Fiscal 2013 Second Quarter Results Conference Call

May 13, 2013

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Pursuant to an administration and management support agreement between Gaz Métro and Valener, Gaz Métro acts as manager of Valener.

Cautionary note regarding forward-looking statements

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, 2012 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, in particular the rate and incentive mechanism applications, 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 in addition to the other assumptions described in Valener’s and Gaz Métro’s Management’s Discussion and Analysis for the quarter ended March 31, 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, and net income attributable to the common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes, 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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Key takeaways of the second quarter

Valener:

- Net income on a recurring basis[1]:
    - Up $2.2 million over second quarter of last year
    - Up $6.3 million over first half of last year

Gaz Métro:

- Net income on a recurring basis[2]:
    - Up $9.2 million over second quarter of last year
    - Up $21.7 million over first half of last year

- $7.2 million increase[3] ($13.5 million for first half) in net income from energy distribution activities in Vermont following acquisition of CVPS

- Favorable competitive position of natural gas in all market segments

[1] Net income attributable to the common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes
[2] Net income attributable to Gaz Métro's Partners, excluding non-recurring items
[3] Net of financing costs

Please refer to Non-GAAP measures in sections A and J of MD&A

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Valener's dividends

Amount per share	Record Date	Paid/Payable	Discount under DRIP
Dividend on common shares			
$0.25	September 28, 2012	October 15, 2012	5% on new shares issued
$0.25	December 31, 2012	January 15, 2013	5% on new shares issued
$0.25	March 28, 2013	April 15, 2013	5% on new shares issued
$0.25	**June 28, 2013**	**July 15, 2013**	**5% on new shares issued**
Dividend on Series A preferred shares			
$0.39031 (1)	October 12, 2012	October 15, 2012	Not applicable
$0.271875	January 9, 2013	January 15, 2013	Not applicable
$0.271875	April 9, 2013	April 15, 2013	Not applicable
$0.271875	**July 9, 2013**	**July 15, 2013**	**Not applicable**

(1) Covering period from June 6, 2012 to October 15, 2012

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Valener's dividends (cont'd)

$1.00

$20 MILLION ADDITIONAL DISTRIBUTION FROM GAZ MÉTRO[1]

CASH FLOWS FROM SEIGNEURIE DE BEAUPRÉ WIND POWER PROJECTS

$0.85

29% OWNERSHIP OF GAZ MÉTRO

	2011	2012	2013	2014
Distributable cash payout ratio	Slightly above 100%			≈ 95%

KEY ASSUMPTIONS
as of September 30, 2010

- Stable authorized rate of return for Québec natural gas distribution activity
- Gaz Métro continues its practice of distributing substantially all of its net income
- Completion of Seigneurie de Beaupré wind power projects within the contemplated timeframe and parameters
- Excluding new growth opportunities

[1] Additional distribution of $6.7M per fiscal year, for three years, granted to Valener as part of the corporate reorganization of Gaz Métro on September 30, 2010

Update on growth initiatives in Quebec

Subject	Details	Implications
Seigneurie de Beaupré projects 2 & 3 (272 MW)	• Activity resumed in February (reduced number of teams) • Normal operations expected to resume in mid-May	On time and on budget Expected to be fully operational by December 1, 2013
Seigneurie de Beaupré project 4 (68MW)	• Environmental approvals in January • Negotiations with Enercon and Borea concluded • Tree cutting completed • On-site construction expected to begin in mid-May	By the end of work season: • Financing arrangements • Most of foundations, road and collector system works Scheduled for commissioning in December 2014

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Update on growth initiatives in Vermont

Project	Details	Implications
GMP-CVPS operational integration	Three-year plan for merging the processes of the two entities	Merger of: • IT systems • Work procedures • Safety programs • Financial controls and reporting • Labour agreements • Other operational facets of GMP and CVPS
	To date: • New single labour agreement between GMP and unionized workers expiring in January 2018 • Consolidation of pension plans and other employee benefits • Merger of financial operations, controls and reporting • Deployment of a new long-term customer information and billing system	GMP is ahead of schedule

Update on growth initiatives in Vermont (cont'd)

Project	Details	Implications
VGS system development projects	Extension into Addison County to serve the communities of Vergennes and Middlebury: • Regulatory filing in December 2012	Decision by VPSB expected by end of fiscal 2013 Construction work expected to begin in 2014, if approved
	Expansion of Addison County's extension following agreement to supply natural gas to International Paper mill under long-term contract starting at end of 2015	Regulatory filing expected by end of 2013
	Overall ≈ US$100 million investments, if approved	

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Update on project to serve Côte-Nord region

Details	Implications
Long-term agreements with major industrial customers difficult to reach due to global metals market conditions Deferral of major investments and discontinuation of plant operations by some companies	Project-related activities postponed

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Update on regulatory matters in Quebec

Subject	Details	Implications
2013 rate case	Phase II filed on December 14, 2012: • Cost of service (no incentive) • Overearnings/shortfalls sharing mechanism proposal for fiscal 2013 • Request for suspension of automatic adjustment formula for ROE determination and requested ROE of 9.3%	Decision issued by the Régie on March 5, 2013. For fiscal 2013: • Suspension of automatic adjustment formula • Base ROE of 8.90% (same as in fiscal 2012) Hearings held in April and May 2013 for matters other than ROE Rate case decision expected by June 2013
2014 rate case	Phase I filed on April 9, 2013: • Requested ROE of 8.90% for fiscal 2014	Rationale: economic criteria have not changed since last decision on ROE
Incentive mechanism	New proposal filed on November 30, 2012	Decision issued by the Régie on April 24, 2013: • Suspension of proceedings • New proposal to be filed taking into account Régie's directives and changes to rate structure • Cost of service regulation pending new incentive mechanism

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Update on regulatory matters in Quebec (cont'd)

Subject	Details	Implications
Biomethanation	Agreements reached with the city of Saint-Hyacinthe and Quebec City last year Investment project to receive biomethane produced by the city of Saint-Hyacinthe filed with the Régie at the end of September Decision issued by the Régie on March 20, 2013: • Denied Gaz Métro's application • Ruled that some of the project's investments are not assets for natural gas distribution purposes under *Act respecting the Régie de l'énergie*	Gaz Métro currently working to redefine the conditions for injecting biomethane into its system to find an optimal solution

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Update on regulatory matters - PNGTS

Subject	Details	Implications
PNGTS **Rate cases**	Rate cases filed with FERC in 2008 and 2010	While awaiting decisions by the FERC: • Revenue recorded based on last FERC approved rates • Customers billed based on interim rates • Difference recorded in a liability account
	Decision on March 20, 2013: Transportation rates: • US$0.85 per dth/day for 2008 rate case • US$0.87 per dth/day for 2010 rate case	On April 19, 2013: • Rehearing application filed with FERC to have specific aspects of the decisions re-examined • Currently not able to determine final impacts on results

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Overview of Valener's results on a recurring basis[1]

(in millions of dollars, except for per share data, in dollars)

	3 months ended March 31		Variance	6 months ended March 31		Variance
	2013	2012		**2013**	2012	
Net income attributable to common shareholders	**24.0**	21.8	2.2	**38.3**	32.0	6.3
Basic and diluted net income per common share	**$0.64**	$0.58	$0.06	**$1.02**	$0.86	$0.16

[1] Excluding the share in non-recurring items of Gaz Métro, net of income taxes. Please refer to Non-GAAP measures in sections A and J of MD&A

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Overview of Valener's cash flows

(in millions of dollars)

	3 months ended March 31 2013	2012	Variance	6 months ended March 31 2013	2012	Variance
Cash flows related to operating activities	**11.4**	9.4	2.0	**21.9**	5.1	16.8
Change in non-cash working capital items	***5.9***	*5.9*	*-*	***10.0***	*(4.9)*	*14.9*
Distributions received from Gaz Métro	***13.7***	*11.9*	*1.8*	***27.1***	*23.9*	*3.2*
Investments:						
Beaupré Éole and Beaupré Éole 4	**0.4**	0.2	0.2	**0.9**	39.4	(38.5)
Other	**0.3**	0.3	-	**0.4**	0.3	0.1
	0.7	0.5	0.2	**1.3**	39.7	(38.4)
Dividends paid						
Common shares	**8.6**	8.7	(0.1)	**17.3**	17.5	(0.2)
Preferred shares	**1.1**	-	1.1	**2.7**	-	2.7
	9.7	8.7	1.0	**20.0**	17.5	2.5
Excess liquidity (financing needs)	**1.0**	0.2	0.8	**0.6**	(52.1)	52.7
Increase (decrease) in credit facility	**(0.4)**	-	(0.4)	**0.1**	44.8	(44.7)

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Overview of Gaz Métro's results

(in millions of dollars, except for per unit data, in dollars)

	3 months ended March 31		Variance	6 months ended March 31		Variance
	2013	2012		**2013**	2012	
Net income attributable to Gaz Métro's Partners, on a recurring basis [1]	**115.8**	106.6	9.2	**183.6**	161.9	21.7
Net income attributable to Gaz Métro's Partners	**115.8**	106.3	9.5	**198.3**	161.1	37.2

[1] Excluding impact of non-recurring items. Please refer to Non-GAAP measures in sections A and J of MD&A

Overview of Gaz Métro's cash flows

(in millions of dollars, except for per unit data, in dollars)

	3 months ended March 31		Variance	6 months ended March 31		Variance
	2013	2012		**2013**	2012	
Cash flows related to operating activities	**259.4**	245.5	13.9	**326.3**	325.7	0.6
Distributable cash	**160.3**	179.1	(18.8)	**134.6**	187.5	(52.9)
Distributions	**41.7**	35.4	6.3	**81.9**	70.8	11.1
Investments in development activities	**21.4**	23.2	(1.8)	**82.0**	108.0	(26.0)
Excess liquidity (financing needs)	**97.2**	120.5	(23.3)	**(29.3)**	8.7	(38.0)

[1] Excluding impact of non-recurring items. Please refer to Non-GAAP measures in sections A and J of MD&A.

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Gaz Métro's distributable cash
First half variance - fiscal 2013 vs. fiscal 2012

$52.9M in distributable cash mainly due to:

$30.3M	Change in deferred charges and credits due mainly to cost of natural gas and charges relating to project to serve Côte-Nord region
$14.8M	Increase in restricted cash
$10.0M	Increase in maintenance capex

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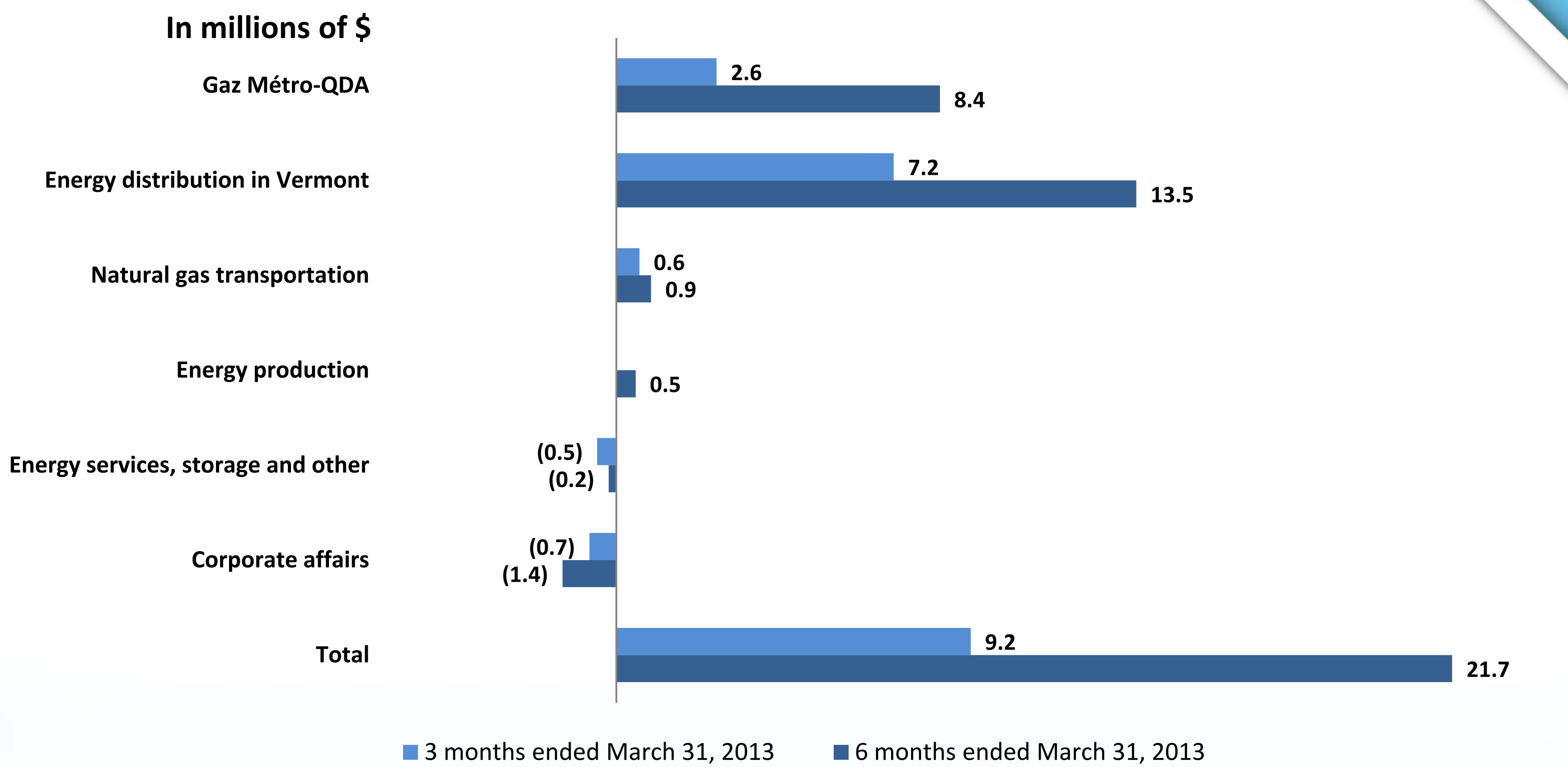
Gaz Métro's recurring net income[1] variance



[1] Net income attributable to Gaz Métro's Partners excluding non-recurring items. Please refer to Non-GAAP measures in sections A and J of MD&A

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Recurring net income[1] variance by segment

Segment	Quarterly variance	First Half variance	Drivers
Gaz Métro-QDA	⇧ **$2.6M**	⇧ **$8.4M**	• Timing difference between revenue recognition profile and that of costs Expected to reverse in next quarters of current fiscal year • Closer-to-normal temperatures in first half of fiscal 2013 as opposed to much warmer than normal temperatures in first half of 2012 which had resulted in revenue shortfall and higher load-balancing and transportation costs Mitigated by unfavourable impact of: • Decrease in ROE and • Decrease in revenues related to GEEP performance incentive

[1] Net income attributable to Gaz Métro's Partners excluding non-recurring items. Please refer to Non-GAAP measures in sections A and J of MD&A

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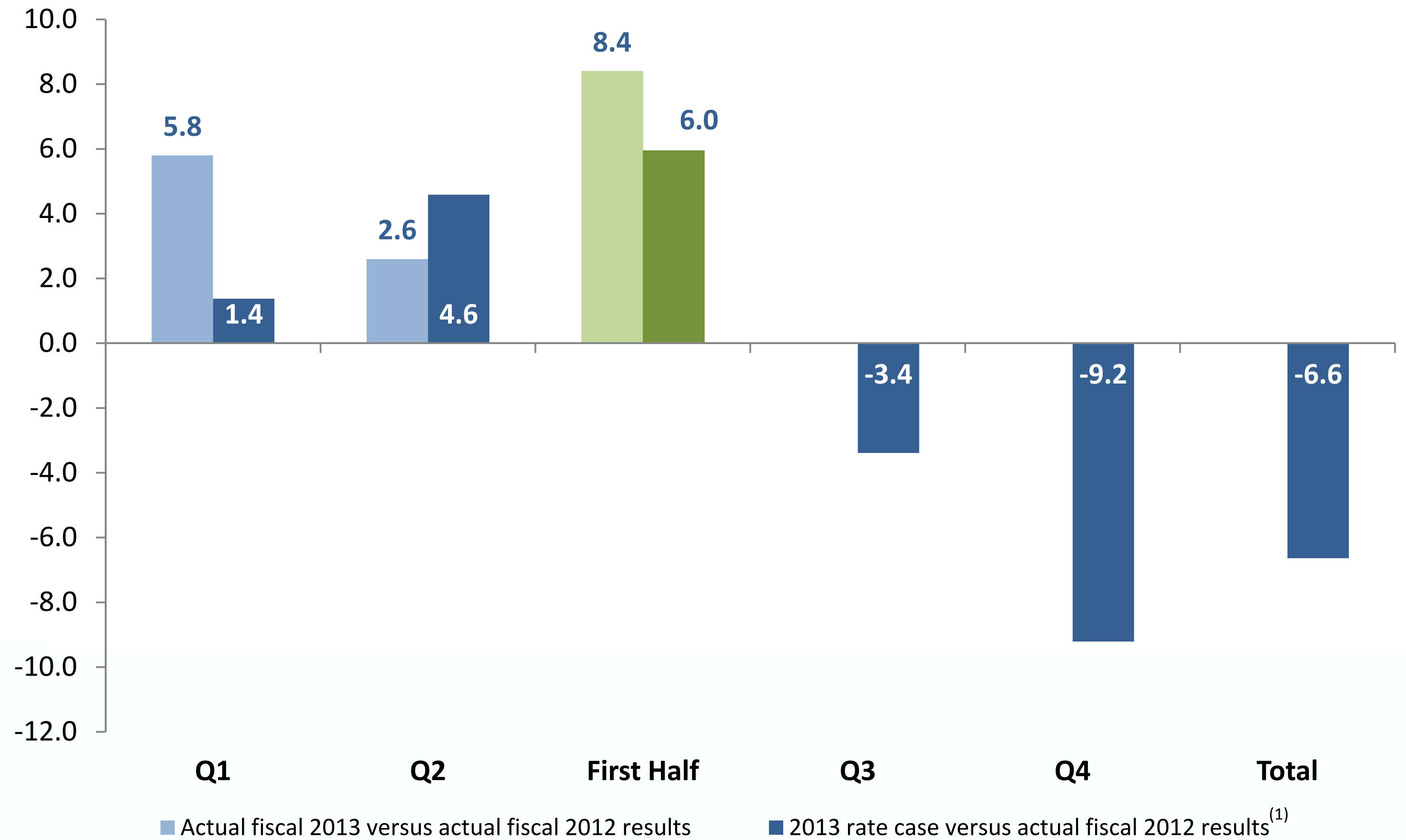
Gaz Métro-QDA
Net income variation for fiscal 2013

In millions of $



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

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Recurring net income[1] variance by segment

Segment	Quarterly variance	First Half variance	Drivers
Energy distribution in Vermont	↑ **$7.2M**	↑ **$13.5M**	• Higher net income of Green Mountain Power from CVPS acquisition mitigated by $1.2 million costs incurred due to Hurricane Sandy, net of portion recoverable through profit and loss sharing mechanism • Higher net income of Vermont Gas Systems due to higher natural gas deliveries, favourable impact of weather normalization mechanism and higher number of customers Mitigated by: • Increase in financing costs resulting mainly from CVPS acquisition ($3.7 million for quarter and $7.5 million for first half)
Natural gas transportation	↑ **$0.6M**	↑ **$0.9M**	• Increase in short-term and interruptible volumes of natural gas transported by PNGTS Mitigated by: • Allocation of 9265-0860 Québec inc.'s income tax expense to TQM ($0.6 million for quarter and $1.7 million for first half)

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[1] Net income attributable to Gaz Métro's Partners excluding non-recurring items. Please refer to Non-GAAP measures in sections A and J of MD&A

Gaz Métro's expected cash requirements for second half of fiscal 2013

		SOURCES				
	Second half of FY 2013 projections	Cash flows from operations & credit facilities		Long-term debt	Equity in Gaz Métro	
CAPEX:		Gaz Métro & Others	Valener		GMi	Valener
Gaz Métro-QDA	~ $93M	~ $43M			~ $35.5M	~ $14.5M
Seigneurie *(Beaupré Éole and Beaupré Éole 4)*	~ $218M	~ $9M	~ $9M	~ $200M[1]		
VGS, GMP and others	~ $89M	~ $89M				
TOTAL	**~ $400M**	**~ $141M**	**~ $9M**	**~ $200M**	**~ $35.5M**	**~ $14.5M**

[1] Project financing non recourse to Gaz Métro and Valener

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Valener's expected cash requirements for second half of fiscal 2013

		SOURCES
Investment in Gaz Métro	**~ $14.5M**	▪ Cash flows related to operating activities ▪ $200M committed credit facility
Equity injection for Seigneurie de Beaupré wind power projects	**~ $9.0M**	
TOTAL	**~ $23.5M**	

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Q&A Session

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Appendix A
Consolidated net income attributable to the Partners

	3 months ended March 31			6 months ended March 31		
(in millions of dollars except for per unit figures)	**2013**	2012	Variance	**2013**	2012	Variance
Energy Distribution						
Gaz Métro-QDA	**95.0**	92.4	2.6	**144.5**	136.1	8.4
VGS and GMP	**19.1**	8.2	10.9	**36.7**	15.7	21.0
Financing costs of investments in this segment [1]	**(4.5)**	(0.8)	(3.7)	**(9.4)**	(1.9)	(7.5)
	109.6	99.8	9.8	**171.8**	149.9	21.9
Natural Gas Transportation						
TQM, PNGTS and Champion	**6.3**	6.1	0.2	**11.1**	11.2	(0.1)
Financing costs of investments in this segment [1]	**(0.3)**	(0.7)	0.4	**(0.7)**	(1.7)	1.0
	6.0	5.4	0.6	**10.4**	9.5	0.9
Energy Production [2]						
Gaz Métro Éole and Gaz Métro Éole 4	**(0.1)**	(0.1)	-	**(0.2)**	(0.7)	0.5
Financing costs of investments in this segment [1]	**-**	-	-	**-**	-	-
	(0.1)	(0.1)	-	**(0.2)**	(0.7)	0.5
Energy Services, Storage and Other [2]						
Energy and storage	**2.2**	3.0	(0.8)	**19.9**	6.1	13.8
Financing costs of investments in this segment [1]	**(0.2)**	(0.5)	0.3	**(0.6)**	(1.3)	0.7
Net gain on the disposal of the interest in HydroSolution	**-**	-	-	**(14.7)**	-	(14.7)
	2.0	2.5	(0.5)	**4.6**	4.8	(0.2)
Corporate Affairs [2]						
Corporate affairs	**(1.7)**	(1.3)	(0.4)	**(3.0)**	(2.4)	(0.6)
Costs related to the CVPS acquisition	**-**	0.3	(0.3)	**-**	0.8	(0.8)
	(1.7)	(1.0)	(0.7)	**(3.0)**	(1.6)	(1.4)
Consolidated net income attributable to the Partners excluding non-recurring items	**115.8**	106.6	9.2	**183.6**	161.9	21.7
Non-recurring items	**-**	(0.3)	0.3	**14.7**	(0.8)	15.5
Consolidated net income attributable to the Partners	**115.8**	106.3	9.5	**198.3**	161.1	37.2
Basic and diluted net income per unit attributable to the Partners	**0.77**	0.85	(0.08)	**1.33**	1.28	0.05
Distributions declared per unit to the Partners	**0.28**	0.28	-	**0.56**	0.56	-

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

[2] In first quarter of fiscal 2013, Gaz Métro modified its financial reporting structure for segment disclosures given the sale of certain companies and the development of important wind power projects. The first two quarters of 2012 fiscal year figures have been reclassified to present financial information that reflects the new business segments.

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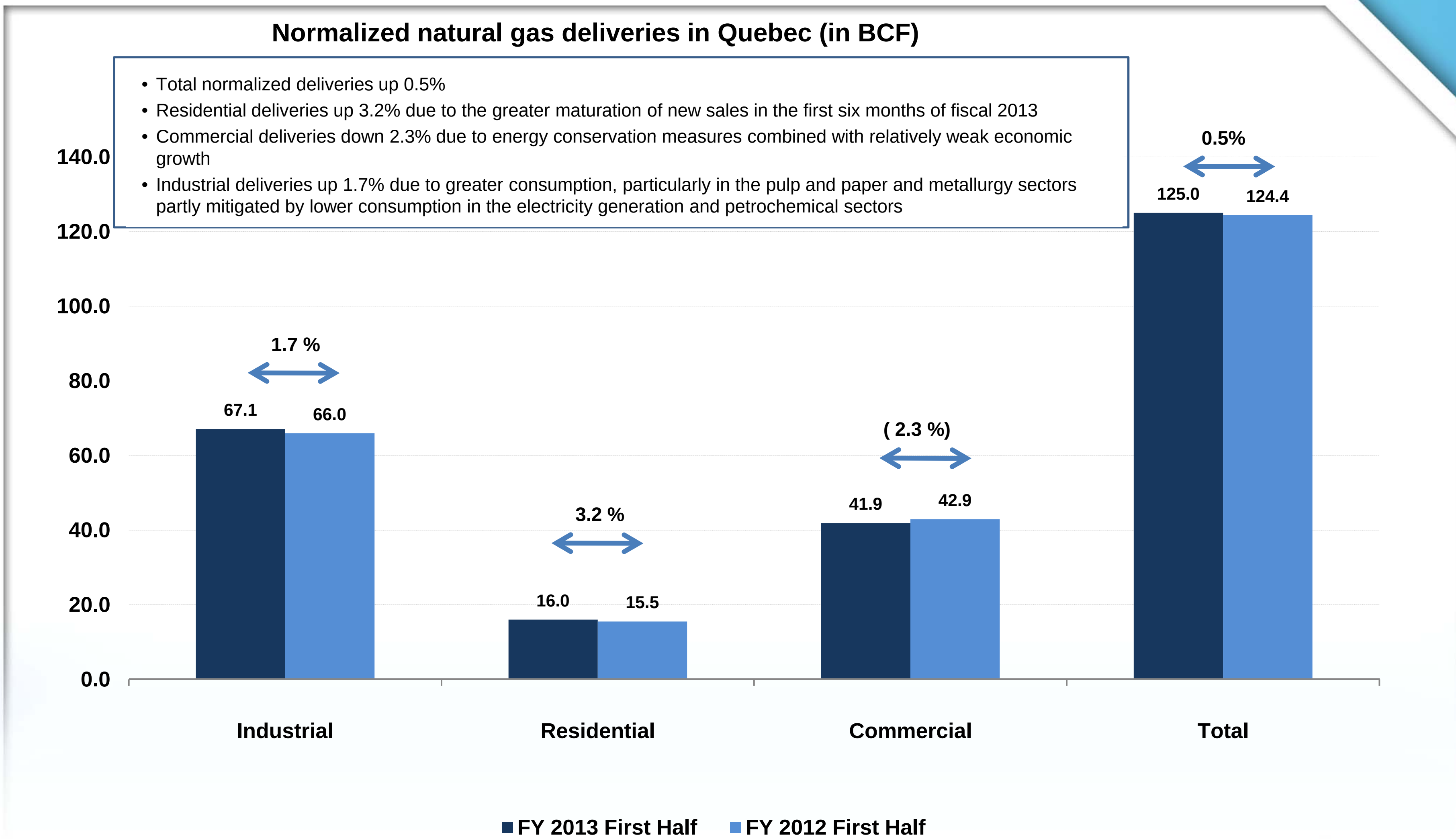
Appendix B
Gaz Métro-QDA normalized deliveries



Differences due to rounding

Appendix C

Gaz Métro-QDA - Current competitive position of natural gas in Quebec

Market	Main competitors	How competitive is natural gas? (1)
Industrial Ex.: Large companies in petrochemical, metallurgy, etc. industries	**#6 Fuel Oil**	**60% cheaper**
Commercial & Institutional Ex.: Hospitals, schools, restaurants, etc.	**Electricity** **#2 Fuel Oil**	**Small business: 25% cheaper** **Large business: 44% cheaper** **Small business: 43% cheaper** **Large business: 57% cheaper**
Residential heating (2)	**Electricity** **#2 Fuel Oil**	**12% to 27% cheaper** **34% to 48% cheaper**

(1) As at May 1st, 2013 (Current market prices)

(2) Using high efficiency equipment

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Appendix D
Change in deferred charges and credits

Deferred charges and credits *(In millions of dollars)*	**Balance as at December 31, 2012**	**Normalization of rate stabilization accounts**	**Increase in deferred charges and credits**	**Reduction of charges related to the cost of energy**	**Amortization of deferred charges and credits**	**Non-cash adjustments**	**Balance as at March 31, 2013**
Rate stabilization accounts	78.6	8.0	-	-	(3.8)	0.0	82.8
Charges related to the cost of energy	61.8	-	40.4[1]	(66.9)	-	0.7	36.0
Others	80.4	-	6.9	-	(4.0)	(37.6)	45.7
	220.8	8.0	47.3	(66.9)	(7.8)	(36.9)	164.5

Deferred charges and credits *(In millions of dollars)*	**Balance as at December 31, 2011**	**Normalization of rate stabilization accounts**	**Increase in deferred charges and credits**	**Reduction of charges related to the cost of energy**	**Amortization of deferred charges and credits**	**Non-cash adjustments**	**Balance as at March 31, 2012**
Rate stabilization accounts	72.4	16.3	-	-	(5.9)	0.0	82.8
Charges related to the cost of energy	46.8	-	24.4	(61.5)	-	(0.3)	9.4
Others	77.7	-	1.1	-	2.1	(14.1)	66.8
	196.9	16.3	25.5	(61.5)	(3.8)	(14.4)	159.0

[1] Includes $3.1 million decrease related to Vermont Gas Systems.

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