RAPPORTS DES AGENCES DE NOTATION DE CRÉDIT

Au moment de déposer la mise à jour des pièces de la Cause tarifaire 2012, le rapport de l'agence de notation suivante n'était pas encore disponible :

- Standard & Poor's credit profile for Gaz Metro Inc. Gaz Metro L.P.

Le 31 août 2011, Gaz Métro a donc déposé en révision de la pièce Gaz Métro-7, Document 9 le dernier rapport de l'agence de notation « DBRS rating report for Gaz Metro Inc » daté du 12 mai 2011.

Dès que le nouveau rapport de l'agence Standard & Poor's sera disponible (attendu pour la fin septembre 2011) Gaz Métro le déposera en révision de la pièce Gaz Métro-7, Document 10.

STANDARD & POOR'S

My Credit Profile

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Gaz Metro Inc. Gaz Metro L.P.

Publication date:	01-Apr-2010
Primary Credit Analyst:	Bato Kacarevic, Toronto (1) 416-507-2589; bato_kacarevic@standardandpoors.com
Secondary Credit Analyst:	Nicole Martin, Toronto (1) 416-507-2560; nicole_martin@standardandpoors.com

Major Rating Factors

Corporate Credit Rating
A-/Stable/--
Ratings Detail >>

Strengths:

- Monopoly core gas distribution business
- Stable financial performance and predictable cash flows
- Supportive regulatory regime
- Gas consumption for heating drives net income

Weaknesses:

- Low residential customer penetration rate
- Reliance on industrial customers, resulting in greater cyclicality
- Highly leveraged balance sheet

Rationale

The ratings on Gaz Metro Inc. (GMI) and subsidiary Gaz Metro L.P. (GMLP or the partnership) reflect Standard & Poor's Ratings Services' opinion of the entities' monopoly position of its core gas distribution business in Quebec, regulatory support in the Province of Quebec (A+/Stable/A-1+), and the consistency of earnings and credit metrics. The ratings also factor in our view of GMLP's strategy to diversify incrementally into other noncore energy enterprises at a measured pace. We believe that counterbalancing these positive attributes are natural gas' relatively low market penetration in the province compared with that of electricity; significant exposure to the industrial sector, where natural gas demand tends to be cyclical; and increasing balance-sheet leverage. We have equalized the ratings of the parent (GMI) and the operating company (GMLP) based on the unconditional debt guarantee from GMLP to GMI, GMLP's investment activity restrictions, and the operating company's major position in the parent's asset base.

GMI holds a 71% interest in GMLP, a Montreal-based partnership. GMI's primary asset is GMLP, where natural gas distribution in Quebec is central to its strategy. While GMI is heavily concentrated in one business--GMLP--cash flows are stable through the partnership's interests in regulated assets such as gas and electricity distribution, gas transportation, and gas storage. Gas distribution assets in Quebec represent the vast majority of earnings and influence operating performance. GMLP's total consolidated debt outstanding at fiscal year-end 2009 (Sept. 30) was approximately C$1.8 billion. Standard & Poor's treats GMI's approximately C$708 million of subordinated debentures as equity.

The excellent business risk profile indicates supportive regulation that underpins the gas distribution business' monopoly position and operational stability. Approximately 95% of GMLP's revenue (including from U.S. assets) comes from regulated activities. Accordingly, regulatory policies are crucial to the partnership's business risks and financial position. In Quebec, the regulator determines the allowed return on capital that GMLP can generate in delivering natural gas. While commodity prices have been volatile recently, the partnership's natural gas price exposure is negligible because it passes these costs entirely through to customers. In addition, GMLP benefits from a performance-based regulatory arrangement with incentives on some operations. In the rate case for 2010, the Quebec regulator did not retain the partnership's proposed model for establishing the authorized base rate of return. In our view, this is somewhat negative because it constrains GMLP's ability to improve its financial metrics. Nevertheless, the regulator accepted some of the partnership's requests and agreed to modify certain parameters in the formula determining the allowed return on deemed common equity--which rose to 9.20% for 2010 from 8.64% under the previous formula. Overall, we think that this reflects lower government bond yields and higher risk premiums, amid increased uncertainty in the energy markets. In addition, incentive returns have the potential to increase base rates of return, which are linked to lower long-term Government of Canada (AAA/Stable/A-1+) bond yields.

Standard & Poor's views GMLP's natural gas distribution and transmission and electricity distribution businesses as low risk and a core focus in the long term. Nevertheless, GMLP's shift to a more diversified energy services platform, including increased nonregulated services, could hinder its business risk profile. The partnership is diversifying prudently and considering the credit quality impact of these investments; therefore, we believe a downward ratings revision is unlikely. The partnership is engaged in two major projects, both of which are consistent with its growth strategy. It has modest near-term capital commitments to these projects and it is proceeding with caution given an improving, but weakened, economy and energy market.

- Boralex Inc. and GMLP won two wind-power projects for 272 megawatts of installed capacity, which we expect will be operational by Dec. 1, 2013. Hydro-Quebec Distribution is the counterparty. The total construction cost is estimated at C$800 million. The Quebec government approved this project in late 2009.
- GMLP and its partners in the Rabaska liquid natural gas (LNG) terminal (a regasification project) in Quebec are proceeding cautiously, given the uncertainty surrounding energy markets. The project has a total estimated construction cost of C$660 million.

Despite its monopolistic position in Quebec, the partnership must contend with low natural gas market penetration in the province's energy market. The penetration is materially lower than the national average (according to our estimates), due to highly competitive electricity rates. This low penetration rate in the residential energy market undermines profitability to some degree because of the high margins of this customer segment. In addition, GMLP's gas distribution in Quebec has a large industrial customer base, which results in less predictable cash flows. Quebec's economy is somewhat cyclical, given its significant manufacturing base. Nevertheless, the majority of industrial customers have multiyear, take-or-pay type of contracts that provide a fixed fee irrespective of volume consumed.

The partnership's marketing strategy has increasingly focused on bolstering its position in the residential energy market. This strategy, which emphasizes the benefits of natural gas as a clean energy source and at increasingly competitive gas prices, is gaining some traction, in our view. The competitive advantage of natural gas (recently about C$5.00 per thousand cubic feet) versus fuel oil has increased amid higher oil prices in the past year. Higher residential market penetration would improve operating margins and earnings stability, resulting in more predictable cash flows.

In our view, GMLP's financial risk profile is intermediate, but is increasingly becoming more aggressive due to the partnership's highly leveraged balance sheet and is reaching the boundaries of the rating. Debt-to-total capital at fiscal 2009 was about 71% (including our adjustments). The planned equity issue in 2010, which Standard & Poor's factors in its credit risk overview, would mitigate some of the pressure on GMLP's balance sheet and reduce the potential for a negative rating action. In fiscal 2009, favorable U.S. dollar exchange rates and a positive rate adjustment in the Trans Quebec & Maritimes Pipeline Inc. (TQM; BBB+/Stable/--) business (amid the recent National Energy Board decision) were major factors that drove improved EBITA performance--which was C$482.3 million 2009, compared with C$452.1 million in 2008. In 2010, we expect earnings to soften as lower U.S. dollar exchange rates and a warmer winter offset a higher approved return on equity (ROE) and recovering economy. In addition, GMLP's practice of distributing 95%-100% of its earnings to unitholders will continue to constrain its financial latitude.

Short-term credit factors

Standard & Poor's considers GMLP's liquidity to be adequate for the ratings. Cash flow from operations and availability on credit facilities should fund operations internally and support capex and working capital requirements, which can be highly volatile due to natural gas price fluctuation. The partnership also has what we view as good access to the capital markets to support funding needs as required. GMLP's various credit facilities and lines of credit, totaling nearly C$702 million at Sept. 30, 2009, enhance liquidity. Despite more than C$200 million maturing at the partnership (including U.S. subsidiaries) in 2010, its debt maturity schedule is laddered and thus manageable given access to capital markets, in our view. We believe its commercial paper program is adequate for the ratings when factoring in normal seasonal fluctuations resulting from building gas inventories in the summer and fall to meet winter demand.

Recovery analysis

The rating on GMI's first mortgage bonds is 'A', with a recovery rating of '1+', indicating our expectation of full recovery (100%) in the event of a default. We rate the secured debt at GMI one notch higher than the corporate credit rating due to the amount of collateral securing it. The partnership's first mortgage bonds are secured under a trust deed that contains a hypothec on GMI's Quebec property. A first immovable hypothec on GMLP's pipelines and gas distribution system also covers creditors. The first mortgage bonds comprise 10 individual debt issues, with maturities ranging from fiscals 2010-2036.

Standard & Poor's believes that if GMI were to default, it would continue to operate as part of a reorganized entity because of the business' essential service nature. The most important factor in determining a utility's asset value upon emergence from bankruptcy is the revenue stream that regulators allow it to collect. In GMI's case, there is a high correlation between the value of the regulated rate base and the assets' book value. Therefore, absent extenuating circumstances, we will assume that the book value of the assets represents a fair value for the assets. The recovery estimate compares the level of collateral to the potential amount of secured debt.

Outlook

The stable outlook reflects our assessment of GMLP's regulated utilities and fairly predictable cash flows, and our expectation of an equity issuance in 2010 to augment the balance sheet. A negative rating action is likely if the partnership does not improve its eroding balance and articulate a path or timeline on reaching this improved level by mid-2010. A positive rating action is not likely, given the demand volatility of the industrial customers in gas distribution and weaker leverage ratios.

Business Description

GMI is a wholly owned subsidiary of Noverco Inc. (not rated), which is 50.4% owned by Trencap S.E.C. (not rated), 32.1% by Enbridge Inc. (A-/Stable/--), and 17.5% by GDF Suez S.A. (A/Positive/A-1). We believe that Noverco's owners have robust financial risk profiles and could be a source of financial support to GMI if required. GMI is the general partner of GMLP and holds

71% of units outstanding. GMLP was organized as a limited partnership in 1991 and amended in 1993 to allow for limited public investment. The structure allows GMLP to record partners' income before income tax and distribute to the unitholders a pro rata share of earnings before tax.

GMLP's core business is the regulated distribution, transportation, and storage of natural gas in Quebec and Vermont. Overall, GMLP has more than 300,000 customers and operates greater than 10,000 kilometers of pipeline. We believe the distribution segment's performance is critical to the ratings.

Segmented 2009 EBITA share of total is as follows:

- Quebec distribution, 71%;
- Vermont Gas Systems Inc. (VGS) and Green Mountain Power Corp. (GMP), 14%;
- TQM and Portland Natural Gas Transmission System (PNGTS), 9%; and
- Intragaz and other, about 6%.

Excellent Business Risk Profile

Canadian regulatory framework has unique features

The Regie de l'energie (in Quebec) and the National Energy Board regulate GMI's Canadian operations. The regulation for the Quebec distribution assets is similar to that in other provinces. Performance-based regulation limits any downside risk to a cost-of-service and rate-of-return method. In 2009, the total authorized base ROE was 8.94% (9.89% was achieved), and it is 9.20% for 2010. Although the base rate is fixed, productivity gains allow GMLP to potentially increase the total return. Similar to other Canadian regulatory jurisdictions, the company is insulated from commodity price risk by directly passing natural gas costs to distribution customers. Quebec regulation also allows for a weather- and wind-normalization deferral account. Rates are calculated on normal weather and wind velocity (30-year average); any variation is deferred through a normalized account and collected from or returned to customers through rate adjustments over a five-year period. Interest-rate risk is also not a rating concern because GMLP can defer any variation in interest rates through a normalization account. Unique to the regulatory environment in Quebec, the distribution operations have formal overearnings sharing mechanism that supports GMLP's ability to generate incentive earnings greater than the regulated base ROE.

The U.S. operations, which expanded considerably with the GMP acquisition in 2007, are subject to Federal Energy Regulatory Commission and the Vermont Public Service Board's regulation. In Standard & Poor's view, the regulatory framework for gas distribution in Vermont is not as favorable as that of Quebec, despite recent revisions. VGS' regulatory framework includes an adjustment mechanism for the price of gas sold to customers that reflects acquisition costs and a mechanism where productivity gains can be shared. The utility is no longer exposed to commodity cost risk. Also, GMP reduces business risk with a price adjustment mechanism for electricity sold to customers.

The National Energy Board regulates the partnership's 50% interest in TQM, a gas transportation pipeline in Quebec. This represents a substantial investment and operating risks are mitigated by the existing long-term take-or-pay contract the pipeline has with its other joint owner, TransCanada PipeLines Ltd. (TCPL; A-/Negative/--) to 2019. Tolls are based on a cost-of-service approach, thus providing earnings stability.

Market position depends heavily on industrial customers

Due to a relatively higher concentration of industrial based customers (46% of total throughput volume in 2009), we consider GMLP's market position to be weaker than that of other gas distribution companies in Canada. Heavy reliance on industrial customers exposes GMLP to economic slowdowns and cyclical commodity prices, which can depress cash flow from operations amid volume declines. In addition, industrial demand tends to be somewhat more cyclical and industrial customers generate lower margins than residential customers. Notwithstanding this, we believe that the industrial customer base is well-diversified, which tempers the division's concentration and volatility. According to Standard & Poor's estimates, the highest concentrations of total volume are in the metallurgical sector. The pulp and paper sector, which once captured a considerable proportion of total volumes, has decreased significantly. In addition, we note that GMLP's marketing strategy centers on increasing its share of residential customers to develop more stable volume throughput. Still, Standard & Poor's expects that the business mix will remain fairly stable in the near-to-medium term because consumers are price sensitive and hydro electricity is competitive.

Regulatory environment reduces financial and operating risks

Regulation protects the GMLP and most of its U.S. subsidiaries from the potential financial consequences of many operating risks. Foremost, it provides a recession-resistant financial model that establishes rates to arrive at an allowed ROE. For Quebec gas distribution, volatile natural gas prices do not present a risk to cash flow because regulation allows for the flow through of these costs through an automatic monthly adjustment mechanism. Because new home development represents a large portion of customer growth, the Quebec-based distribution assets are fairly new and efficient, so we believe system integrity is not an issue--the regulator mandates a safe and reliable gas distribution system.

Competition

A shifting energy landscape, volatile natural gas prices, and cost-conscious customers create a dynamic competitive environment, in our view. We believe the major rebound in crude oil prices (and, by extension, fuel oil) in the past year augments the competitive position of natural gas as a fuel source. Low natural gas prices could continue as massive new shale deposits are discovered in North America. Government emphasis on enhancing clean energy sources underscores that natural gas emits 31% less greenhouse gas than fuel oil--further supporting its competitive advantage. As a result, we believe there are expansion opportunities because of environmentally friendly initiatives, new home construction, and increasing natural gas use in appliances. This underscores GMLP's marketing initiative as a strategic imperative for the partnership. Nevertheless, convincing non-gas consumers to switch, given the upfront conversion costs, will be challenging. Price volatility of natural gas, combined with the flexibility of large customers to switch energy sources, underpin heightened competitive market conditions where customers increasingly seek alternative energy sources in times of high prices. Electricity continues to be the major competitor to natural gas in Quebec, even though GMLP delivers about 97% of the natural gas consumed in the province. Inexpensive hydro based electricity is available through provincially owned Hydro-Quebec at a legislated low price of C$29 per megawatt-hour for the bulk of power consumed. As a result, natural gas market penetration for the province is just 16%, according to Standard & Poor's estimates, which is low compared with that of neighboring Ontario and the national average of about 35%.

In GMLP's transportation segment, the TQM pipeline is effectively an extension of the TCPL system. TQM's low business risk is due to its monopolistic position, as there are limited means of transporting natural gas into Quebec. Nevertheless, the volumes that pass though TQM, where the pipeline interconnects with PNGTS, face greater competition from primarily the Maritimes & Northeast Pipeline system, which transports offshore Canadian gas into the northeastern U.S.

Profitability

Profitability reflects rate case decisions, customer energy consumption, and new energy revenue streams. Because GMLP consists of mostly regulated operations (regulated businesses accounted for 95% of 2009 revenues), we don't expect its profitability to fluctuate materially. The major contributor to the partnership's net income is its gas distribution business in Quebec, but the U.S. assets will continue to be a material contributor. Nevertheless, eroding energy consumption due to conservation initiatives from residential customers has softened profitability growth, despite new customers. In our view, earnings are likely to fall moderately in 2010 amid less favorable U.S. dollar rates and warmer weather. Productivity improvements could offset a portion of the decline. In the long term, while conservation and renewable energy trends create challenges, they also provide a back-drop for new cash flow stream potential from investment in energy infrastructure to support liquefied natural gas and wind power. Gas-fired power generation could expand amid favorable gas pricing and more emphasis on clean power generation.

Intermediate Financial Risk Profile

Accounting

GMI reports its financial statements in accordance with Canadian generally accepted accounting principles. Standard & Poor's adjusts GMI's financial risk profile to reflect the financial risk the company faces. We adjust accounts receivable sold and pension liabilities. Furthermore, we adjust the gross interest figure to account for allowance for funds used during construction. The effect of these adjustments on overall financial metrics is immaterial.

Expanded mission statement could increase risk

GMLP's expanded mission statement to dedicate more resources for business development outside of its core gas distribution business heightens the partnership's risk profile to some extent. Although the diversification benefits are evident, cash flows could have greater uncertainty, particularly those that regulations don't underpin. Nevertheless, management's growth policy remains somewhat conservative, as strategic fit remains a key criterion for growth initiatives.

Financial policy

Standard & Poor's expects GMLP's financial policies, which include maintaining 75% fixed interest rate debt, will remain in effect in the medium-to-long term. Despite natural gas cost flow through provisions, GMLP uses natural gas derivatives contracts to manage price volatility for customers. The trust deed governing first-mortgage bonds and by the limited partnership agreement limit involvement in nonregulated energy activities to 10% of GMLP nonconsolidated assets. GMLP cannot issue, assume, or guarantee long-term debt if the total long-term debt, after giving effect to such issuer assumptions or guarantees, exceeds 65% of its nonconsolidated total capitalization.

Cash flow protection measures

GMLP's cash flow protection measures have been relatively stable in recent years where funds from operations-to debt has been about 20%. Still, the ratios are weak for the ratings, but acceptable given regulatory support. Because the partnership distributes nearly all net income to unitholders, it could have to increase debt incrementally to finance growth projects or acquisitions. This could deteriorate further cash flow coverage metrics until such projects are in-service and accretive to cash flow. Overall, we believe GMLP has less latitude to pursue acquisitions, given these factors and its stated objective of maintaining strong ratings.

Capital structure has weakened in recent years

Standard & Poor's believes that GMI's capital structure has eroded in recent years and is beginning to pressure the rating--primarily due to increasing debt and only modest equity expansion (partially because of large cash distributions). As a result, we believe that it makes GMLP more sensitive to business adversity and curtails its ability to entertain sizable acquisitions without compromising its credit quality. GMI's debt-to-capital increased to 71% (with our adjustments) in fiscal 2009 from 66% in fiscal 2006. An acceptable balance sheet (relative to business risk) is crucial for the ratings on GMLP amid the business' capital-intensive nature and high degree of cash distributions, both of which can constrain financial latitude. Regulatory guidelines largely dictate balance-sheet leverage; the guidelines stipulate a 38.5% (for Quebec distribution activity) deemed common equity capital component and a 7.5% deemed preferred equity component. There is no incentive to diverge within the Quebec gas distribution operations from these directives as excess equity generates a lower return than the approved ROE, while operating with less than the deemed equity might signal that the allowed equity component return is too generous.

GMLP's tendency to pay out 95%-100% of earnings to unit-holders somewhat limits its financial flexibility. Although the distribution policy is not fixed, management would be reluctant to curtail cash distributions to unitholders.

Table 1 | Download Table

Gaz Metro Inc.--Peer Comparison*				
Industry Sector: Gas				
	--Average of past three fiscal years--			
(Mil. C$)	Gaz Metro Inc.	Enbridge Gas Distribution Inc.	Union Gas Ltd.	Terasen Gas Inc.
Rating as of April 1, 2010	A-/Stable/--	A-/Stable/--	BBB+/Stable/A-2	A/Stable/--

Revenues	2,123.4	2,987.3	2,090.7	1,541.5
Net income from continuing operations	39.8	207.6	143.0	85.4
Funds from operations (FFO)	383.2	465.1	302.8	168.1
Capital expenditures	138.0	363.9	367.9	86.7
Cash and short-term investments	36.1	33.3	36.3	8.3
Debt	1,867.5	2,814.2	2,224.8	1,631.7
Preferred stock	707.8	50.0	105.0	0.0
Equity	800.9	1,829.6	1,226.3	846.9
Debt and equity	2,668.4	4,643.8	3,451.2	2,478.6
Adjusted ratios				
EBIT interest coverage (x)	2.2	2.3	2.2	1.9
FFO interest coverage (x)	4.8	3.2	2.9	2.3
FFO/debt (%)	20.5	16.5	13.6	10.3
Discretionary cash flow/debt (%)	9.2	4.4	(5.8)	(0.3)
Net cash flow/capex (%)	208.4	90.2	62.8	87.3
Total debt/debt plus equity (%)	70.0	60.6	64.5	65.8
Return on common equity (%)	28.7	11.1	11.0	9.6
Common dividend payout ratio (unadjusted; %)	53.8	72.1	48.3	108.2

*Fully adjusted (including postretirement obligations).

Table 2 | Download Table

Gaz Metro Inc.--Financial Summary*

Industry Sector: Gas

	--Fiscal year ended Sept. 30--				
(Mil. C$)	2009	2008	2007	2006	2005
Rating history	A-/Stable/--	A-/Stable/--	A-/Negative/--	A-/Negative/--	A-/Stable/--
Revenues	2,247.4	2,168.6	1,954.2	2,001.2	1,803.5
Net income from continuing operations	38.5	34.1	47.0	29.7	55.0
Funds from operations (FFO)	408.8	397.6	343.3	279.8	335.4
Capital expenditures	153.1	136.2	124.8	153.9	174.2
Cash and short-term investments	50.8	25.4	32.2	36.9	25.4
Debt	1,925.0	1,923.3	1,754.2	1,477.9	1,480.8
Preferred stock	707.8	707.8	707.8	707.8	707.8
Equity	799.2	798.6	805.0	753.5	725.0

Debt and equity	2,724.2	2,721.9	2,559.2	2,231.3	2,205.9
Adjusted ratios					
EBIT interest coverage (x)	2.2	2.2	2.3	2.5	2.6
FFO interest coverage (x)	4.7	4.9	4.7	4.6	5.5
FFO/debt (%)	21.2	20.7	19.6	18.9	22.6
Discretionary cash flow/debt (%)	11.5	6.4	9.7	2.7	2.1
Net cash flow/capex (%)	204.4	223.5	197.1	118.2	131.6
Debt/debt and equity (%)	70.7	70.7	68.5	66.2	67.1
Return on common equity (%)	23.6	23.3	43.7	34.7	63.5
Common dividend payout ratio (unadjusted; %)	90.4	86.6	0.0	0.0	0.0

*Fully adjusted (including postretirement obligations).

Table 3 | Download Table | View Expanded Table

Reconciliation Of Gaz Metro Inc. Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. C$)*

	--Fiscal year ended Sept. 30, 2009--								
Gaz Metro Inc. reported amounts	Debt	Operating income (before D&A)	Operating income (before D&A)	Operating income (after D&A)	Interest expense	Cash flow from operations	Cash flow from operations	Dividends paid	Capital expenditures
Reported	2,490.9	450.6	450.6	258.0	178.8	412.2	412.2	34.8	151.9
Standard & Poor's adjustments									
Trade receivables sold or securitized	35.0	N/A	N/A	N/A	1.8	N/A	N/A	N/A	N/A
Operating leases	2.4	1.6	0.2	0.2	0.2	1.4	1.4	N/A	1.3
Equity-like hybrids	(707.8)	N/A	N/A	N/A	(61.1)	61.1	61.1	61.1	N/A
Postretirement benefit obligations	104.5	7.8	7.8	7.8	3.4	(0.4)	(0.4)	N/A	N/A
Reclassification of nonoperating income (expenses)	N/A	N/A	N/A	8.1	N/A	N/A	N/A	N/A	N/A
Reclassification of interest, dividend, and tax cash flows	N/A	N/A	N/A	N/A	N/A	(4.8)	(4.8)	N/A	N/A
Reclassification of working-capital cash flow changes	N/A	N/A	N/A	N/A	N/A	N/A	(60.7)	N/A	N/A
Total adjustments	(565.9)	9.4	7.9	16.0	(55.7)	57.3	(3.4)	61.1	1.3
Standard & Poor's adjusted amounts	Debt	Operating income (before D&A)	EBITDA	EBIT	Interest expense	Cash flow from operations	Funds from operations	Dividends paid	Capital expenditures
Adjusted	1,925.0	460.0	458.5	274.1	123.1	469.5	408.8	95.9	153.1

*Gaz Metro Inc. reported amounts shown are taken from the company’s financial statements but might include adjustments made by data providers or reclassifications made by Standard & Poor's analysts. Please note that two reported amounts (operating income before D&A and cash flow from operations) are used to derive more than one Standard & Poor's-adjusted amount (operating income before D&A and EBITDA, and cash flow from operations and funds from operations, respectively). Consequently, the first section in some tables may feature duplicate descriptions and amounts. D&A--Depreciation and amortization. N/A--Not applicable.

Ratings Detail(As Of 01-Apr-2010)*	
Gaz Metro Inc.	
Corporate Credit Rating	A-/Stable/--
Commercial Paper	
Local Currency	A-2
Canadian National Scale Commercial Paper Rating	A-1(LOW)
Senior Secured (4 Issues)	A
Corporate Credit Ratings History	
08-Feb-2008	A-/Stable/--
22-Jun-2006	A-/Negative/--
23-Apr-2001	A-/Stable/--
Business Risk Profile	Excellent
Financial Risk Profile	Intermediate
Related Entities	
Gaz Metro Limited Partnership	
Issuer Credit Rating	A-/Stable/--
Senior Secured (5 Issues)	A
Green Mountain Power Corp.	
Issuer Credit Rating	BBB/Stable/--
Senior Secured (4 Issues)	A-
Senior Secured (2 Issues)	AAA/Negative

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.