VALENER
energy company

FISCAL 2013 RESULTS
CONFERENCE CALL

November 28, 2013

VNR LISTED ON TMX Toronto Stock Exchange

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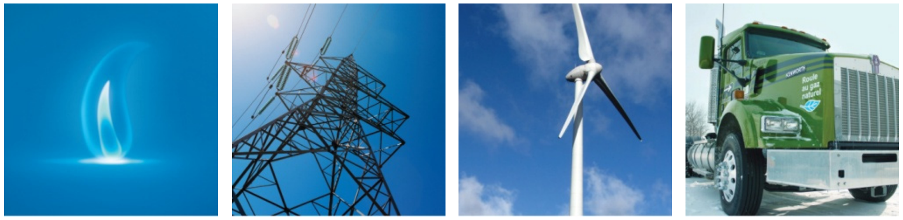
CAUTIONARY NOTE

This presentation may contain forward-looking information within the meaning of applicable securities laws. Such forward-looking information reflects the intentions, plans, expectations and opinions of the management of Gaz Métro inc. (GMi), in its capacity as General Partner of Gaz Métro Limited Partnership (Gaz Métro), and acting as manager of Valener Inc. (Valener) (the management of the manager) and is based on information currently available to the management of the manager and assumptions about future events. Forward-looking statements can often be identified by words such as “plans,” “expects,” “estimates,” “forecasts,” “intends,” “anticipates” or “believes,” or similar expressions, including the negative and conjugated forms of these words. Forward-looking statements involve known and unknown risks and uncertainties and other factors beyond the control of the management of the manager. A number of factors could cause the actual results of Valener and Gaz Métro to differ significantly from the results discussed in the forward-looking statements, including, but not limited to, terms of decisions rendered by regulatory agencies, the competitiveness of natural gas in relation to other energy sources, the reliability of natural gas and electricity supply, the integrity of the natural gas and electricity distribution systems, the progress of wind power projects and other development projects, the ability to complete attractive acquisitions and the related financing and integration aspects, the ability to secure future financing, general economic conditions, exchange rate and interest rate fluctuations, weather conditions and other factors described in the “Risk Factors of Valener” and “Risk Factors of Gaz Métro" sections of Valener’s and Gaz Métro’s Management’s Discussion and Analysis for the year ended September 30, 2013 and in Valener’s disclosure filings. Although the forward-looking statements contained herein are based upon what the management of the manager believes to be reasonable assumptions, including assumptions to the effect that no unforeseen changes in the legislative and regulatory framework of energy markets in Quebec and in the New England states will occur; that the applications filed with the Régie will be approved as submitted; that natural gas prices will remain competitive; that no significant event occurring outside the ordinary course of business, such as a natural disaster or other calamity, will occur; that Gaz Métro can continue to distribute substantially all of its net income (excluding non-recurring items); that the wind power projects in which Valener and Gaz Métro are indirectly involved will be completed on time and within the defined parameters; that Green Mountain Power (GMP) will be able to quickly and effectively integrate Central Vermont Public Service Corporation’s (CVPS) operations; that liquidity needs for Gaz Métro’s development projects will be obtained through a combination of operating cash flows, borrowings on credit facilities, capital injections from Partners, and issuances of long-term debt securities; and that the subsidiaries will obtain the required authorizations and funds needed to finance their development projects; in addition to the other assumptions described in Valener’s and Gaz Métro’s Management’s Discussion and Analysis for the year ended September 30, 2013 , the management of the manager cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of this date, and the management of the manager assumes no obligation to update or revise them to reflect new events or circumstances, except as required pursuant to applicable securities laws. Readers are cautioned not to place undue reliance on these forward-looking statements.

Non-GAAP financial measures

In the opinion of the management of the manager, certain indicators, such as net income attributable to the Partners of Gaz Métro, excluding non-recurring items, net income attributable to the common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes, net income attributable to the common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes, per common share, normalized operating cash flows and normalized operating cash flows per common share, provide readers with information it considers useful for analyzing the financial results of both Valener and Gaz Métro. However, these indicators are not standardized in accordance with Canadian generally accepted accounting principles (GAAP) and should not be considered in isolation or as substitutes for other performance measures that are in accordance with GAAP. The results obtained might not be comparable with similar indicators used by other issuers and should therefore only be considered as complementary information.



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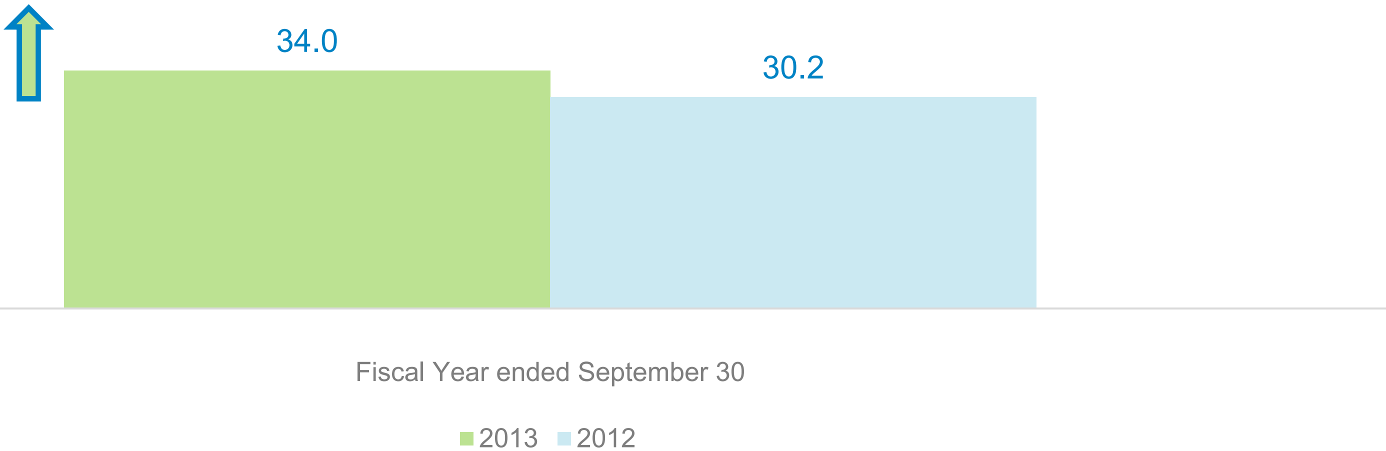
VALENER'S RECURRING NET INCOME[1] (million $)

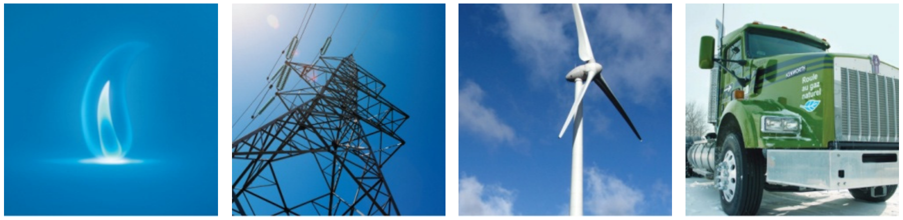
12.6%
year over year increase



DRIVER

Growth in earnings generated by Gaz Métro's energy distribution activities in Vermont

(1) Net income attributable to the common shareholders, excluding share in non-recurring items of Gaz Métro, net of income taxes. Please refer to non-GAAP measures in sections A and L of MD&A



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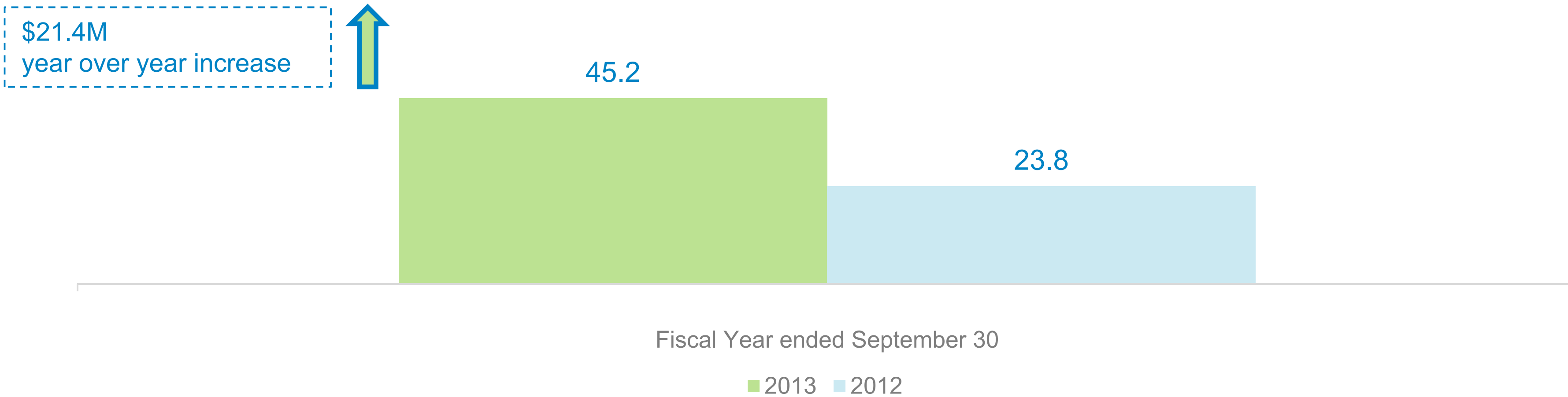
VALENER'S CASH FLOWS RELATED TO OPERATING ACTIVITIES (million $)



DRIVERS	
↑	Increase in distributions received from Gaz Métro Favourable change in non-cash working capital items (fiscal 2011 income taxes paid in fiscal 2012)

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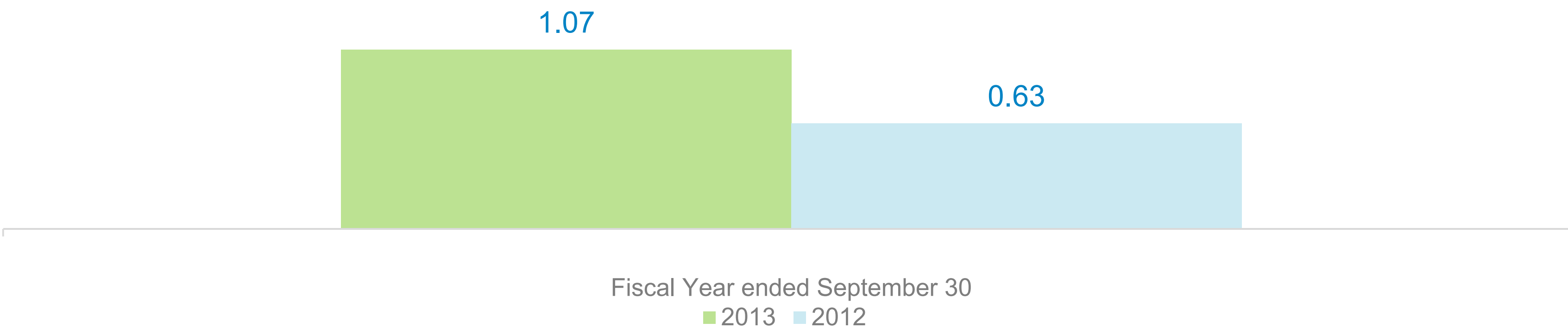
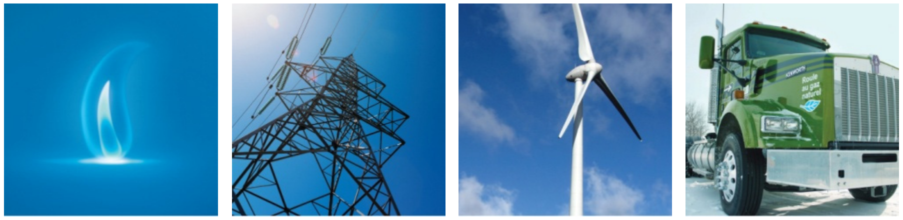
VALENER'S NORMALIZED OPERATING CASH FLOWS[1]

($ per share)



More than enough to cover dividends paid of $1 per common share

(1) Cash flows related to operating activities less dividends paid to preferred shareholders divided by the weighted average number of common shares outstanding. Please refer to non-GAAP measures in section A of MD&A



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QUARTERLY DIVIDENDS DECLARED

AMOUNT PER SHARE	RECORD DATE	PAYABLE	DISCOUNT UNDER DRIP
Common shares			
$0.25	December 31, 2013	January 15, 2014	5% on new shares issued
Series A preferred shares			
$0.271875	January 9, 2014	January 15, 2014	Not applicable

Annualized dividend of $1 per common share to be maintained for fiscal 2014

   

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UPDATE ON WIND FARM PROJECTS IN QUÉBEC

VALENER	GAZ MÉTRO
24.5%	25.5%

PROJECTS	EXPECTED PROJECT COSTS	EXPECTED IN SERVICE DATE	EXPECTED ANNUAL DISTRIBUTABLE CASH FLOWS (100% BASIS)
Seigneurie de Beaupré projects 2 & 3 (272 MW)	$750M (including financing costs)	December 2013	≈ $24M – $28M

All 126 wind turbines installed
Project 2: 100% operational
Project 3: commissioning expected in early December

Projects completed on schedule

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UPDATE ON WIND FARM PROJECTS IN QUÉBEC

VALENER	GAZ MÉTRO
24.5%	25.5%

PROJECTS	EXPECTED PROJECT COSTS	EXPECTED IN SERVICE DATE	EXPECTED ANNUAL DISTRIBUTABLE CASH FLOWS (100% BASIS)
Seigneurie de Beaupré project 4 (68 MW)	$190M (including financing costs and excluding costs reimbursable by Hydro-Québec)	December 1st , 2014	≈$6M – $7M

Completed:

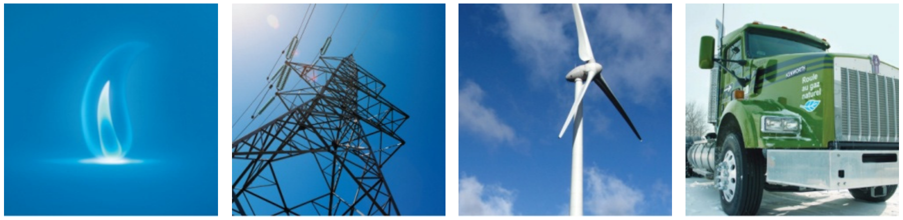
Land clearing, all 28 foundations and most roads, approximately 60% of collector system

Financing totaling $166.1 million:

- $142.4 million at fixed rate of 5.66% amortized over 19.5 years after beginning of commercial operations; and
- $23.7 million short-term bridge loan and letter of credit facilities

Investments and commitments by Valener, Gaz Métro and Boralex: $43.8 million

Project fully funded



GAZ MÉTRO'S RECURRING NET INCOME[1] (million $)

9.3%
year over year increase

DRIVERS			
⇧	Growth in earnings generated by Gaz Métro's energy distribution activities in Vermont	⇩	2013 rate case parameters for Gaz Métro-QDA

(1) Please refer to non-GAAP measures in section L of MD&A

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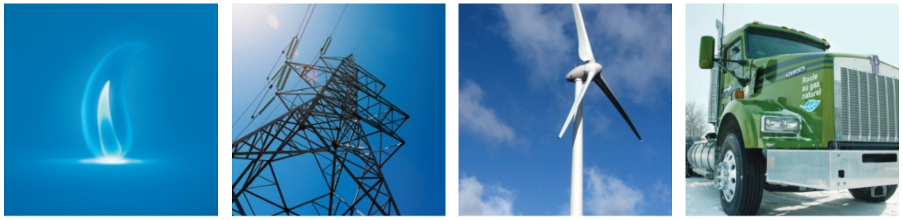
UPDATE ON GROWTH INITIATIVES IN VERMONT

PROJECTS	DETAILS	SCHEDULE INDICATOR
GMP-CVPS operational integration	Three-year plan for merging the processes and operations of the two entities	Ahead of schedule
	Savings tied to synergies more than initially anticipated for 2013	
	Synergies guaranteed to customers: • Fiscal 2013: $US2.5M • Fiscal 2014: $US5.0M	
VGS system development project (~ US$150M investment)	Extension to Addison County (Phase I)	Regulatory approval pending Decision expected by end of 2013 Construction may begin in 2014
	Extension to International Paper Company’s mill in NY State (Phase II)	Regulatory application filed with VPSB in November
	Estimated investment revised upwards as a result of changes in materials and methods that will be used to build the network	

POSITIONING OF NATURAL GAS IN QUÉBEC

- Participation in the public consultation held by the Québec government on the province's energy issues
- Québec government’s announcement to subsidize portion of additional cost of vehicles running on natural gas as fuel
- Gaz Métro LNG and Gaz Métro Transport Solutions working to develop LNG market:
  - LNG to serve remote industrial customers
  - Natural gas as fuel (LNG/CNG)

PROJECTS	DETAILS	SCHEDULE INDICATOR
Expected investment to expand LSR plant	Request filed with the Régie as part of 2014 Rate Case (Phase II) last August Additional 170 cubic meters liquefaction capacity to serve increasing LNG demand	Expected to be commissioned in spring 2016 Régie’s decision expected in early 2014
Agreement signed with Société des Traversiers du Québec	Fuel purchase agreement for 3 LNG fuelled ferries	Expected to be commissioned in 2015
	Among the first ferries in North America to use LNG as fuel	



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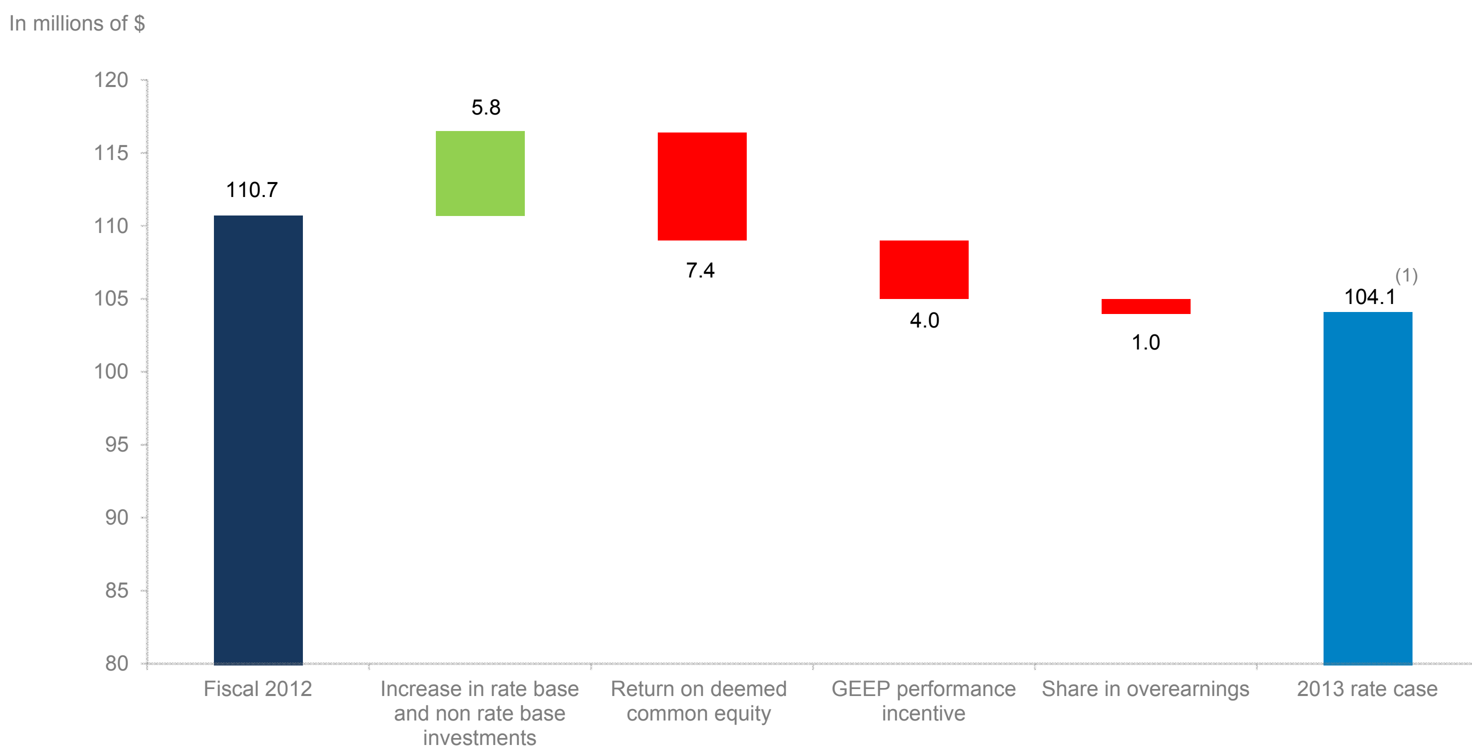
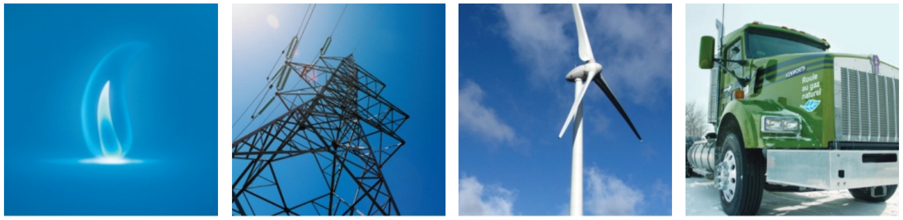
GAZ MÉTRO-QDA EXPECTED NET INCOME BASED ON 2013 RATE CASE



(1) 2013 rate case based on ROE of 8.90% and cost of service as filed

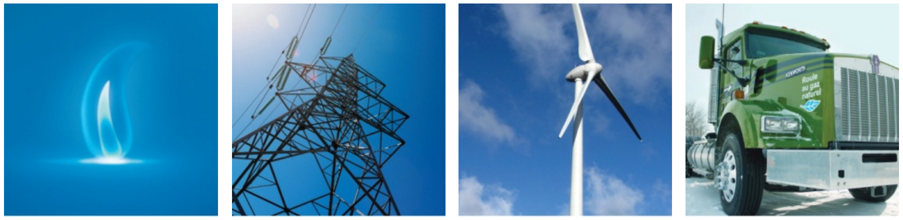
$6.6M expected decrease in net income



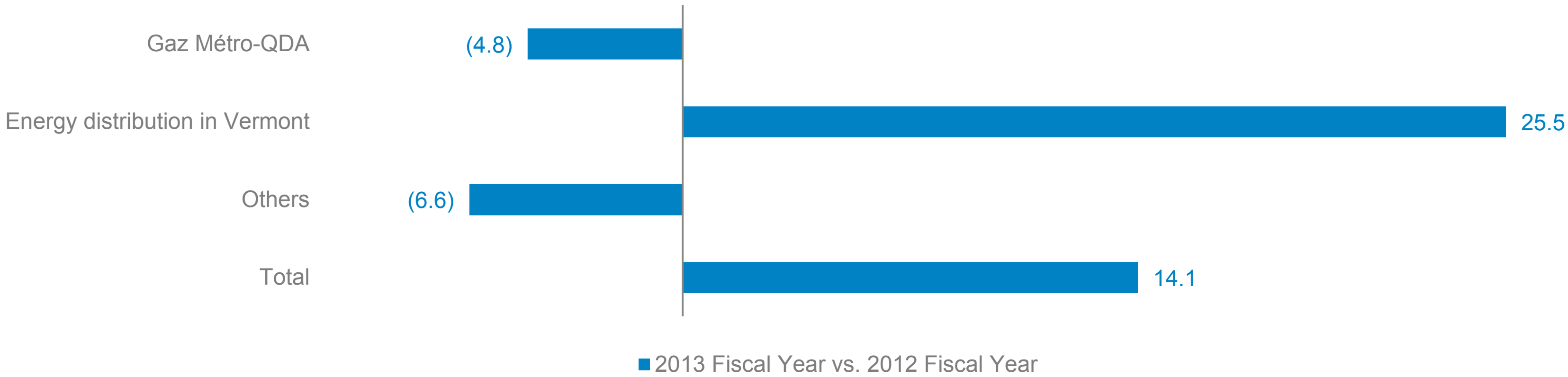
GAZ MÉTRO-QDA REALIZED NET INCOME IN FISCAL 2013

(1) 2013 rate case based on ROE of 8.90% and cost of service as filed

$1.8M upside compared to 2013 rate case



GAZ MÉTRO'S RECURRING NET INCOME[1] VARIANCE ($ Millions)



	GAZ MÉTRO-QDA	ENERGY DISTRIBUTION IN VERMONT	OTHER
	• Incentive on transportation and load balancing services • GEEP incentive	• CVPS acquisition • Synergies resulting from merger	• Short-term sales of PNGTS
	• 2013 rate case parameters		• Sale of stake in HydroSolution • Allocation of income tax expense for TQM and Intragaz at Gaz Métro's level

(1) Please refer to non-GAAP measures in section L of MD&A

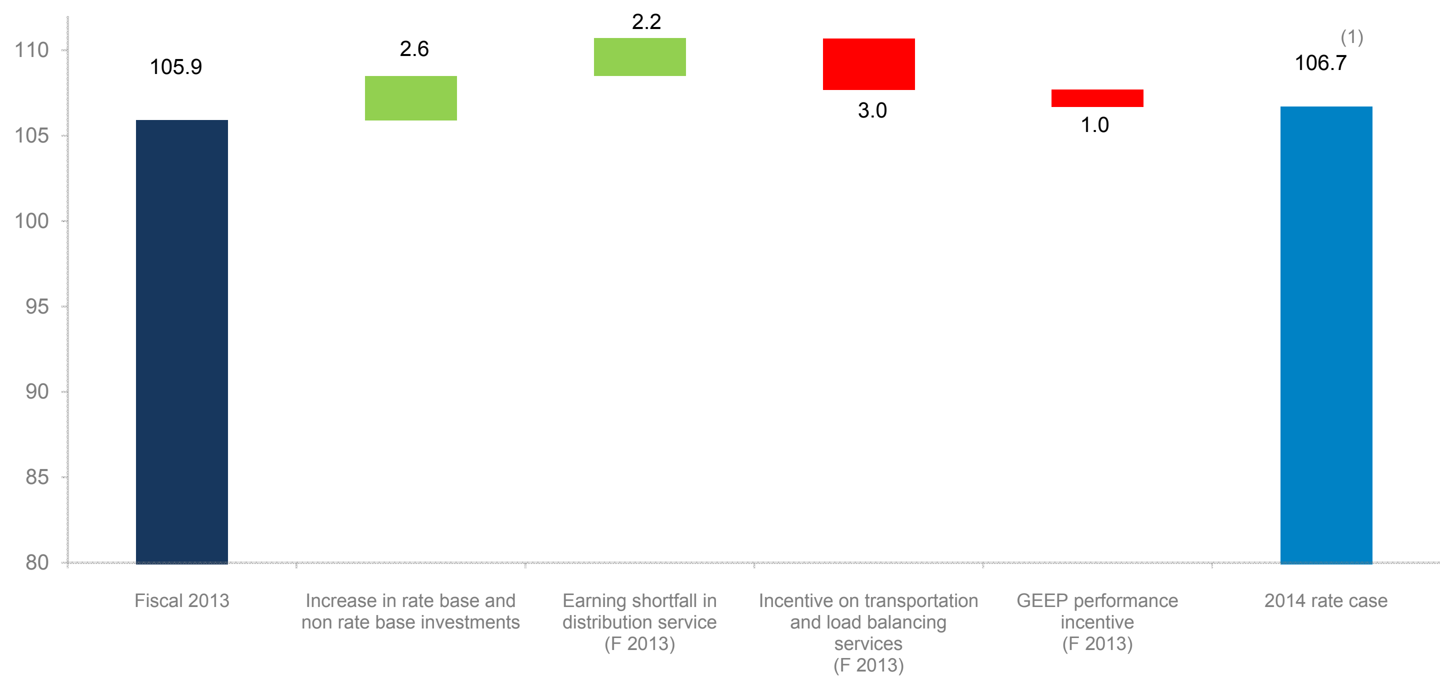



REGULATORY MATTERS IN QUÉBEC

SUBJECT	FILING	OUTCOME
2014 rate case for Gaz Métro-QDA	Request: ROE of 8.90%	Approved by Régie last June
	2014 interim rates based on 2014 rate case parameters to take effect December 1, 2013	Approved partially by Régie in November: Limited to inflation for some parameters
	Cost of service and other matters	Hearings in March and April 2014 Régie's decision expected by summer 2014

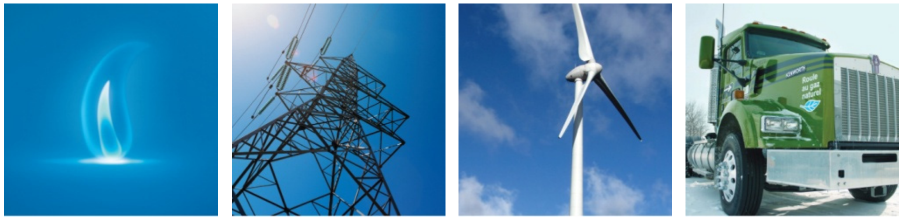
GAZ MÉTRO-QDA EXPECTED NET INCOME BASED ON 2014 RATE CASE

In millions of $



[(1)] 2014 rate case based on ROE of 8.90% and cost of service as filed

$0.8M expected upside compared to fiscal 2013



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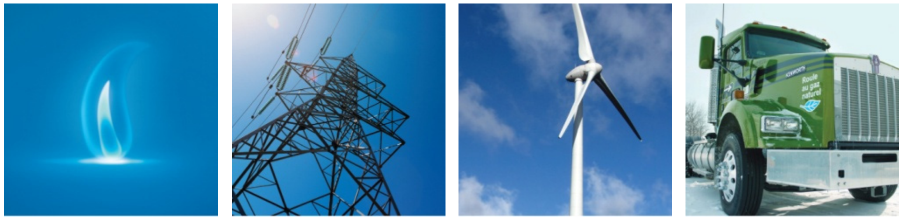
REGULATORY MATTERS IN VERMONT

SUBJECT	FILING	OUTCOME
2014 rate case for GMP	Request: Average rate base: US$1.158B ROE of 9.58% (up 74 bps vs. fiscal 2013) Equity ratio: 49.5%	Approved by VPSB last September
2014 rate case for VGS	Request: Average rate base: US$111M ROE of 10.26% (up 51 bps vs. fiscal 2013) Equity ratio: 55.0%	Approved by VPSB last October



Q & A

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APPENDIX A - CURRENT COMPETITIVE POSITION OF NATURAL GAS IN QUÉBEC

MARKET	MAIN COMPETITORS	HOW COMPETITIVE IS NATURAL GAS?[1]
Industrial Ex.: Large companies in petrochemical, metallurgy, etc. industries	#6 Fuel Oil	51% cheaper
Commercial & Institutional Ex.: Hospitals, schools, restaurants, etc.	Electricity	Small business: 24% cheaper Large business: 45% cheaper
	#2 Fuel Oil	Small business: 46% cheaper Large business: 62% cheaper
Residential heating[2]	Electricity	9% to 25% cheaper
	#2 Fuel Oil	33% to 44% cheaper

(1) As at November 1st, 2013 (current market prices)
(2) Using high efficiency equipment




APPENDIX B – VALENER 2013 FISCAL YEAR FOURTH QUARTER RESULTS

	3 months ended September 30		
(in millions of dollars, unless otherwise indicated)	**2013**	2012	Change
Consolidated net income (loss)	**(3.1)**	(1.7)	(1.4)
Share in the non-recurring items of Gaz Métro	**-**	-	-
Income taxes on the share in the non-recurring items of Gaz Métro	**-**	(0.1)	0.1
Consolidated net income (loss), excluding the share in the non-recurring items of Gaz Métro, net of income taxes	**(3.1)**	(1.8)	(1.3)
Less: Cumulative dividends on Series A preferred shares	**1.0**	1.3	(0.3)
Consolidated net income (loss) attributable to common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes (1)	**(4.1)**	(3.1)	(1.0)
Weighted average number of common shares outstanding *(in millions of common shares)*	**37.7**	37.5	0.2
Consolidated net income (loss) attributable to common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes, per common share *(in $)* (1)	**(0.11)**	(0.08)	(0.03)

(1) These measures are financial measures that are not defined in the Canadian generally accepted accounting principles (GAAP). For additional information, refer to the non-GAAP financial measures heading in Valener's MD&A for the fiscal year ended September 30, 2013.




APPENDIX C – GAZ MÉTRO 2013 FISCAL YEAR FOURTH QUARTER RESULTS

	3 months ended September 30		
(in millions of dollars)	**2013**	2012	Change
Energy Distribution			
Gaz Métro-QDA	**(33.1)**	(28.3)	(4.8)
VGS and GMP	**16.3**	14.2	2.1
Financing costs of investments in this segment (1)	**(5.8)**	(5.3)	(0.5)
Costs related to the CVPS acquisition (net of income taxes)	**-**	(1.1)	1.1
	(22.6)	(20.5)	(2.1)
Natural Gas Transportation			
TQM, PNGTS and Champion Pipe Line Corporation Ltd.	**3.5**	3.8	(0.3)
Financing costs of investments in this segment (1)	**(0.5)**	(0.5)	-
	3.0	3.3	(0.3)
Energy Production (2)			
Gaz Métro Éole inc. and Gaz Métro Éole 4 Inc.	**(0.4)**	(0.2)	(0.2)
Financing costs of investments in this segment (1)	**-**	-	-
	(0.4)	(0.2)	(0.2)
Energy Services, Storage and Other (2)			
Energy and storage	**2.6**	4.2	(1.6)
Financing costs of investments in this segment (1)	**(0.3)**	(0.6)	0.3
	2.3	3.6	(1.3)
Corporate Affairs (2)			
Corporate affairs	**(2.6)**	(2.8)	0.2
Costs related to the CVPS acquisition	**-**	1.0	(1.0)
	(2.6)	(1.8)	(0.8)
Consolidated net loss attributable to Partners, excluding non-recurring items (3)	**(20.3)**	(15.6)	(4.7)
Non-recurring items	**-**	0.1	(0.1)
Consolidated net loss attributable to Partners	**(20.3)**	(15.5)	(4.8)

(1) These costs consist of the interest on the long-term debt incurred by Gaz Métro to finance investments in the subsidiaries, joint ventures and entities subject to significant influence of each segment.

(2) In the first quarter of fiscal 2013, Gaz Métro modified its financial reporting structure for segment disclosures given the development of important wind power projects and the sale of certain companies. Last fiscal year's figures have been reclassified to present financial information that reflects the new business segments.

(3) This measure is a financial measure not defined in the Canadian generally accepted accounting principles (GAAP). For additional information, refer to the non-GAAP financial measures heading in Valener's MD&A for the fiscal year ended September 30, 2013.