Insight beyond the rating.

Rating Report

Report Date:
May 31, 2013

Previous Report:
October 31, 2012

Gaz Métro inc.

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The Company

Gaz Métro inc. (GMi) is a holding company with majority ownership of Gaz Métro Limited Partnership (GMLP), which owns and operates natural gas distribution in Québec and natural gas and electricity distribution in Vermont, as well as transportation, storage of natural gas, energy and other services. GMLP's gas transportation operations include wholly owned Champion Pipe Line Corporation Limited, a 50% interest in Trans Québec & Maritimes Pipeline Inc. (TQM) and a 38.3% interest in Portland Natural Gas Transmission System (PNGTS). GMLP is 71% owned by GMi and 29% owned by Valener Inc.

Commercial Paper Limit

$600 million

Recent Actions

February 7, 2013

Assigned a rating of "A" with a Stable trend to Gaz Métro inc.'s Senior Secured Notes

Rating

Debt	Rating	Rating Action	Trend
Commercial Paper	R-1 (low)	Confirmed	Stable
First Mortgage Bonds*	A	Confirmed	Stable
Senior Secured Notes*	A	Confirmed	Stable
Issuer Rating	A	Confirmed	Stable

*Guaranteed by Gaz Métro Limited Partnership

Rating Update

DBRS has confirmed the ratings of Gaz Métro inc. (GMi or the Company) as listed above, all with Stable trends. The rating of GMi is based on the credit quality of Gaz Métro Limited Partnership (GMLP or the Partnership), which guarantees GMi's First Mortgage Bonds (FMB) and Senior Secured Notes, and a secured credit facility that supports the Commercial Paper (CP). GMi is the general partner of GMLP and serves as its financing entity. Funds raised by GMi are loaned to the Partnership on similar terms and conditions.

GMLP's business risk is viewed as low as most of the Partnership's consolidated earnings are generated from its relatively low-risk regulated energy distribution (86% of reported 2012 EBITDA) and regulated pipelines and storage business (11% of reported 2012 EBITDA), with the remaining earnings from the non-regulated business. DBRS views the exposure to non-regulated operations as manageable. The stability of GMLP's regulated businesses is underpinned by a supportive regulatory regime in Québec, a reasonable regulatory framework in Vermont and contractual agreements in the pipeline operations. In addition, GMLP's Québec gas distribution operations (Gaz Métro-QDA; 70% of reported 2012 EBITDA) faces no commodity price risk and its volume risk is mitigated by a revenue stabilization mechanism. DBRS recognizes that under the partnership agreement, GMLP must invest at least 90% of its assets on a non-consolidated basis in the regulated energy sector.

The Partnership's key credit metrics, particularly the cash flow-to-debt ratio, declined in 2012 following the acquisition of Central Vermont Public Service Corporation (CVPS) in June 2012 (the Acquisition), as debt levels increased (the Acquisition was funded with 50% debt and 50% equity) and CVPS only contributed three months of earnings and cash flow. However, key credit metrics remained in line with the current rating category.

With the Acquisition, earnings and cash flow contributions from regulated businesses are expected to increase and the cash flow-to-debt ratio is expected to improve (14.2% for the 12 months ended March 31, 2013, versus 13% in 2012). Going forward, DBRS expects key credit metrics to remain commensurate with the "A" rating.

Rating Considerations

Strengths

(1) Supportive regulatory environment in Québec
(2) Solid financial profile
(3) Diversification of cash flow

Challenges

(1) Higher regulatory uncertainty in Vermont
(2) Limited growth in Québec
(3) Industrial customers sensitive to economy

Financial Information

	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP
Gaz Metro Limited Partnership (consolidated)	6 mos. Mar. 31		12 mos. Mar. 31	For the year ended September 30th		
(CA$ millions)	**2013**	**2012**	**2013**	**2012**	**2011**	**2010**
EBIT gross interest coverage (times) (1)	3.69	4.09	2.22	2.24	2.47	2.40
Total debt in capital structure (1) (2)	62.4%	59.2%	62.4%	63.8%	62.1%	65.6%
Cash flow/Total debt (1)	22.8%	28.8%	14.2%	13.0%	18.2%	18.2%
Cash flow-gross interest coverage (times)	5.59	5.98	4.04	4.05	4.29	4.25
Net income before non-recurring items	183.5	161.9	173.3	151.6	147.4	178.7
Cash flow from operations	291.0	255.2	362.3	326.6	322.7	341.2

(1) Adjusted for operating leases. (2) Adjusted for accumulated other comprehensive income.

Rating Considerations Details

Strengths

(1) **Supportive regulation in Québec.** The regulatory framework in Québec is viewed as supportive, reflecting the following factors: (1) full recovery on gas supply costs, with a monthly adjustment; and (2) rate stabilization accounts to mitigate revenue fluctuations due to weather.

(2) **Solid financial profile.** GMLP's non-consolidated financial profile has remained solid, with moderate debt leverage and solid interest coverage ratios.

(3) **Cash flow diversification.** Cash distributions from pipeline operations and U.S. gas and electricity distribution provide a diverse source of cash flow to GMLP toward servicing its debt. The acquisition of CVPS (the largest electric utility in Vermont) further improves cash flow diversification.

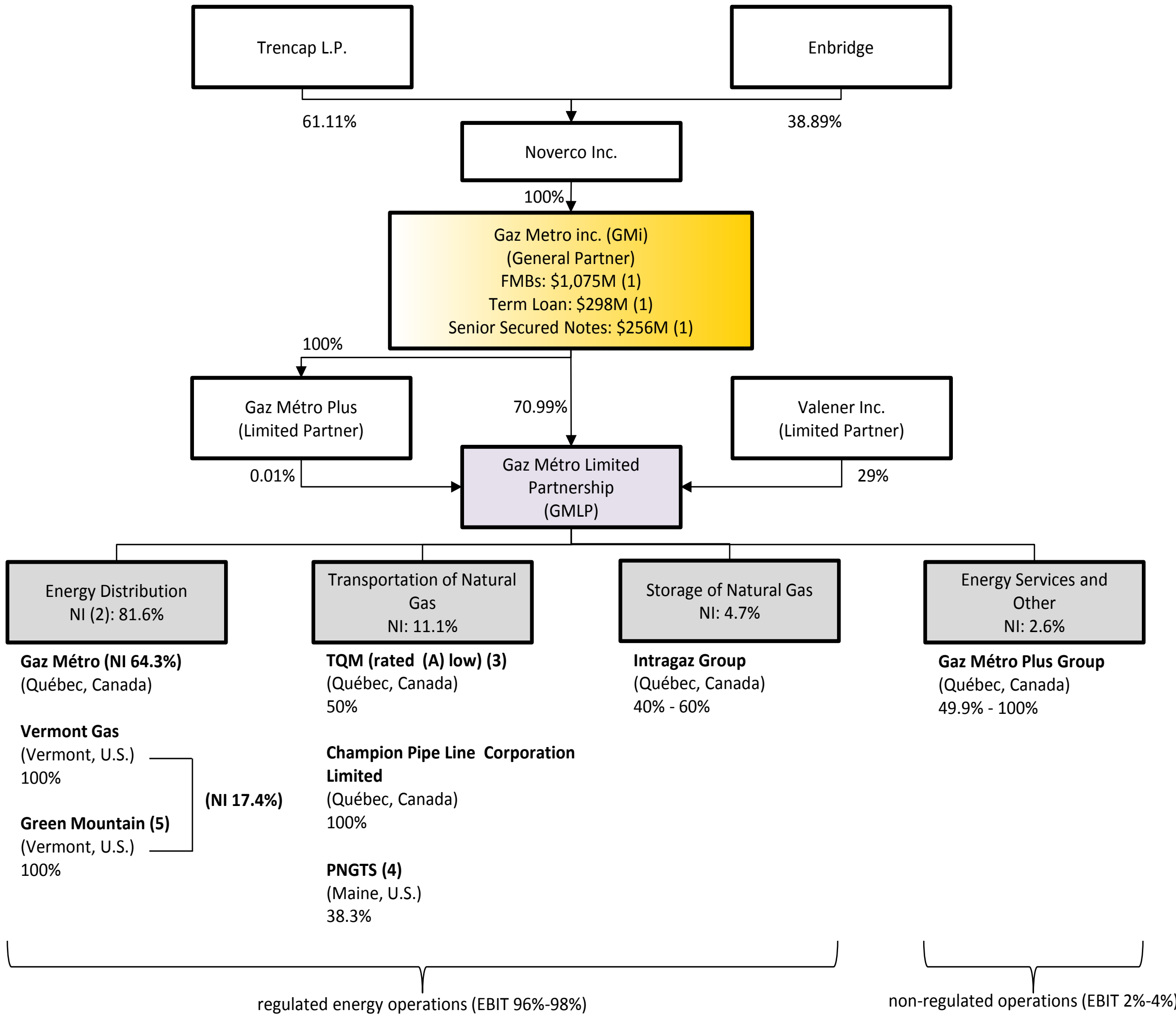
Challenges

(1) **Higher regulatory uncertainty in Vermont.** The Partnership faces a higher level of regulatory uncertainty in Vermont than in Québec (although the regulatory framework in Vermont is viewed as reasonable). There is no rate stabilization for Green Mountain Power Corporation (Green Mountain) in Vermont to mitigate volume delivery fluctuations due to weather and the cost of gas supply is adjusted on a quarterly basis (versus monthly in Québec).

(2) **Limited organic growth in Québec.** The overall growth outlook remains modest, with limited organic growth potential in its regulated gas distribution areas in Québec.

(3) **Industrial customers are sensitive to economic conditions.** In Québec, over 50% of the gas volume delivered in 2012 was consumed by industrial customers, whose consumption is highly sensitive to economic conditions. A significant reduction in demand from these customers could affect GMLP's earnings; however, this risk is mitigated by contracts, with a large number of these customers providing guaranteed payment of a significant portion of distribution services, regardless of their levels of consumption.

Simplified Organizational Chart



(1) FMBs, Senior Secured Notes and the term loan at GMi are guaranteed by GMLP. Balances are as at September 30, 2012.
(2) Net income (NI) in the chart above is based on 2012 and is calculated as net earnings before financing costs and corporate expenses, excluding non-recurring items.
(3) TQM refers to Trans Québec & Maritimes Pipeline Inc.
(4) PNGTS refers to Portland Natural Gas Transmission System.
(5) Includes CVPS; acquired in June 2012.

Notes

- GMi is the financing vehicle for GMLP, with funds raised loaned to GMLP on similar terms and conditions as those imposed on GMi.
- Given the mirror-like structure of the financing, the only substantive difference between the two entities is the subordinated debt at GMi (intercompany debt from Noverco, Inc.), which was approximately $892.8 million outstanding on March 31, 2013 (not rated by DBRS), and not shown in the chart above.

Gaz Métro inc.

Report Date:
May 31, 2013

Earnings and Outlook

Gaz Metro Limited Partnership (consolidated)	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP
	6 mos. Mar. 31		12 mos. Mar. 31	For the year ended September 30th		
(C$ millions)	**2013**	**2012**	**2013**	**2012**	**2011**	**2010**
EBITDA	332.5	287.4	446.7	401.6	417.1	426.5
EBIT	234.3	209.8	263.1	238.6	241.7	252.0
Gross interest expense	63.4	51.3	119.0	107.0	98.1	105.1
Total share in earnings	33.7	15.6	46.8	28.7	22.9	22.0
Net income before non-recurring items	183.5	161.9	173.3	151.6	147.4	178.7
Reported net income	198.3	161.1	181.0	143.8	164.0	178.7
Return on avg. common equity	24.8%	28.1%	12.5%	12.1%	14.3%	18.1%
Regulated rate base (GMLP only) (1)	1,837	1,820	NA	1,820	1,757	1,779
Approved deemed common equity (GMLP only)	38.5%	38.5%	NA	38.5%	38.5%	38.5%
Allowed base ROE (GMLP only)	8.90%	8.90%	NA	8.90%	9.09%	9.20%

(1) Rate case for fiscal 2012 and 2013 is based on the Partnership's projections

2012 Summary

- GMLP’s earnings before non-recurring items increased modestly in 2012, mainly due to: (1) an increase in earnings generated by CVPS following the Acquisition; and (2) the favourable impact of Green Mountain’s rate case parameters.
- These factors were partially offset by a rate reduction authorized in 2012 for Gaz Métro-QDA, higher interest expense following the Acquisition and modestly lower earnings from the Energy Services and Other segment.
- The majority of GMLP’s consolidated earnings were generated by its gas and electric distribution operations (approximately 82% of 2012 reported adjusted net income), which have been relatively stable and consist of the following:
  - 64.3% of reported adjusted net income was generated by Gaz Métro-QDA.
  - 17.4% of reported adjusted net income came from Green Mountain, Vermont Gas and CVPS in Vermont.
- Earnings from the natural gas transportation operations remained relatively stable.

2013 Outlook

- Earnings for the six months ended March 31, 2013 (6M 2013) increased moderately relative to 6M 2012, primarily due to the acquisition of CVPS.
- Gaz Métro-QDA’s earnings in 2013 are expected to be negatively affected by a lower allowed return on equity (ROE) that does not include a productivity gain (8.9% in 2013 versus 9.69% in 2012 when including a productivity gain).
- A higher regulated rate base and the acquisition of CVPS are expected to increase earnings contributions from the U.S. energy distribution subsidiaries.
- Earnings for the natural gas transportation businesses will likely be pressured by the continued decline in rate base. However, the impact is not expected to be material.
- Overall, earnings for the full year 2013 are expected to grow, mainly reflecting the CVPS acquisition.

Reported Segmented Net Income Attributable to GMLP's Partners

For the year ended September 30th		2012	2011
Gaz Metro - QDA	64.3%	110.7	110.6
VGS, GMP and CVPS	17.4%	29.9	18.9
Natural Gas Transportation	11.1%	19.1	19.1
Natural Gas Storage	4.7%	8.1	7.2
Energy Services and Other	2.6%	4.4	6.0
Total	100.0%	**172.2**	**161.8**

*Calculated as net earnings before financing costs and corporate expenses, excluding non-recurring items.

Gaz Métro inc.

Report Date:
May 31, 2013

Financial Profile

Gaz Metro Limited Partnership (consolidated)	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP
	6 mos. Mar. 31		12 mos. Mar. 31	For the year ended September 30th		
(C$ millions)	**2013**	**2012**	**2013**	**2012**	**2011**	**2010**
Net income before non-recurring items	183.5	161.9	173.3	151.6	147.4	178.7
Depreciation & amortization	99.5	78.9	186.4	165.7	177.1	179.8
Distributions/Dividends received	15.1	18.6	26.5	30.0	13.7	11.8
Non cash share in earnings	(33.7)	(15.6)	(46.8)	(28.7)	(22.9)	(22.0)
Deferred income taxes/Other	26.4	11.4	23.0	8.0	7.4	(7.1)
Cash flow from operations	291.0	255.2	362.3	326.6	322.7	341.2
Distributions to partners	(81.9)	(70.8)	(152.6)	(141.5)	(106.1)	(186.7)
Capex	(182.5)	(187.0)	(466.7)	(471.2)	(214.5)	(147.9)
Gross free cash flow	26.6	(2.5)	(257.0)	(286.1)	2.1	6.7
Changes in working capital (WC)	(49.2)	1.0	(13.1)	37.2	(4.6)	(46.4)
Change in regulatory assets	84.5	69.4	80.2	65.1	86.6	48.1
Net free cash flow	61.9	67.9	(189.8)	(183.8)	84.1	8.4
Acquisitions/Long-term investments/Other	7.9	(42.4)	(487.2)	(537.5)	8.6	(14.0)
Net changes in equity	0.9	39.4	343.9	382.5	106.3	0.0
Net changes in debt	32.3	17.5	504.9	490.1	(96.3)	89.4
Changes in deferred charges/credits	(98.2)	(67.9)	(176.7)	(146.3)	(113.1)	(85.2)
Change in cash	4.7	14.5	(4.8)	5.0	(10.4)	(1.4)
Total debt	2,528	1,762	2,528	2,484	1,767	1,867
Total debt in capital structure (1)(2)	62.4%	59.2%	62.4%	63.8%	62.1%	65.6%
EBIT gross interest coverage (times) (1)	3.69	4.09	2.22	2.24	2.47	2.40
Cash flow/Total debt (1)	22.8%	28.8%	14.2%	13.0%	18.2%	18.2%
Distribution payout ratio	44.6%	43.7%	88.1%	93.3%	72.0%	104.5%

(1) Adjusted for operating leases. (2) Adjusted for accumulated other comprehensive income.

2012 Summary

- Overall, the Partnership's consolidated and non-consolidated key credit metrics remained in line with the current rating range.
- Cash flow from operations in 2012 increased modestly compared to 2011 primarily due to the acquisition of CVPS. However, it was not sufficient to cover the significant increase in capex and distributions, leading to a significant free cash flow deficit.
- Capex increased as GMLP continues to invest heavily in its distribution networks in Québec and Vermont, along with wind power projects in Vermont.
- GMLP funded the free cash flow deficit, along with the acquisition of CVPS, with a mix of debt and equity.
- The increase in debt levels resulted in a significant decline in the cash flow-to-debt ratio as only approximately three months of operations from CVPS was realized. However, the ratio was still commensurate with the "A" rating category.

2013 Outlook

- Cash flow from operations in 6M 2013 increased moderately relative to 6M 2012 following the acquisition of CVPS, sufficiently covering distributions and capex. This led to a free cash flow surplus for the period.
- As a result, consolidated and non-consolidated key credit metrics in 6M 2013 improved modestly compared to 2012.
- Cash flow is expected to increase for the full year 2013, largely reflecting the acquisition of CVPS.
- However, with the high level of planned capex and an increase in distributions, the Partnership is expected to generate a free cash flow deficit. The free cash flow deficit is expected to be funded with debt and equity, if needed, leading to a modest increase in the debt-to-capital ratio.
- Key credit metrics are expected to remain commensurate with the current rating range.

Gaz Métro inc.

Report Date:
May 31, 2013

Liquidity, Credit Facilities and Long-Term Debt

GMLP's Debt maturities as of April 30, 2013	2013	2014	2015	2016	2017	Thereafter	Total
C$ millions	-	-	-	-	125	800	925
US$ millions	-	-	-	-	-	460	460
Total	-	-	-	-	125	1,260	1,385
% of total	0%	0%	0%	0%	9%	91%	100%

Summary

- In May 2012, GMi issued notes totalling USD 260 million (two series of USD 130 million each) that will mature in ten and 30 years following their issuance, respectively. The proceeds were loaned to GMLP to finance a portion of the CVPS acquisition.
- On April 10, 2013, GMi issued two secured senior notes of USD 100 million each, maturing in 2043 and 2048, respectively. The proceeds were loaned to GMLP for general business purposes and to repay the $150 million FMB maturing in April 2013.
- The Partnership and GMi have a joint secured credit line (term loan) of $600 million to support the CP program. This facility will expire in March 2018.
- GMLP and GMi have sufficient liquidity to finance their ongoing operational needs.

Regulations

Gaz Métro Limited Partnership, regulated by the Régie de l'énergie

GMLP is regulated by the Régie de l'énergie (the Régie). The regulatory framework is a combination of cost of service (COS) and an incentive mechanism. The regulatory framework in Québec is viewed as supportive, with major features as follows:

- Cost of natural gas is fully recovered through a monthly adjustment mechanism, whereby variances are levelled over a forward-looking, moving 12-month period.
- For rate-setting purposes, GMLP's capital structure is 54% in the form of debt, 7.5% in the form of deemed preferred shares and 38.5% in the form of deemed common equity.
- The incentive mechanism that was in place from October 2007 to September 2012 expired upon its completion.
- In June 2012, the Régie asked GMLP to file a new incentive mechanism proposal for implementation starting on October 1, 2013. In November 2012, GMLP filed a new incentive mechanism proposal for a five-year period as of fiscal 2014; however, the Régie rejected the proposal. The Régie determined that GMLP will be regulated on a COS basis until a new incentive mechanism is approved.
- In July 2012, GMLP filed Phase I of its 2013 rate case application, which was subsequently updated in October 2012. In September 2012, the Régie approved the interim rates for 2013, which were set on the basis of a 9.69% ROE (including productivity gains), until a final decision is made.
- In December 2012, GMLP filed Phase II of the 2013 rate case, which covers rate-setting, and in March 2013, the Régie issued a decision to maintain the 8.90% base ROE. A final decision on the 2013 rate case is expected in June 2013.
- For the 2014 rate case, GMLP filed a rate of return application for the fiscal 2014 year in April 2013 and requested to renew the 8.9% base ROE. The process is currently under Phase I.

Vermont Gas, regulated by the Vermont Public Service Board (VPSB)

- Vermont Gas is subject to an Alternative Regulation Plan (ARP), which includes: (1) a quarterly adjustment of gas costs sold to customers, and (2) an annual rate application for other items.
- Vermont Gas's deemed equity is 55%, while authorized ROE for 2013 is 9.75% (10.25% in 2012).
- The annual rate application includes a mechanism for productivity gains, along with an earnings sharing mechanism when the actual ROE is outside of a 50 basis points dead band from the allowed ROE.
- In June 2012, a settlement with the Vermont Department of Public Service (DPS) was reached regarding the 2013 ARP and the cost of service. The settlement proposed to eliminate the sharing mechanism on the gas cost recovery and to include a temperature normalization mechanism. In addition, the initial return on equity of 9.75% and a deemed equity of 55% for 2013 was agreed upon.
- In August 2012, the VPSB approved the proposed settlements outlined above. The implementation of the new ARP is effective as of October 1, 2012 and will expire on September 30, 2015. The new ARP includes provisions for two 2-year extensions, which would bring the expiry to September 30, 2019.

Green Mountain and Central Vermont Public Service, regulated by the VPSB

- Similar to Vermont Gas, Green Mountain is under the ARP until September 2013. The current ARP provides for (1) a quarterly adjustment of electricity cost, (2) a mechanism for sharing returns or shortfalls in excess of allowed ROE, (3) a formula for calculating the non-power supply costs cap in the base rate filings and (4) a benchmark method to provide an opportunity to increase the allowed ROE.
- In August 2012, Green Mountain and CVPS filed a joint base rate application following the acquisition of CVPS. The application was filed under the terms of Green Mountain's ARP and includes a provision to allow the sharing of the synergies resulting from the merger over a ten-year period.
- The application also requested an 8.84% ROE and a 51.58% common equity ratio.

Note: Unlike GMLP, Green Mountain does not benefit from a temperature and wind normalization mechanism. Its deliveries vary based on actual temperature and wind velocity; therefore, earnings are relatively more volatile than GMLP.

Pipelines, regulated by the National Energy Board (NEB) in Canada and by the Federal Energy Regulatory Commission (FERC) in the U.S.

- TQM (50% owned) was under a multi-year rate agreement with its interested parties for 2010, 2011 and 2012. Under that agreement, annual rates are calculated using a formula that includes a fixed-cost component, along with a cost-operating component that is fully recovered from or refunded to customers.
- Following the expiry of the multiyear plan, TQM filed an application with the NEB in December 2012 for interim rates for 2013, which was approved by the NEB. In April 2013, TQM filed a rate application for its final rates for 2013.
- Champion Pipeline (100% owned) is regulated by the NEB, with tolls based on annual COS.
- PNGTS (38.3% owned) is regulated by the FERC. The objective of the FERC is to ensure the recovery of costs expected to be incurred and a reasonable base return on equity.

Description of Operations

GMLP's operations are divided into the following sectors: Energy Distribution, Transportation of Natural Gas, Storage of Natural Gas, and Energy Services and Other. Under the Partnership Agreement, GMLP is not allowed to invest in non-regulated assets for more than 10% of its total assets.

(1) **Energy Distribution** (82% of Reported Adjusted 2012 Net Income)

- GMLP's core business is natural gas distribution in Québec, delivering approximately 97% of the province's natural gas consumed and serving 189,846 customers as of September 30, 2012.
- Vermont Gas is the sole gas distributor in Vermont, with approximately 45,000 customers as of September 30, 2012.
- Green Mountain transports, distributes and sells electricity and provides electric network construction services in the state of Vermont. Following the acquisition of CVPS, Green Mountain serves approximately 258,000 customers as of September 30, 2012.

(2) **Natural Gas Transportation** (11% of Reported Adjusted 2012 Net Income)

- TQM operates a gas pipeline in Québec that connects upstream with TransCanada PipeLines Limited and downstream with PNGTS and GMLP.
- Champion Pipeline operates two gas pipelines that cross the Ontario-Québec border to supply GMLP's distribution system in northwestern Québec.
- PNGTS's pipeline originates at the Québec border and extends to the suburbs of Boston.

(3) **Natural Gas Storage** (5% of Reported Adjusted 2012 Net Income)

- The Partnership owns an interest in the Intragaz Group, whose main activity is underground natural gas storage.
- This activity tallies with GMLP's mission, as the storage of natural gas in Québec is part of its supply chain.
- The Intragaz Group operates the only two underground storage facilities in Gaz Métro-QDA's service territory in Québec. GMLP is also its only customer.

(4) **Energy Services and Other (including non-regulated activities)** (3% of Reported Adjusted 2012 Net Income)

- Energy-related activities are focused on the maintenance and repair of residential, commercial and industrial equipment and the heating and cooling of large buildings.

Gaz Métro inc.

Report Date:
May 31, 2013

Gaz Metro Limited Partnership (consolidated)

Balance Sheet (C$ millions)	CGAAP **Mar. 31**	CGAAP **Sep. 30**	CGAAP **Sep. 30**		CGAAP **Mar. 31**	CGAAP **Sep. 30**	CGAAP **Sep. 30**
Assets	**2013**	**2012**	**2011**	**Liabilities & Equity**	**2,013**	**2012**	**2011**
Cash & equivalents	49.0	47.6	36.4	S.T. borrowings	17.6	23.9	51.9
Accounts receivable	324.6	194.7	141.2	Current portion L.T.D.	170.5	164.6	14.6
Inventories	51.9	118.9	152.5	Accounts payable	302.6	295.4	260.5
Others	79.8	42.6	38.9	Others	72.3	92.2	161.7
Total Current Assets	**505.3**	**403.9**	**369.1**	**Total Current Liabilities**	**563.0**	**576.0**	**488.8**
Net fixed assets	3,314.3	3,234.7	2,531.3	Long-term debt (L.T.D.)	2,340.1	2,295.8	1,700.3
Goodwill & intangibles	369.5	379.6	149.1	Other L.T. liabilities	673.1	630.9	264.4
Deferred charges	446.8	498.5	405.3	Deferred credits	282.2	284.6	259.3
Investments & others	688.8	601.4	272.5	Shareholders equity	1,466.2	1,330.7	1,014.5
Total Assets	**5,324.7**	**5,118.0**	**3,727.2**	**Total Liab. & SE**	**5,324.7**	**5,118.0**	**3,727.2**

	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP
Balance Sheet &	6 mos. Mar. 31		12 mos. Mar. 31	For the year ended September 30th		
Liquidity & Capital Ratios	**2013**	**2012**	**2012**	**2012**	**2011**	**2010**
Current ratio	0.90	0.96	0.90	0.70	0.76	0.85
Net debt in capital structure	62.8%	60.2%	62.8%	64.7%	63.0%	66.1%
Total debt in capital structure	63.3%	60.8%	63.3%	65.1%	63.5%	66.7%
Total debt in capital structure (1) (2)	62.4%	59.2%	62.4%	63.8%	62.1%	65.6%
Cash flow/Net debt	23.5%	29.8%	14.6%	13.4%	18.6%	18.8%
Cash flow/Total debt	23.0%	29.0%	14.3%	13.1%	18.3%	18.3%
Cash flow/Total debt (1)	22.8%	28.8%	14.2%	13.0%	18.2%	18.2%
Cash flow-intrest coverage	5.59	5.98	4.04	4.05	4.29	4.25
(Cash flow - dividends)/Capex	1.15	0.99	0.45	0.39	1.01	1.05
Deemed common equity	38.5%	38.5%	NA	38.5%	38.5%	38.5%
Distribution payout ratio	44.6%	43.7%	88.1%	93.3%	72.0%	104.5%
Coverage Ratios (times)						
EBIT gross interest coverage	3.70	4.09	2.21	2.23	2.46	2.40
EBITDA gross interest coverage	5.25	5.61	3.75	3.75	4.25	4.06
Fixed-charges coverage	4.45	4.49	2.81	2.64	2.74	2.66
Debt/EBITDA	7.60	6.13	5.66	6.19	4.24	4.38
EBIT gross interest coverage (1)	3.69	4.09	2.22	2.24	2.47	2.40
Profitability Ratios						
EBITDA margin	23.7%	23.6%	21.3%	21.0%	21.3%	21.1%
EBIT margin	16.7%	17.3%	12.5%	12.5%	12.3%	12.5%
Profit margin	13.1%	13.3%	8.3%	7.9%	7.5%	8.8%
Return on equity	24.8%	28.1%	12.5%	12.1%	14.3%	18.1%
Return on capital	11.4%	13.6%	7.3%	6.8%	7.6%	8.9%
Allowed base ROE	8.90%	8.90%	NA	8.90%	9.09%	9.20%

(1) Adjusted for operating leases. (2) Adjusted for accumulated other comprehensive income.

Gaz Métro inc.

Report Date:
May 31, 2013

Rating

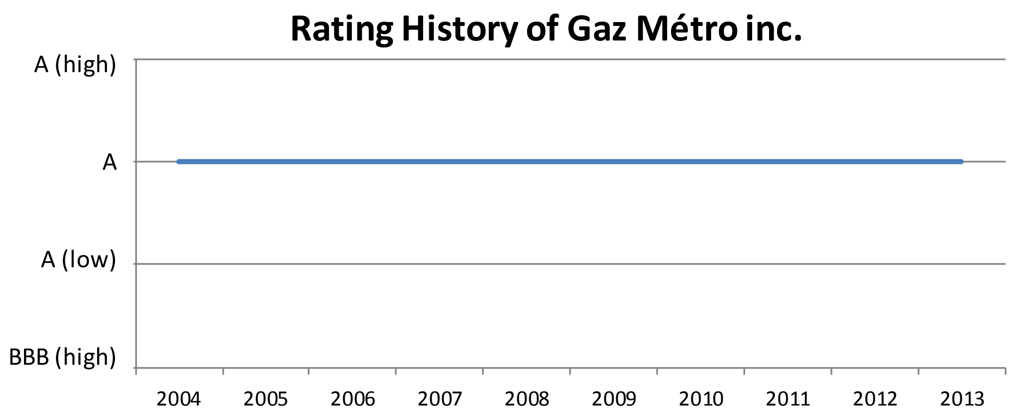
Debt	Rating	Rating Action	Trend
Commercial Paper	R-1 (low)	Confirmed	Stable
First Mortgage Bonds*	A	Confirmed	Stable
Senior Secured Notes*	A	Confirmed	Stable
Issuer Rating	A	Confirmed	Stable

*Guaranteed by Gaz Métro Limited Partnership

Rating History

	Current	2012	2011	2010	2009	2008
Commercial Paper	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)
First Mortgage Bonds*	A	A	A	A	A	A
Senior Secured Notes*	A	NR	NR	NR	NR	NR
Issuer Rating	A	A	NR	NR	NR	NR

*Guaranteed by Gaz Métro Limited Partnership



Note:
All figures are in Canadian dollars unless otherwise noted.