

TC PIPELINES LP  
Form 8-K  
May 21, 2010

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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) May 21, 2010

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

Delaware (State or other jurisdiction of incorporation)	000-26091 (Commission File Number)	52-2135448 (IRS Employer Identification No.)
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717 Texas Street, Suite 2400 Houston, Texas (Address of principal executive offices)	77002 (Zip Code)
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Registrant's telephone number, including area code (877) 290-2772

(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:

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



Item 7.01 Regulation FD Disclosure.

On May 21, 2010, TC PipeLines, LP (the "Partnership") issued a press release announcing that Great Lakes Gas Transmission Limited Partnership ("Great Lakes") filed a stipulation and agreement describing the settlement terms of its pending rate case with the Federal Energy Regulatory Commission (the "FERC"). A copy of the press release is furnished and attached hereto as Exhibit 99.1 and incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the press release shall not be deemed "filed" for the purposes of Section 18 of the Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information and exhibit be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as expressly set forth by specific reference in such a filing.

Item 8.01 Other Events.

As previously reported, the FERC issued an order on November 19, 2009 in FERC Docket No. RP10-149 instituting an investigation of Great Lakes (the "GL Rate Proceeding") pursuant to Section 5 of the Natural Gas Act ("NGA"). The FERC alleged, based on a review of certain historical information, that Great Lakes' revenues might substantially exceed Great Lakes' actual cost of service and therefore Great Lakes' rates may be unjust and unreasonable.

As a result of extensive settlement negotiations, on May 21, 2010, Great Lakes filed a stipulation and agreement establishing the terms pursuant to which all matters in the GL Rate Proceeding would be resolved. The settlement was reached among Great Lakes, active participants and the FERC trial staff.

Under the terms of the stipulation and agreement, reservation rates on Great Lakes' pipeline system will be reduced by eight percent, effective May 1, 2010. In addition, the factors used in calculating depreciation expense for Great Lakes' transmission plant will be decreased from 2.75 percent to 1.48 percent per year. Other depreciation rates for the plant will either decrease or remain unchanged. Long-haul reservation rates from Great Lakes' western zone to its eastern zone will decline by eight percent from \$0.338 per dekatherm to \$0.311 per dekatherm and various short-haul firm paths will experience similar reductions. Rates for interruptible transportation service will be derived on a 100 percent load factor basis of firm transportation rates, effective June 1, 2010. All other terms of the settlement are effective May 1, 2010.

Great Lakes' obligation to share interruptible transportation revenues as established under the September 24, 1992 Stipulation and Agreement in Partial Settlement of Rate Proceedings in FERC Docket No. RP91-143 will be eliminated under the stipulation and agreement. However, Great Lakes has agreed to a revenue sharing provision with respect to revenues, both firm and interruptible, it receives in excess of \$500 million during the period between November 1, 2010 and October 31, 2012. Great Lakes will share fifty percent of any qualifying revenues collected during this period in excess of the \$500 million threshold with qualifying shippers.

The parties to the stipulation and agreement have agreed that the settlement rates will remain in effect through at least November 30, 2011. The settlement includes a moratorium on participants and customers filing any NGA Section 5 rate case to place new rates into effect prior to November 1, 2012. There is also a moratorium on Great Lakes filing a NGA Section 4 rate case prior to June 1, 2011 to place new rates into effect prior to December 1, 2011. In addition, the settlement requires Great Lakes to file a NGA Section 4 general rate case no later than November 1, 2013.

After a comment period, the stipulation and agreement describing the settlement is expected to be certified by the Administrative Law Judge and provided to the FERC for approval. The approval process is expected to be completed in the third quarter of 2010. If the settlement is not approved, the stipulation provides that Great Lakes will be

allowed to adjust its billings to recover or credit, as necessary, revenues it or its shippers would have received absent placing the settlement into effect on May 1, 2010. If certified and approved as presented, the settlement is not expected to have a material impact on the Partnership's earnings and cash flows.

The Partnership owns a 46.45 per cent general partner interest in Great Lakes. The other 53.55 per cent partner interest in Great Lakes is owned by TransCanada Corporation ("TransCanada"). The general partner of the Partnership is TC PipeLines GP, Inc., a wholly-owned subsidiary of TransCanada.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release dated May 21, 2010

#### Cautionary Statement Regarding Forward-Looking Information

This Form 8-K may include "forward-looking statements" regarding future events and the future financial performance of TC PipeLines, LP, including its investment in Great Lakes. All statements other than statements of historical facts included or incorporated herein may constitute forward-looking statements. Words such as "believes," "expects," "intends," "would," "may" 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 and are not guarantees of performance. Actual results may differ materially from those expressed or implied in these forward-looking statements and are subject to a number of risks and uncertainties. Important factors that could cause actual results to differ materially from the Partnership's current expectations include the positions taken by the Administrative Law Judge or the FERC with respect to the stipulation and agreement, risks inherent in settlement negotiations and other factors discussed in the Partnership's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2009 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2010. The Partnership disclaims any intention or obligation to update publicly or revise any such forward-looking statements, whether as a result of new information, future events or otherwise, occurring after the date hereof.

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/ Mark A.P. Zimmerman  
Mark A.P. Zimmerman  
President

Dated: May 21, 2010