency position in U.S. Northeast driving opportunities for our pipeline systems
- Westward flows moving onto the ANR and Great Lakes systems
  - Access to high quality storage
  - Connections to large midwestern markets
  - World-leading demand growth in U.S. Gulf Coast region
- Eastward flows moving to Canada, New York and New England markets
  - Access to PNGTS and Iroquois
  - Strong winter markets
  - High seasonal pricing

Additional investment opportunities are expected to connect growing supply to market

Diversified Sources of Cash Flow

2016 Distributable Cash Flow*



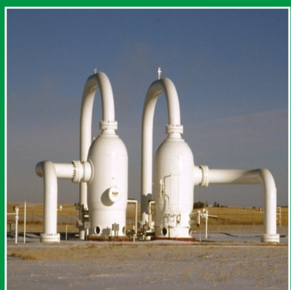
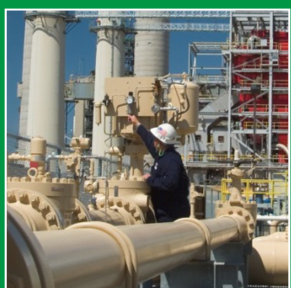
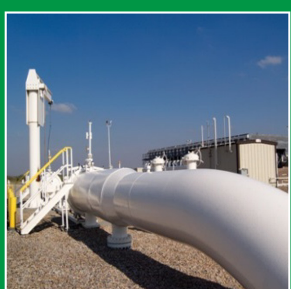
- Northern Border
- Great Lakes
- GTN
- Bison
- North Baja
- Tuscarora
- PNGTS

** Distributable Cash Flow is a non-GAAP measure. Please see the reconciliation to net income in the appendix.*

- **Diversified cash flow base**
- **Seven pipelines in multiple markets – pending acquisition of Iroquois pipeline interest will increase portfolio to eight**
- **88% of cash flow from long-term contracts**

Premium, geographically diverse natural gas pipeline network

TC PipeLines – Well Positioned for Growth

Stable cash flow from pipeline asset base

- Reliable and resilient infrastructure

Disciplined investment approach

- Execute business opportunities within our footprint
- Focus on long-life critical energy infrastructure
- Develop or acquire assets that provide stable cash distributions with a low-risk profile

Growth opportunities

- Dropdowns from TransCanada
- Third party acquisitions
- Organic growth / recontracting opportunities
  - GTN opportunities from planned upstream pipeline system expansions
  - Great Lakes could benefit from TransCanada's Mainline load-attraction service offering
  - PNGTS well positioned for expansion

Current portfolio

Pipeline System	TC PipeLines, LP Ownership (%)
Bison	100
GTN	100
Great Lakes	46.45
North Baja	100
Northern Border	50
PNGTS*	61.7
Tuscarora	100
Iroquois*	49.3

** Pending acquisition of 49.3% interest in Iroquois and 11.8% interest in PNGTS. Expected to close mid-year 2017.*

TC PipeLines, LP – Value Attributes


What we have	What this means
Broad geography Multiple basins Aggregation of supply	Not dependent on one field, basin, market or producer
WCSB and Marcellus/Utica supply our significant pipelines	Competitive supply growth - Rolled-in gathering and transportation costs - Benefit of lower Canadian dollar
Historic cost base vs expensive new builds	Our assets more competitive in all of our markets

Well positioned in the market…

TC PipeLines, LP – Value Attributes

What we have	What this means
Ship-or-pay contracts	No direct commodity risk Very little volume risk
Diversified, creditworthy customer base - LDCs, utilities, major producers	Minimal counterparty exposure Revenue security
“Last mile” advantage	Minimal bypass risk Enduring contracts and value

…creates long-term value

TC PipeLines, LP – Investment Proposition

Track Record of Stable and Growing Cash Distributions

- 17 consecutive years of distribution increases
- 6% increase in quarterly distribution in July, 2016
- With anticipated growth, expect future distribution increases

Low-Risk Energy Infrastructure Assets

- Diverse portfolio of FERC-regulated interstate natural gas pipelines
- Backed by long-term, ship-or-pay contracts with strong counterparties
- Investment grade credit ratings

Growth Opportunities

- MLP of industry leader TransCanada Corporation
- Dropdowns from TransCanada and organic expansion opportunities could provide future growth

Core holding for long-term investors

Appendix

TC PipeLines, LP

First Quarter 2017 Financial Results
(unaudited, millions of dollars except per common unit amounts)


	Three months ended 31-Mar	
	2017	2016
Net income	**75**	**73**
Net income attributable to controlling interests	**75**	**73**
Net income per common unit – *basic and diluted*[a]	**$1.05**	**$1.10**
Cash distributions paid	**(68)**	**(60)**
Class B distributions paid	**(22)**	**(12)**
Cash distributions declared per common unit	**$0.94**	**$0.89**
EBITDA[b]	**113**	**111**
Distributable cash flow[b]	**92**	**95**
Weighted average common units outstanding *(millions)*[c]	**68.3**	**64.4**
Common units outstanding, end of period *(millions)*[c]	**68.6**	**64.7**

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

(b) EBITDA and Distributable cash flow are non-GAAP financial measures. The reconciliations of these measures to the most directly comparable GAAP measure, Net Income, are available on our website under the supplemental schedules published as part of our first quarter earnings release.

(c) Under the ATM program, the Partnership issued 1,197,749 units during the period ended March 31, 2017.

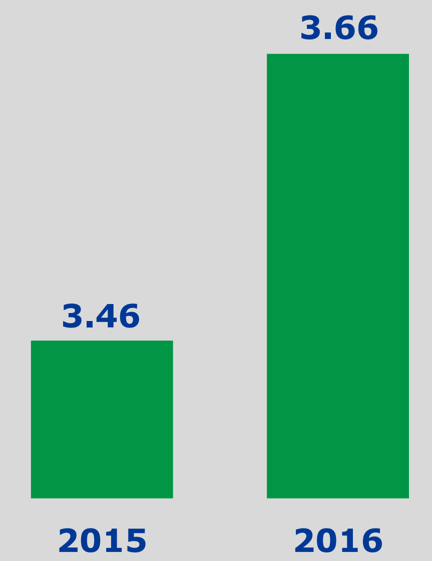
First Quarter 2017 Financial Results
(unaudited, millions of dollars)

	Three months ended 31-Mar	
	2017	**2016**
Transmission revenues	**89**	**86**
Equity earnings from unconsolidated affiliates	**43**	**42**
Operating, maintenance and administrative	**(19)**	**(17)**
Depreciation	**(22)**	**(21)**
Financial charges and other	**(16)**	**(17)**
Net income	**75**	**73**
Net income attributable to controlling interests	**75**	**73**

Financial Highlights – Twelve Months Ended December 31 (Non-GAAP)

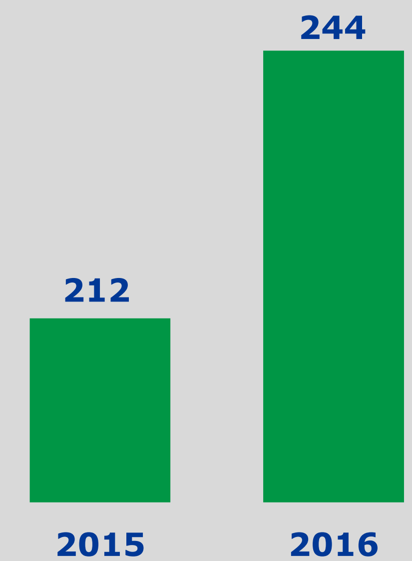
Cash Distributions Paid per Unit*
(Dollars)

6% Increase



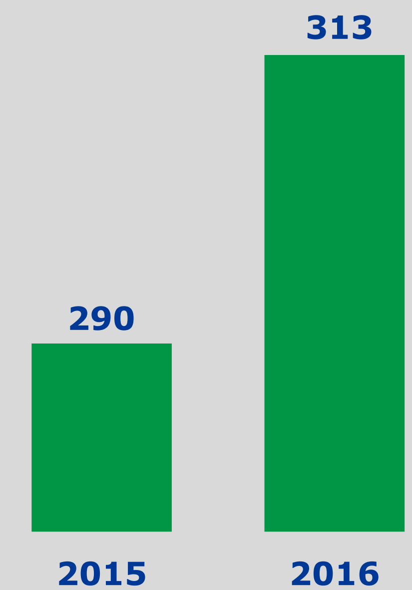
Adjusted Earnings*
($Millions)

13% Increase



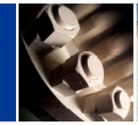
Distributable Cash Flow*
($Millions)

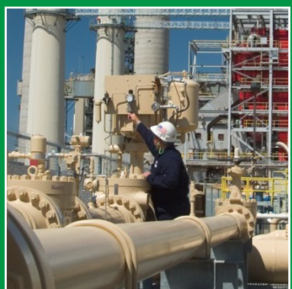
8% Increase



** Cash Distributions Paid per unit, Adjusted Earnings and Distributable Cash Flow are non-GAAP measures. See the non-GAAP measures slide at the front of this presentation for more information.*

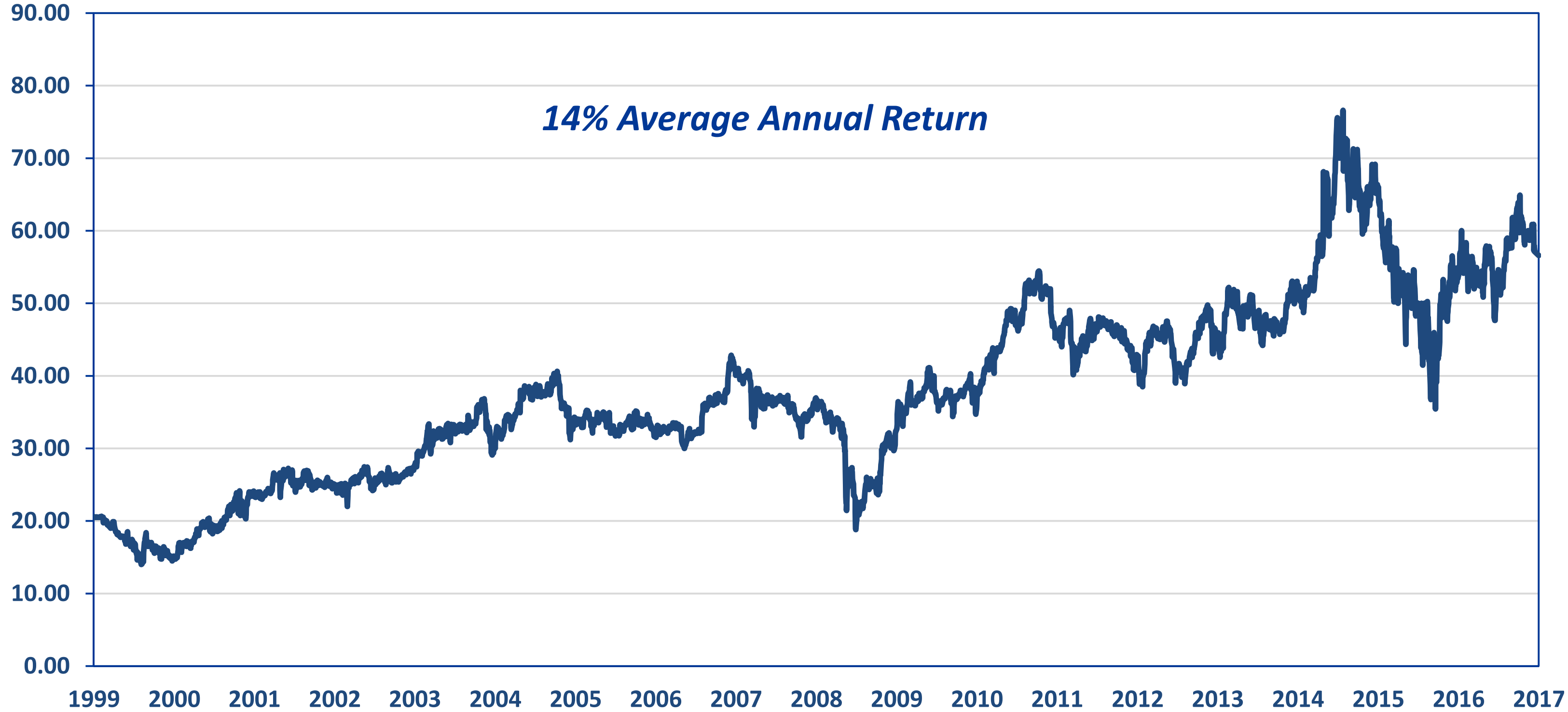
Solid Financial Position





- **Investment grade credit ratings**
  - Solid capital structure
  - Indicative of quality assets within portfolio
  - Recent reaffirmation of credit ratings
- **Liquidity and flexibility**
  - Credit facility of $500 million; $430 million available as at May 1, 2017
  - Right to request increase in credit facility by $500 million
  - Closed $500 million 10 year public debt offering at 3.90% on May 25, 2017
- **Solid distribution coverage**
  - Coverage ratio of 1.2X for twelve months ended March 31, 2017

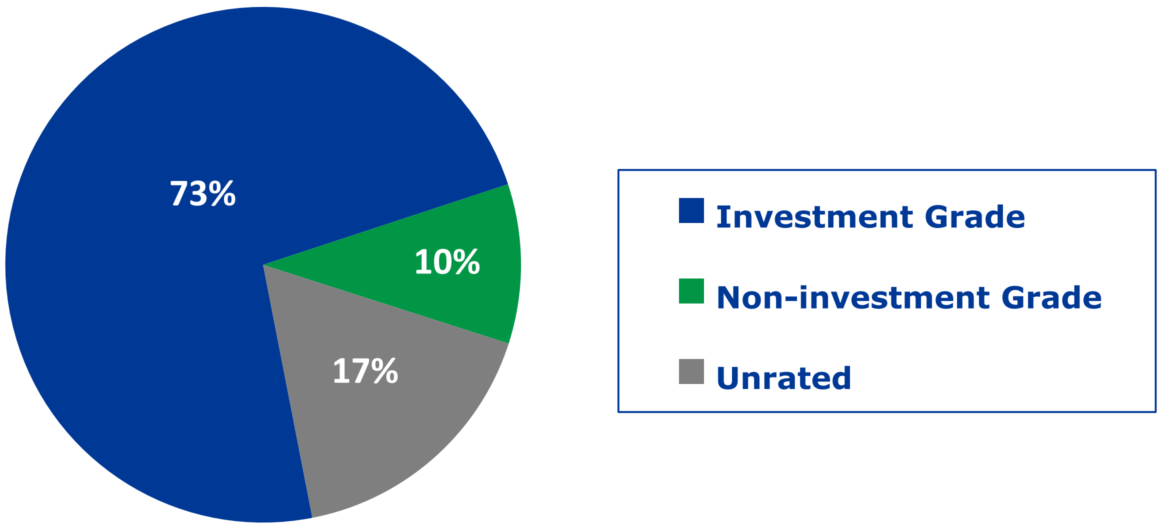
TC PipeLines, LP – Unit Performance



** Assumes initial investment at December 31, 1999; distributions reinvested on payment date*

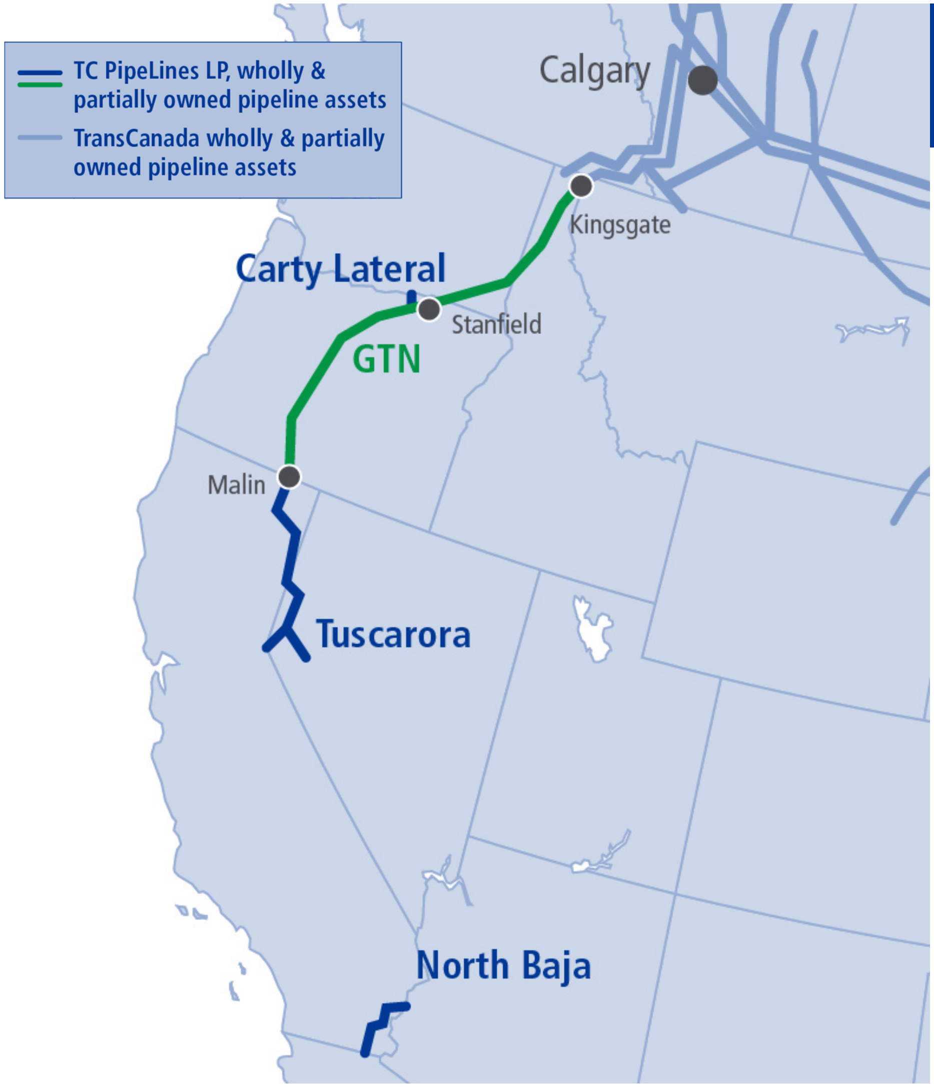
TCP’s Strong and Diverse Customer Mix

Transportation Customers by Credit Quality



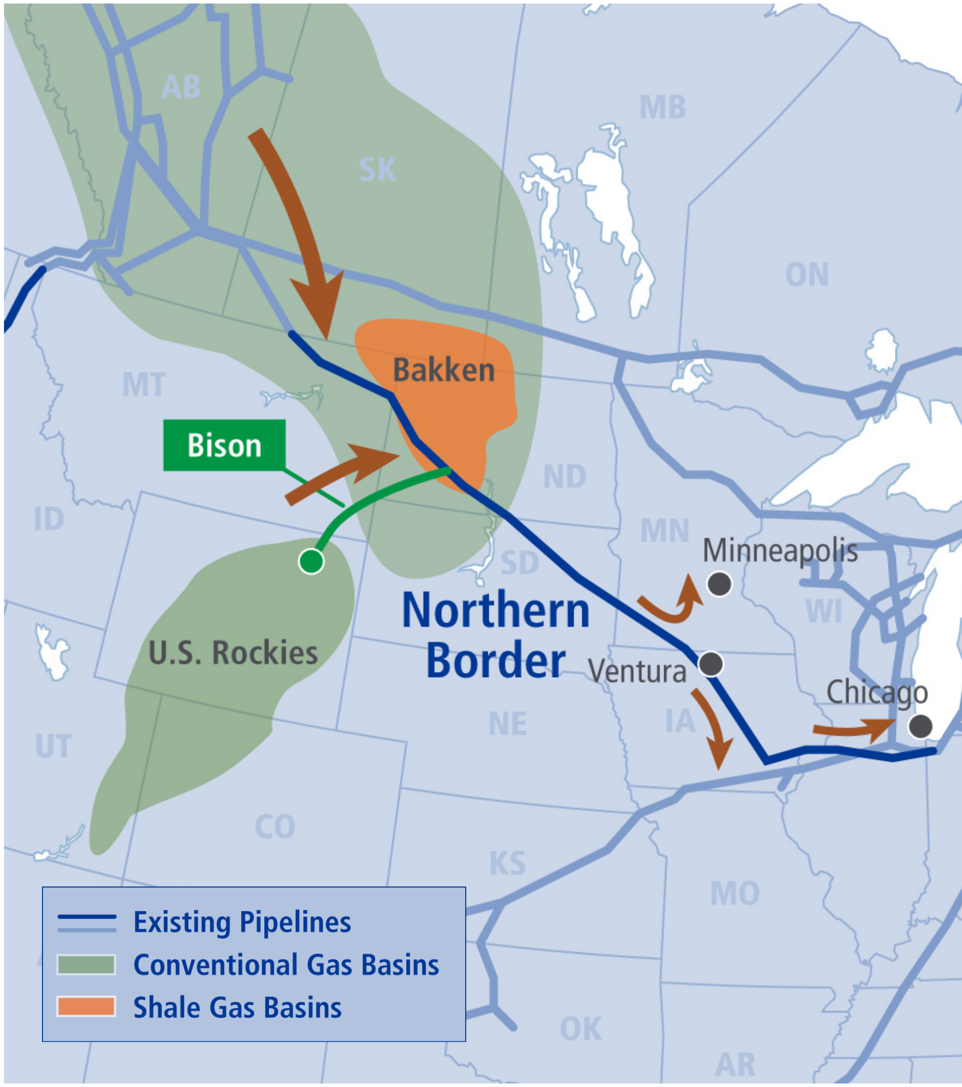
Diverse customer mix includes utilities, large producers, marketers and power generators

** Pro forma for dropdown transaction as of April 2017*



West Coast Pipelines
(100% LP Ownership)

- **Stable, consistent financial position**
- **Revenues underpinned by long-term, ship-or-pay contracts**
  - GTN: substantially supported by long-term contracts through 2023
  - North Baja: contracts maturing between 2022 and 2031
  - Tuscarora: fully contracted through 2020
- **Potential growth from power generation, LNG export and delivery of natural gas into Mexico**
- **TransCanada's NGTL expansion plans create downstream opportunities for GTN without need for extensive capital outlay**



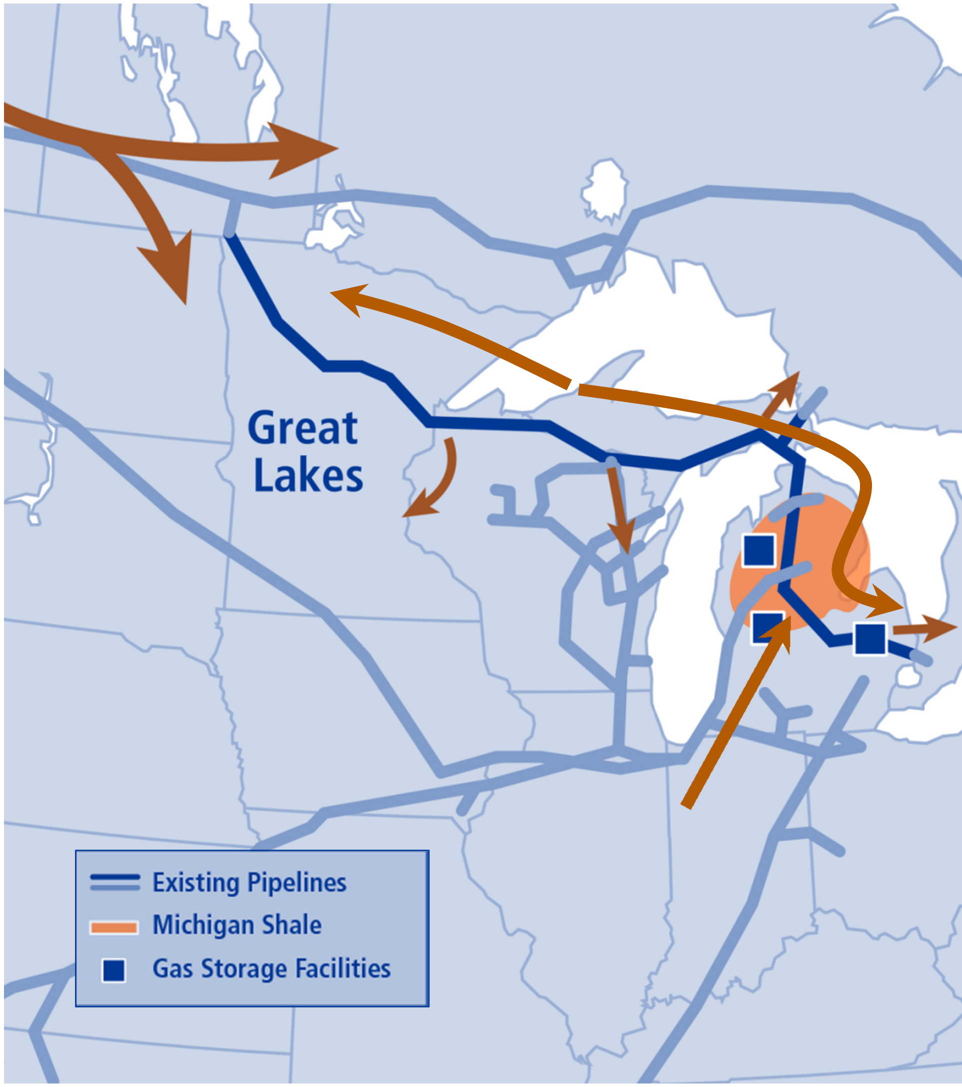
Mid-West: Northern Border and Bison
(50% and 100% LP Ownership respectively)

Northern Border

- Revenues substantially contracted through March 2018
- Large portion contracted through 2020
- Ongoing success in contract renewals
- Rate case certainty to 2018
- Emerging Bakken shale play creates valuable opportunities

Bison

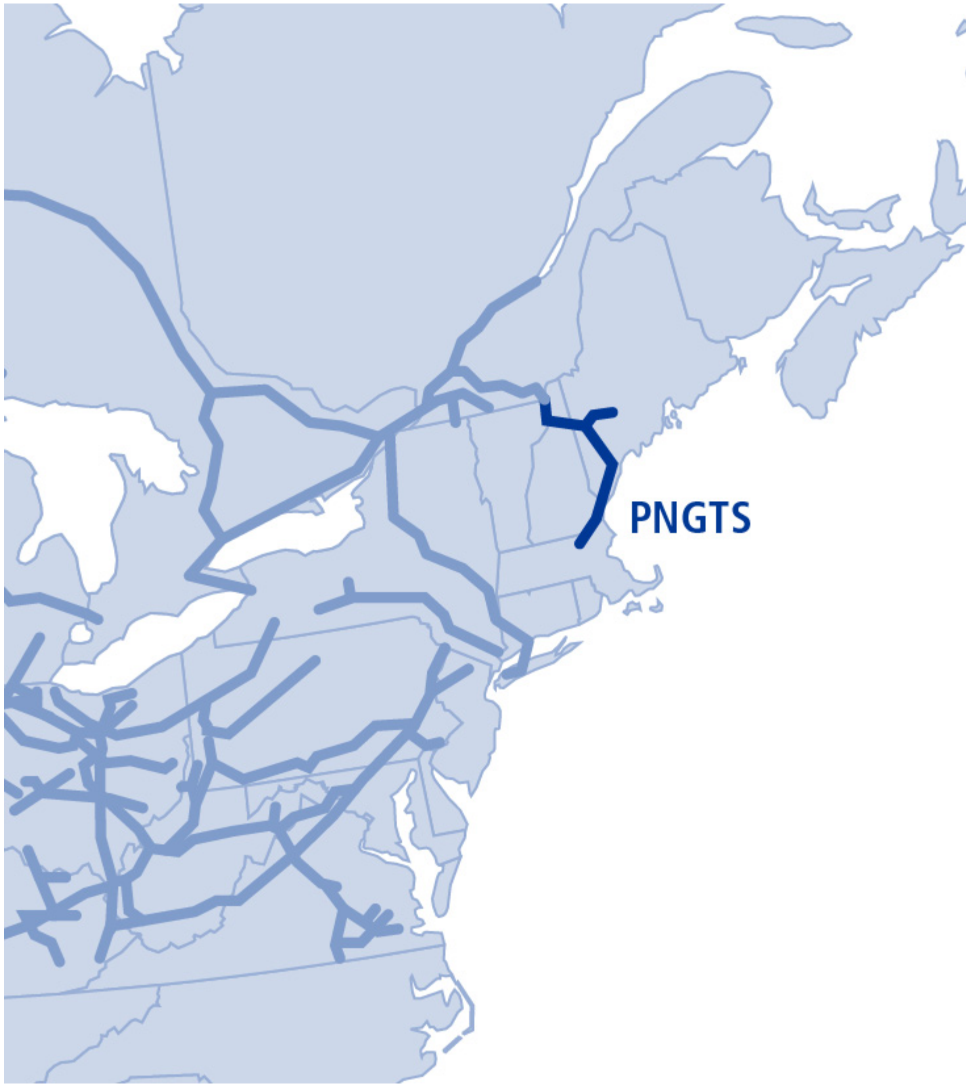
- Revenues fully contracted through January 2021
- Ship-or-pay contracts – paid for transportation service regardless of volume of natural gas shipped



Mid-West: Great Lakes

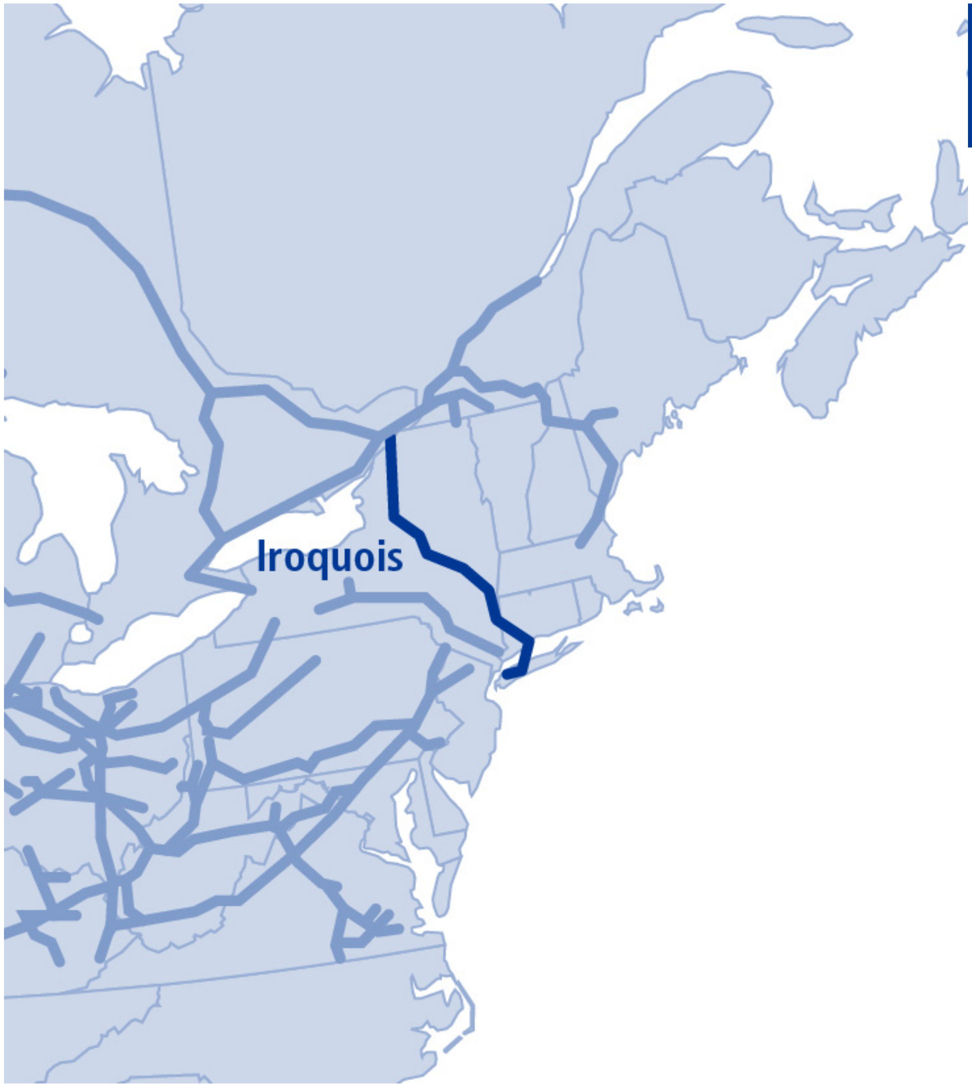
(46.45% LP Ownership)

- **Critical regional infrastructure**
- **Gas storage interconnections with total regional storage capacity of ~650 Bcf**
- **Shorter-term, short-haul and bi-directional contracts**
- **Changing pipeline capacities may impact future gas flows and transportation values**
- **Opportunities with Marcellus and Utica gas**
- **Competitive path for WCSB natural gas volumes in a changing market environment**
- **Should benefit from natural gas supply coming from the WCSB**
  - Signed term sheet with TransCanada's Mainline to transport 711,000 Dth/d for 10 year contract period; associated with the Mainline's new long-term fixed price agreement with its customers
  - Subject to Canadian regulatory approval



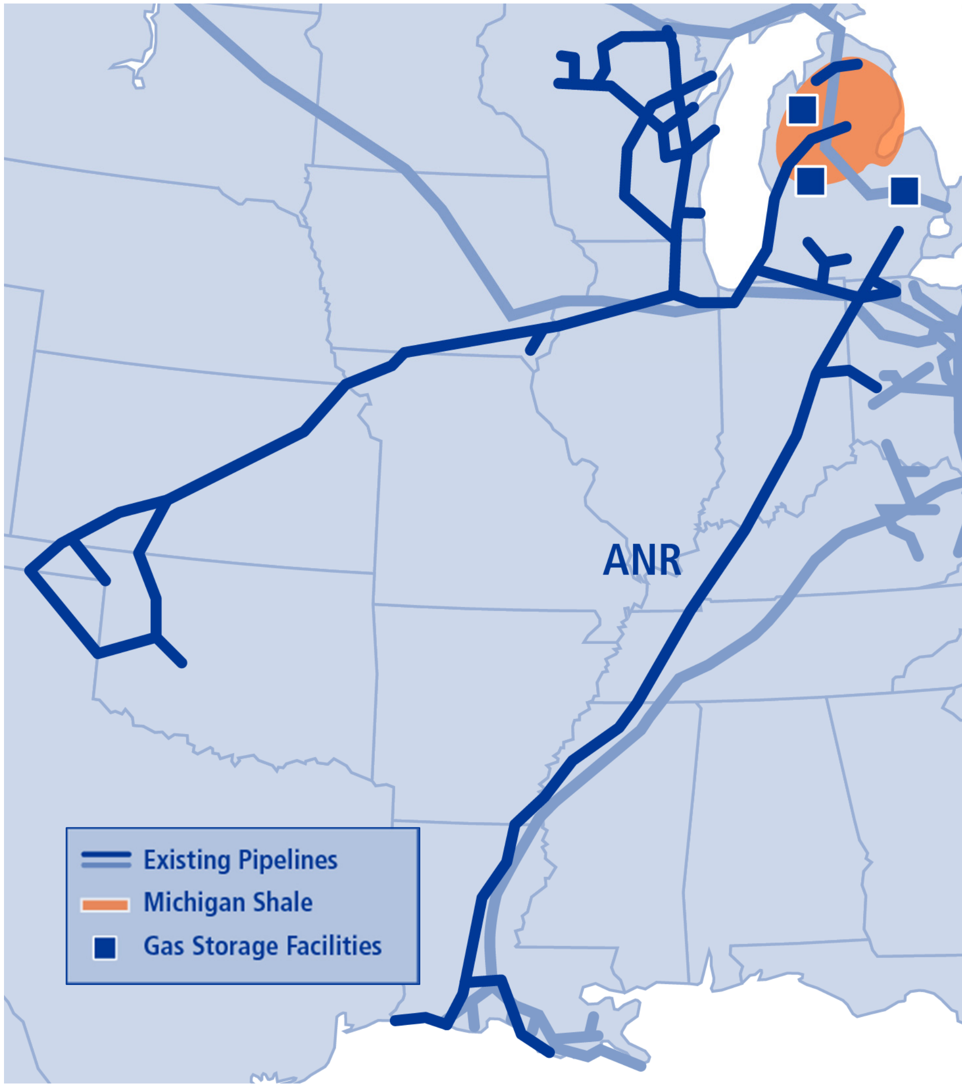
U.S. Northeast: PNGTS
(49.9% LP Ownership)

- **Pending acquisition of TransCanada's residual ownership of 11.8%**
  - Will increase interest to 61.7%
- **FERC-regulated interstate natural gas pipeline**
- **Operated by TransCanada**
- **Serves key markets in New England**
  - Critical link in meeting New England's growing natural gas peaking needs
- **Future potential to serve Canada's Maritime market**
- **Supported by long-term contracts**
- **"Steel-in-the-ground" advantage over other pipeline proposals in the region**
- **Well positioned for expansion**



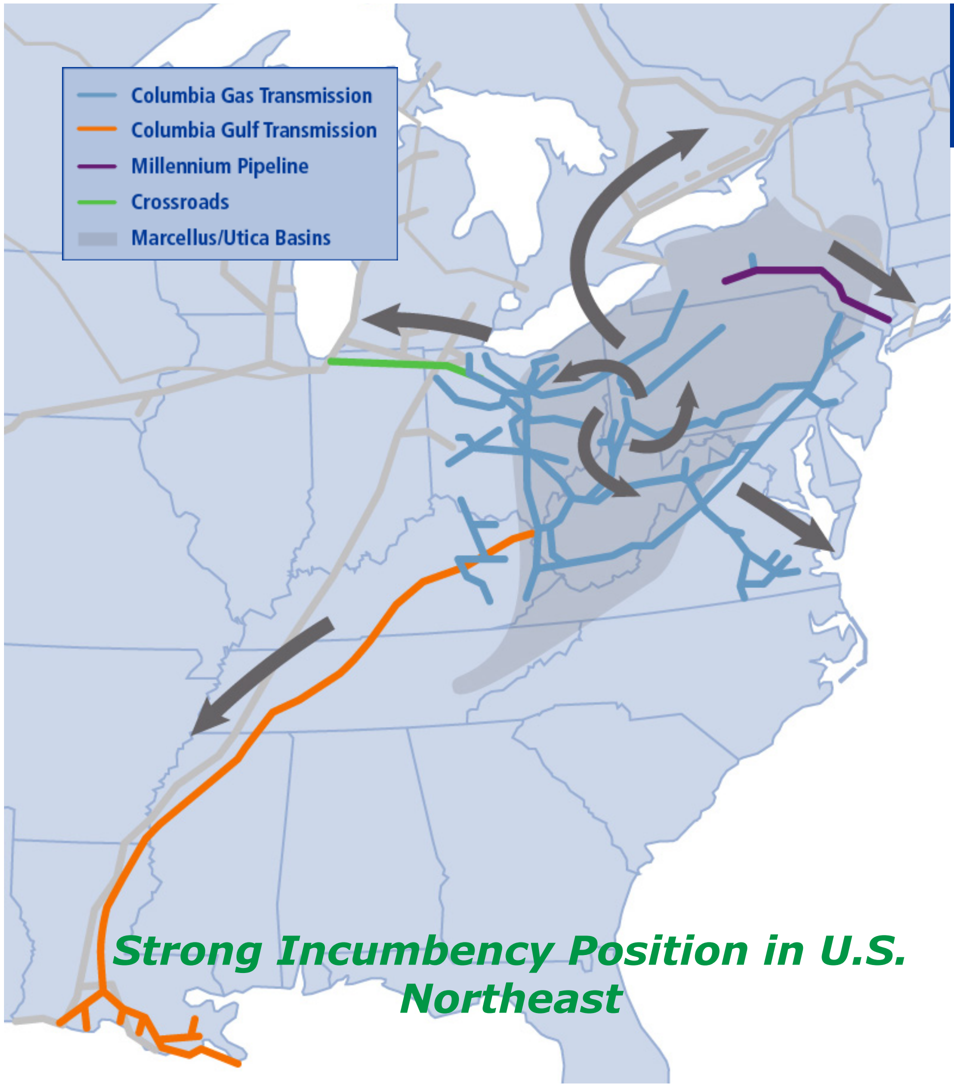
U.S. Northeast: Iroquois

- **Pending acquisition of 49.3% interest**
  - TransCanada will hold nominal ownership of 0.7%
  - Dominion Midstream holds a 50% interest
- **FERC-regulated interstate natural gas pipeline**
  - Transports gas from a number of supply areas:
    - WCSB via TransCanada's Mainline
    - Marcellus via various pipeline interconnects
    - Dawn hub
- **Key market connections into New York City**
  - Serves LDCs and electric power plants
- **Strategically positioned to transport Marcellus gas**
  - Potential expansion opportunities
- **Supported by long-term contracts**
  - 98% investment grade rated based on Iroquois' top ten customers on a firm transportation basis
- **Rate certainty to September 2020**



TransCanada's ANR Pipeline System

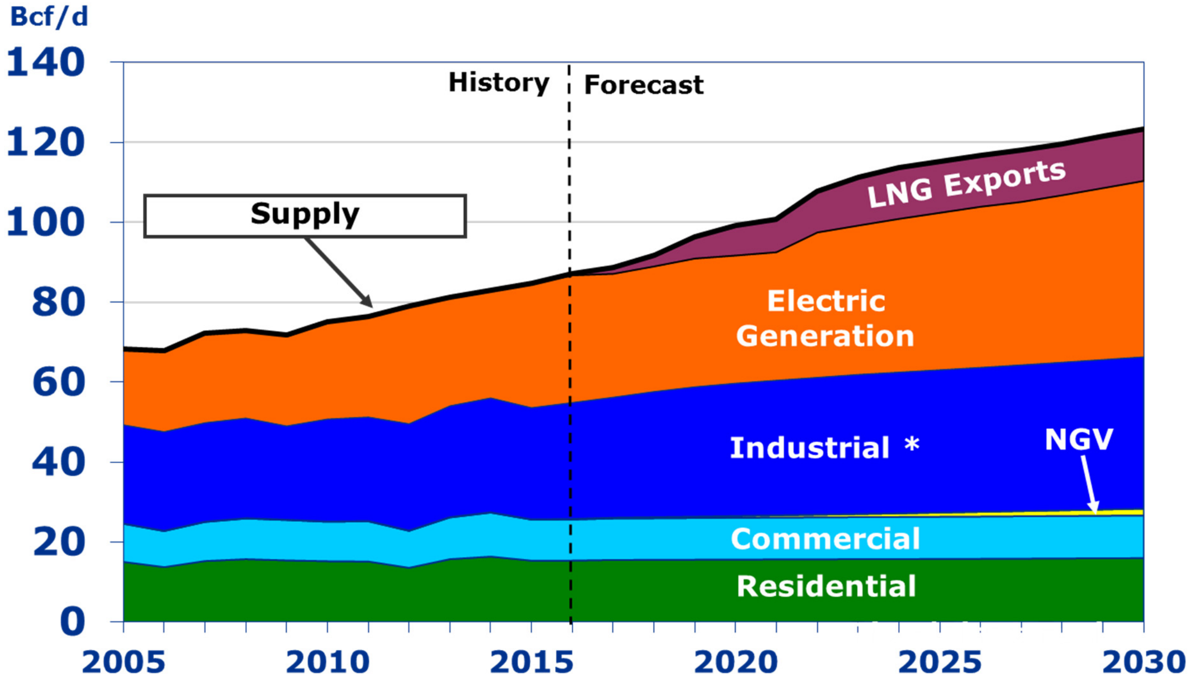
- **FERC-regulated interstate natural gas pipeline**
- **Wholly owned by TransCanada**
- **Transports natural gas from Texas and Oklahoma on its southwest leg to the upper midwest and bi-directional between the Gulf of Mexico / Louisiana and the upper midwest on its southeast leg**
- **Owns significant capacity in strategic natural gas storage facilities in Michigan**
- **ANR to benefit from rate case settlement which includes $837 million of maintenance capital for reliability and modernization projects – reflected in ANR's rates**



TransCanada's Columbia Pipeline System

- **Columbia Gas Transmission**
  - 11,272 mile (18,141 km) FERC pipeline with 286 Bcf of working gas storage capacity and average throughput of 3.9 Bcf/d
  - Strong base business undergoing significant expansion to connect growing Marcellus/Utica supply
- **Columbia Gulf Transmission**
  - 3,341 mile (5,377 km) FERC pipeline with average throughput of 1.5 Bcf/d
  - System reversal and expansion offers path to the Gulf Coast
- **Millennium Pipeline (47.5% interest)**
  - 253 mile (407 km) FERC pipeline with average throughput of 1.1 Bcf/d
  - Connects Pennsylvania supply to New York market
- **Midstream Business**
  - State regulated pipelines and mineral rights

North American Natural Gas Supply/Demand Balance



*Includes fuel use at LNG export facilities
Source: TransCanada

- **Growing natural gas supply and demand provides opportunity for continued growth**
- **Supply / demand for natural gas projected to increase from over 85 Bcf/d in 2016 to over 120 Bcf/d in 2030**

TCP well positioned to participate in North American demand growth

Key Credit Metrics / Ratios

(millions of dollars)	2014	2015	2016	LTM 3/31/2017
Market Capitalization	4,530	3,196	3,966	4,001
Enterprise Value	6,433	5,060	5,774	5,750
Total Assets	3,349	3,126	3,158	3,166
Total Long-Term Debt	1,446	1,889	1,835	1,786
Total Debt	1,695	1,911	1,867	1,817
Total Partner's Capital	1,586	1,151	1,146	1,222
Adjusted EBITDA[1]	341	365	398	400
Distributable Cash Flow	255	290	313	310
Distributions[2]	212	228	250	270
Distribution Coverage Ratio	1.2x	1.3x	1.3x	1.2x
Bank Covenant Leverage Ratio[3]	4.4x	4.7x	4.0x	4.0x
Interest Expense	50	60	68	67
Adjusted EBITDA / Interest Expense	6.8x	6.1x	5.9x	6.0x
Long-Term Debt / Total Capitalization[4]	48%	62%	62%	59%

[1]Adjusted EBITDA does not include the positive impact of the excess of distributions from equity investments over equity earnings of $29, $34, $33 million for 2014-2016 respectively and $31 million for the LTM ended March 31, 2017

[2]Distributions represent the amounts paid to common unit holders and our General Partner. Distributions paid to the General Partner includes its two percent general partner interest in the Partnership and incentive distributions

[3]The Bank Covenant Leverage Ratio is calculated as Total Debt/Adjusted EBITDA which includes the excess of distributions from equity investments over equity earnings

[4]Total Capitalization equals Long-Term Debt plus Total Partner's Capital

Reconciliation of Non-GAAP Measures

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

(unaudited) *(millions of dollars)*		December 31 2014	December 31 2015	December 31 2016	Twelve Months Ended March 31 2017
Net Income		**204**	**20**	**244**	**246**
Add:	Interest expense	**51**	**61**	**68**	**67**
	Depreciation and amortization	**86**	**85**	**86**	**87**
EBITDA		**341**	**166**	**398**	**400**
	Impairment of equity investment	**-**	**199**	**-**	**-**
Adjusted EBITDA		**341**	**365**	**398**	**400**
Add:	Distributions from equity investments [b]				
	Northern Border	**88**	**91**	**91**	**88**
	Great Lakes	**29**	**40**	**34**	**37**
	PNGTS[c]	**-**	**-**	**24**	**23**
		117	**131**	**149**	**148**
Less:	Equity earnings				
	Northern Border	**(69)**	**(66)**	**(69)**	**(70)**
	Great Lakes	**(19)**	**(31)**	**(28)**	**(30)**
	PNGTS	**-**	**-**	**(19)**	**(17)**
		(88)	**(97)**	**(116)**	**(117)**
Less:	Equity AFUDC	**-**	**(1)**	**-**	**-**
	Interest Expense [a]	**(51)**	**(61)**	**(68)**	**(67)**
	Distributions to non-controlling interests [d]	**(51)**	**(11)**	**-**	**-**
	Maintenance capital expenditures [e]	**(8)**	**(16)**	**(16)**	**(19)**
Total Distributable Cash Flow [h]		**260**	**310**	**347**	**345**
	General Partner distributions declared [f]	**(5)**	**(8)**	**(12)**	**(13)**
	Distributions allocable to Class B units [g]	**-**	**(12)**	**(22)**	**(22)**
Distributable Cash Flow [h]		**255**	**290**	**313**	**310**

Reconciliation of Non-GAAP Measures …continued

(a) Interest expense as presented includes net realized loss related to the interest rates swaps. Please refer to our 2016 Annual report for the Form 10K and applicable quarterly reports on Form 10-Q.

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

(c) PNGTS has historically funded its scheduled debt repayments and other cash needs by adjusting its available cash for distribution, which effectively reduces the net cash that we actually receive as distributions from PNGTS. Accordingly, these amounts represent our 49.9 percent share of distributions from PNGTS' available cash before our proportionate share of the total debt repayment of PNGTS. Please refer to our 2016 Annual report for the Form 10K and applicable quarterly reports on Form 10-Q.

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

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

(f) Distributions declared to the General Partner for the year ended December 31, 2016 included an incentive distribution of approximately $6 million (2015 - $2 million, 2014 - $1 million).
Distributions declared to the General Partner for the three months ended March 31, 2017 included an incentive distribution of approximately $2 million (March 31, 2016 – $1 million).

(g) During the twelve months ended December 31, 2016, 30 percent of GTN's total distributions was $42 million; therefore the distributions allocable to the Class B units was $22 million, representing the amount that exceeded the threshold level of $20 million. During the nine months ended December 31, 2015, 30 percent of GTN's total distributions was $27 million; therefore the distributions allocable to the Class B units was $12 million, representing the amount that exceeded the threshold level of $15 million. The Class B distribution is determined and payable annually. During the three months ended March 31, 2017, 30 percent of GTN's total eligible distributions was $10 million (March 31, 2016 - $11 million), therefore, no distributions were allocated to the Class B units as the threshold level of $20 million has not been exceeded.

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

Partnership Profile

June 2017

TC PipeLines, LP