EnerCare Solutions Inc.

EnerCare Solutions Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Year Ended December 31, 2011

Dated February 23, 2012

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The consolidated financial statements of EnerCare Solutions Inc. are prepared in accordance with IFRS, which became effective on January 1, 2011 with retroactive application to January 1, 2010. EnerCare Solutions' significant accounting policies are summarized in detail in note 3 of the consolidated financial statements for the period ended December 31, 2011. Unless otherwise specified, amounts are reported in this MD&A in thousands, except customers, units, Shares and "per Share" amounts and percentages (except as otherwise noted). Dollar amounts are expressed in Canadian currency.

As at December 31, 2011 EnerCare Solutions was a wholly-owned subsidiary of EnerCare. EnerCare Solutions' business is the rental of water heaters and other equipment.

Certain definitions of key financial and operating terms used in this MD&A are located at the end of this MD&A under "Glossary of Terms".

On January 1, 2011, pursuant to a plan of arrangement, the Fund converted to a dividend paying corporation, EnerCare Inc. and the Trust converted to EnerCare Solutions Inc. The Conversion was accounted for on a continuity of interest basis. Reporting prior to January 1, 2011 refers to units, unitholders and distributions, whereas from January 1, 2011 references are to Shares, shareholders and dividends. References in this MD&A are in respect of EnerCare and EnerCare Solutions and shall be deemed to be such prior to January 1, 2011 when these entities were The Consumers' Waterheater Income Fund and The Consumers' Waterheater Operating Trust, respectively.

FORWARD-LOOKING INFORMATION

This MD&A, dated February 23, 2012, contains certain forward-looking statements that involve various risks and uncertainties and should be read in conjunction with EnerCare Solutions' 2011 audited consolidated financial statements. Additional information in respect to the Trust and EnerCare Solutions, including the AIF can be found on SEDAR at www.sedar.com.

When used herein, the words "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify forward-looking information (see in particular "Outlook" section), although not all forward-looking information contains these identifying words. The forward-looking information in this MD&A includes statements that reflect management's expectation regarding EnerCare Solutions' growth, results of operations, performance, business prospects and opportunities. Such forward-looking information reflects management's current beliefs and is based on information available to them and/or assumptions management believes are reasonable. Many factors could cause results to differ materially from the results discussed in the forward-looking information. Although the forward-looking information is based on what management believes to be reasonable assumptions, EnerCare Solutions cannot assure investors that actual results will be consistent with this forward-looking information. All forward-looking information in this MD&A is made as of the date of this MD&A. Except as required by applicable securities laws, EnerCare Solutions does not intend and does not assume any obligations to update or revise the forward-looking information, whether as a result of new information, future events or otherwise.

Except as discussed under "Update to Risk Factors", a thorough discussion in respect of the material risks relating to the business and structure of EnerCare Solutions can be found in the AIF, which is available on SEDAR at www.sedar.com.

OVERVIEW

EnerCare Solutions is the successor to the Trust, following the conversion of the Trust from an income trust to a corporate structure pursuant to a plan of arrangement on January 1, 2011.

EnerCare Solutions, a wholly-owned subsidiary of EnerCare, owns a portfolio of approximately 1.2 million water heaters and other assets, rented primarily to residential customers in Ontario.

EnerCare Solutions has grown revenues every year since its inception (2002), generated stable cash flow and consistently maintained a high dividend yield. EnerCare Solutions has earned a strong A-/stable and A (low)/stable rating from S&P and DBRS, respectively.

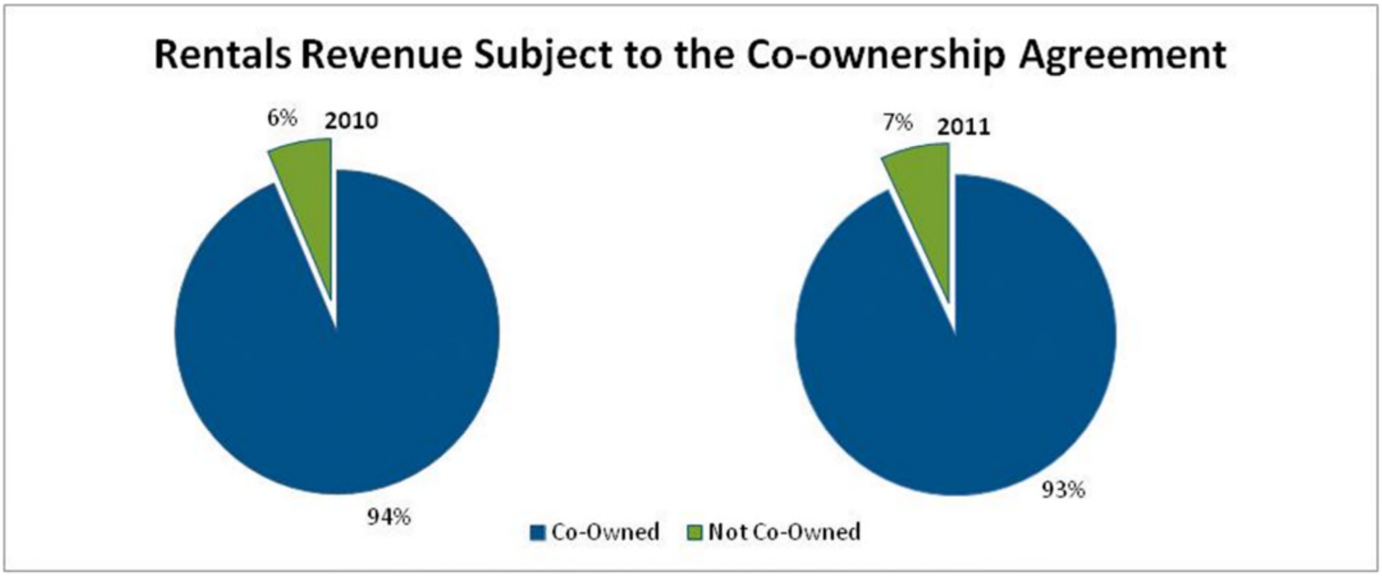
PORTFOLIO SUMMARY

EnerCare Solutions' primary business is its Rentals portfolio.

Rentals Business

The Rentals business is comprised of a variety of water heater rentals and a variety of HVAC rentals primarily to single family residential homes.

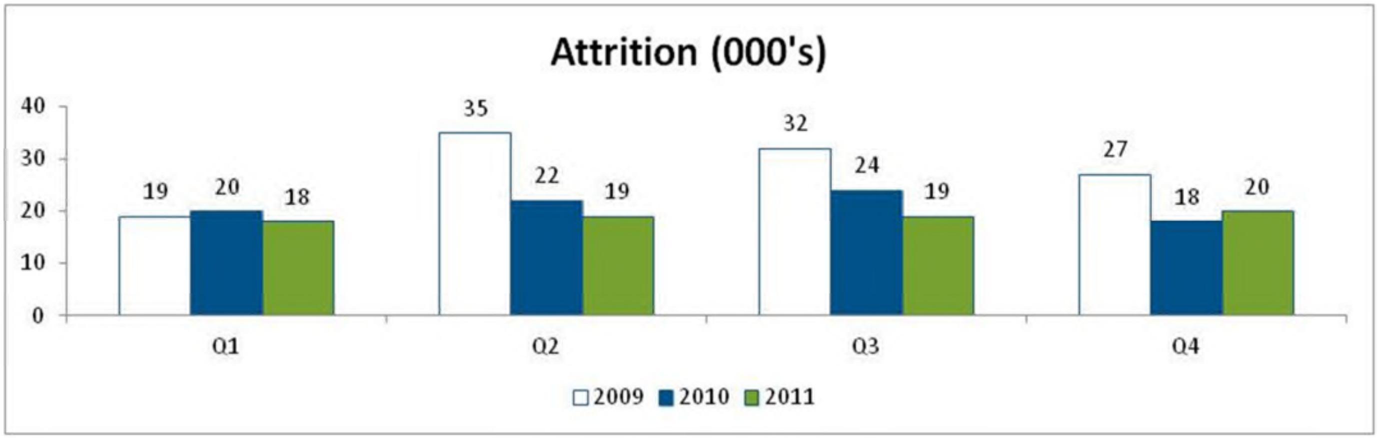
EnerCare Solutions originally had 100% of its Rentals business subject to a co-ownership agreement with DE. Through four acquisitions and origination arrangements with various parties, EnerCare Solutions has successfully expanded its Rentals business. EnerCare Solutions now has 7% of its revenue coming from portfolios which are not subject to the co-ownership agreement.



For the portfolios under the co-ownership agreement with DE, EnerCare Solutions is entitled to 65% of the revenue and other payments and DE is entitled to 35% of the revenue. For DE's portion of the revenue, they are responsible for servicing and maintaining the assets. This ensures that EnerCare Solutions is effectively insulated from any operating risks from this portfolio. Through its origination agreement with DE, EnerCare Solutions essentially incurs the capital expenditures in respect of the portfolio.

EnerCare Solutions monitors the business by reviewing new additions or customers to the portfolio, reductions or Attrition of existing customers and existing customers exchanging their rental product.

Over the last several years, EnerCare Solutions has experienced higher than normal Attrition on the water heater rental portfolios. This was largely a result of greater competition through aggressive D2D campaigns. EnerCare Solutions and DE have continued to educate consumers through direct mail and radio campaigns and DE has instituted a loyalty program for customers. Such initiatives, among others, have helped to significantly reduce Attrition over the last two years. Year over year, Attrition has been reduced by 10%. In the fourth quarter of 2011, EnerCare Solutions experienced elevated levels of competitive D2D activity, possibly the result of competitors seeking to take advantage of the remaining months in which the Consent Order, issued by the Competition Bureau in 2002 and which restricted EnerCare Solutions' and DE's business practices, was in force. Additionally, EnerCare Solutions believes that competitors were aided by unseasonably fair weather as evidenced by the amount of seasonal snowfall to the end of January, which is less than one quarter of that experienced in either 2010 or 2009, thereby increasing the number of "selling days" available to competitors throughout the fourth quarter and extending in to January of 2012. Overall, year over year, EnerCare Solutions still experienced a 10% reduction in Attrition. After the expiry, EnerCare Solutions believes that its ability to compete will be enhanced.



2011 HIGHLIGHTS

(000's)	**2011**	2010	Change	Percent Change
Rentals	**$ 186,524**	$ 187,574	$ (1,050)	(1%)
Dividend Income	**8,460**	-	8,460	-
Investment Income	**368**	80	288	360%
Total revenues	**$ 195,352**	$ 187,654	$ 7,698	4%
EBITDA[1]	**140,968**	137,994	2,974	2%
Adjusted EBITDA[1]	**160,067**	159,334	733	-
Loss before income tax	**$ (4,602)**	$ (11,760)	$ 7,158	(61%)
Current tax expense	**(5,380)**	-	(5,380)	-
Deferred income tax recovery	**9,705**	15,563	(5,858)	(38%)
Net (loss)/earnings	**$ (277)**	$ 3,803	$ (4,080)	(107%)

The following highlights compare 2011 results with 2010.

- Total revenues of $195,352 increased by 4% over 2010. Rental revenues declined by $1,050 to $186,524, primarily as a result of the changes in installed assets partially offset by rental rate increases.
- EBITDA[1] increased by 2% to $140,968 in 2011 driven principally by improved total revenues and reduced loss on disposal of equipment partially offset by higher SG&A expenses. Adjusted EBITDA[1] of $160,067 increased after removing the impact of a reduced loss on disposal of equipment in 2011.
- Net loss was $277 in 2011, $4,080 lower compared to net income of $3,803 in 2010 primarily due to the current taxes in 2011 of $5,380 and lower income tax recoveries of $5,858, partially offset by improved EBITDA.
- Attrition in Rentals decreased by 8,000 units or 10% in 2011. Portfolio additions remain strong while unit exchanges declined by 9,000 to 51,000, resulting in both lower loss on disposal expenses and capital expenditures for 2011.

1 EBITDA and Adjusted EBITDA are Non-IFRS financial measures. Refer to the Non-IFRS Financial and Performance Measures section in this MD&A.

RECENT DEVELOPMENTS – 2011 AND 2012 TO DATE

Corporate Activities

Corporate Conversion

On October 12, 2010, the trustees of the Fund and Trust approved the planned conversion of the Fund from an income trust to a corporation on a tax free "roll-over" basis for Canadian federal income tax purposes, effective January 1, 2011. As part of the Conversion, the Trust converted to a corporation as well.

On November 25, 2010, the Conversion was approved with 99.8% of the Fund Units represented at the meeting voting in favour. On November 29, 2010, the final order from the Ontario Superior Court of Justice for the Fund's Conversion was obtained.

The Conversion was undertaken pursuant to a statutory plan of arrangement under the Canada Business Corporations Act. The Conversion resulted in, among other things, the following occurring on the effective date of the Conversion (January 1, 2011):

- Each Unit was exchanged for 1 Share.
- EnerCare assumed the Convertible Debentures, which became convertible into Shares on the same terms as they were convertible into Fund Units (being a current conversion price of $6.48 per Share).
- The Trust was dissolved and EnerCare Solutions assumed the Trust's 2009 Notes and 2010 Notes.
- The Fund was dissolved.
- The Shares and the Convertible Debentures were listed on the Toronto Stock Exchange in substitution of the Fund Units and the Convertible Debentures.

Financing Activities

In July 2011, the Revolver was amended to decrease standby fees by approximately 60% and extend the term by one year to 2014. In addition, the covenant restriction of total debt to Adjusted EBITDA ratio as defined in the agreement was maintained at 4.25:1 throughout the term of the agreement. This ratio was originally scheduled to become 4.0:1 after March 31, 2012.

On July 6, 2011, through a series of transactions, EnerCare Solutions invested $250,000 in preferred shares of Stratacon. The investment was funded through a short term bank loan. The preference shares accrue cumulative dividends at 6.90% and are both redeemable and retractable. Stratacon invested the proceeds by providing a loan to a subsidiary of EnerCare Solutions. The loan is a demand loan and bears interest at 7.00%. The subsidiary used the proceeds from the loan to repay existing obligations due to EnerCare Solutions from the subsidiary.

Executive Officer Changes

On August 14, 2011, Chris Cawston resigned as interim Chief Financial Officer of EnerCare Solutions and each of its respective subsidiary entities.

On August 15, 2011, Evelyn Sutherland was appointed Chief Financial Officer of EnerCare Solutions and each of its respective subsidiary entities.

Rights Plan

In April, 2011, EnerCare adopted a shareholder rights plan (the "Rights Plan"). The Rights Plan was approved by a majority of holders of the Shares that voted at EnerCare's 2011 annual and special meeting held on April 29, 2011. In making the announcement, EnerCare stated that it is not aware of any pending or threatened take-over bid. The Rights Plan was accepted by the Toronto Stock Exchange in accordance with its rules and policies.

The primary objectives of the Rights Plan are (i) to provide the board of directors of EnerCare with additional time to explore and develop alternatives for maximizing shareholder value if an unsolicited take-over bid is made for the Shares of EnerCare, or any other shares in the capital of EnerCare that carry a right generally to vote in the election of directors (collectively, “Voting Shares”), (ii) to provide every Shareholder with an equal opportunity to participate in such a bid, and (iii) to ensure, to the extent possible, that all Shareholders are treated fairly in connection with any take-over bid for Voting Shares.

Rentals Activities

Marketing Programs

In the fourth quarter of 2011 and in response to increased competitive D2D sales activities, EnerCare Solutions launched an Ignore the Door branded anti-D2D awareness campaign, which featured a targeted four week radio campaign and a large scale door hanger drop to approximately 900,000 addresses in core service areas with the primary goal of alerting consumers to the tactics of some D2D sales agents and reminding consumers of their rights under Ontario’s consumer protection legislation.

Consent Order

The Consent Order expired on February 20^{th}, 2012. Following the expiry, EnerCare and DE initiated a number of changes in the operation of the Rentals business, including:

- New procedures requiring customers to confirm their decision to terminate prior to returning their rental water heater;
- Enhancements to verification procedures at water heater return locations;
- Changes to water heater return locations and operating hours; and
- Introduction of consumer promotional offers.

DE and EnerCare have also agreed to a comprehensive plan to introduce changes to the service terms, including the introduction of additional value offerings, for certain customers within the next quarter.

Rental Rate Increase

In January 2012, EnerCare Solutions increased its weighted average rental rate by 2.75%

New Brunswick Expansion

In July 2011, EnerCare Solutions entered into an origination and servicing agreement with EGNB. Under the agreement, EGNB originates and services water heaters and HVAC equipment in connection with EGNB’s fuel switching programs in New Brunswick. By the end of the fourth quarter of 2011, EGNB had customer commitments for approximately 100 pieces of equipment.

Direct Energy Announces move of North American Headquarters to Houston, Texas

On January 12, 2012, Chris Weston, President and CEO of Direct Energy North America, announced that DE will be relocating its corporate and functional headquarters from Toronto, Ontario, Canada to Houston, Texas, USA. As part of this announcement, Mr. Weston reaffirmed that “there are no changes to our Canada home and business locations or operations as a result of this announcement.”

EnerCare Solutions has received reassurances from DE that the Rental portfolio will continue to be a significant opportunity for DE’s growth and servicing business objectives in Ontario.

UPDATE TO RISK FACTORS

The risks related to the business and structure of EnerCare Solutions discussed in the AIF remain unchanged except as discussed below and under IFRS (see *"IFRS"* in this MD&A).

Direct Energy Labour Relations Update

The collective agreement between DE and Local 975 Union expired on March 31, 2011. This agreement covers DE's installation and servicing crews in Ontario and the majority of clerical staff located in the Greater Toronto Area.

The parties have been meeting regularly since late spring and negotiating since the fall. In mid January, DE applied to the Ministry of Labour for the appointment of a conciliation officer. A conciliation officer has now been appointed; however, DE and the union have continued to negotiate without the assistance or attendance of the conciliator. Dates for continued negotiations have been scheduled for early March.

RESULTS OF OPERATIONS

Overview

Consolidated Financial Highlights (000's)	**2011**	2010	2009
Total revenues	**$ 195,352**	$ 187,654	$ 177,921
Loss before income tax	**(4,602)**	(11,760)	(13,063)
Current tax expense	**(5,380)**	-	-
Deferred income tax recovery	**9,705**	15,563	44,947
Net (loss)/earnings	**$ (277)**	$ 3,803	$ 31,884
EBITDA	**140,968**	137,994	131,640
Adjusted EBITDA	**160,067**	159,334	157,241
Total assets	**1,081,957**	853,331	905,353
Total debt	**918,054**	948,608	961,229
Cash provided by operating activities	**121,980**	117,437	126,311
	IFRS	IFRS	CGAAP

2011 vs. 2010

Total revenues increased by 4% or $7,698 to $195,352 in 2011. The improved revenues were primarily attributable to $8,460 of dividend income received in 2011, a modest increase in investment income of $288, partially offset by a reduction of $1,050 in rental revenues. The Rentals revenue decrease was driven by the net impact of Attrition and asset additions throughout the year, offset by a rental rate increase effective January 2011. Net loss was $277 in 2011, $4,080 higher compared to net income of $3,803 in 2010 as a result of improved EBITDA offset by lower future tax recoveries of $5,858 and current taxes expense of $5,380 incurred for the first time in 2011.

EBITDA for 2011 increased by 2% or $2,974 primarily due to reductions in SG&A and loss on disposal of equipment. Adjusted EBITDA increased $733 as a result of EBITDA improvements partially offset by the current year improvement in losses on disposal of $2,241. Total assets increased by $228,626 in 2011, primarily due to the impact of the $250,000 investment in Stratacon offset by the amortization of intangible assets. Total debt increased by $1,201 due to the accretion of transaction costs when the debt was incurred. Cash flow from operating activities increased by $4,543, to $121,980 in 2011, primarily as a result of improved EBITDA and changes in non-cash working capital, partially offset by current taxes.

2010 vs. 2009

Total revenues increased by approximately 5% or $9,733 to $187,654 in 2010. The revenue increase was driven by a rental rate increase effective January 2010, offset by the net impact of Attrition and asset additions throughout the year. Net earnings decreased by 28,081, comprised of a $29,384 lower tax recovery offset by a $1,303 improvement in pre-tax operating results.

EBITDA for 2010 improved by 5% or $6,354 due to increased revenue, reductions in Attrition and loss on disposal of equipment, offset by increased expenses. Adjusted EBITDA increased by $2,093 or 1% as a result of higher revenues offset by cost of sales and SG&A expenses. Total assets decreased by $52,022 in 2010, primarily due to the impact of paid distributions and net changes in borrowings. Total debt decreased by $12,621, primarily due to the New Revolver repayment offset by a $15,000 increase in long term debt. Cash flow from operating activities declined by approximately $8,800 in 2010, primarily as a result of changes in non-cash working capital.

Earnings Statement

(000's)	**2011**	2010
Revenues:		
Rentals	**$ 186,524**	$ 187,574
Dividend income	**8,460**	-
Investment income	**368**	80
Total revenues	**195,352**	187,654
SG&A expenses	**26,457**	28,240
Amortization expense	**101,703**	104,151
Loss on disposal of equipment	**19,099**	21,340
Interest on subordinated debt	**8,582**	-
Interest on promissory note	**4,500**	3,817
Interest expense	**39,613**	41,866
Total operating expenses	**199,954**	199,414
Loss before income taxes	**(4,602)**	(11,760)
Current tax expense	**(5,380)**	-
Deferred income tax recovery	**9,705**	15,563
Net (loss)/earnings	**(277)**	3,803
EBITDA	**140,968**	137,994
Adjusted EBITDA	**$ 160,067**	$159,334

Revenues

Total revenues of $195,352 for 2011 increased by $7,698 or 4% compared to the same period in 2010. Rentals revenues decreased by $1,050 to $186,524 in 2011, primarily due to changes in installed assets, partially offset by rental rate increases implemented in January 2011.

Dividend income of $8,460 in 2011 is related to a $250,000 investment in preferred shares of Stratacon, a subsidiary of EnerCare.

Investment income increased by $288 in 2011 to $368 compared to $80 in 2010, primarily as a result of larger investment balances during 2011.

Selling, General & Administrative Expenses

Total SG&A expenses were $26,457 in 2011, compared to $28,240, a decrease of $1,783 or 6% over the same period in 2010. The net decreases in expense is as a result of a reduction in bad debt and claims of $4,027, professional fees of $1,680 and billing, servicing and inventory management charges of $854, partially offset by an increase of $2,285 in wages and benefits and $2,493 in selling and office expenses.

Amortization Expense

Amortization expense decreased by $2,448 or 2% to $101,703 in 2011, primarily due to a smaller installed asset base.

Loss on Disposal of Equipment

In 2011, EnerCare Solutions reported a loss on disposal of equipment of $19,099, representing a decrease of $2,241 or 11% in relation to $21,340 in 2010. The loss on disposal amount is influenced by the number of assets retired, changes in the retirement asset mix and the age of the assets retired. The primary reason for the decreased expenses relates to the lower Attrition and exchange activity in the Rentals business in 2011 when compared to 2010.

Interest Expense

Interest Expense (000's)	**2011**	2010
Interest expense payable in cash	**$ 34,718**	$ 35,583
Interest expense on subordinate debt	**8,582**	-
Interest expense on promissory note	**4,500**	3,817
Non-cash items:		
Amortization of bridge fees	**-**	1,440
Amortization of OCI and financing costs	**4,895**	4,843
Interest expense	**$ 52,695**	$ 45,683

Interest expense payable in cash decreased by $865 to $34,718 in 2011, over the same period in 2010 primarily due to Revolver activity and higher standby fees in 2010.

The interest expense on subordinate debt originated on July 6, 2011 when Stratacon provided a $250,000 loan to a subsidiary of EnerCare Solutions. The loan is a demand loan and bears interest at 7.00%. The subsidiary used the proceeds from the loan to repay existing obligations due to EnerCare Solutions from the subsidiary.

The amortization of bridge fees related to the 2009 Bridge that was repaid when the 2010 Notes were issued in March 2010. Amortization of OCI and financing costs for 2011 are modestly higher than 2010, as a result of the full year impact of the 2010 Notes.

Income Taxes

EnerCare reported a current tax expense of $5,380 for 2011, related to the taxable status of the corporation effective January 1, 2011. The deferred income tax recovery of $9,705 for 2011 decreased by $5,858, primarily as a result of temporary difference reversals.

Adjusted EBITDA and EBITDA

The following table summarizes comparative quarterly results for the last eight quarters, and reconciles net earnings, an IFRS measure, to EBITDA and Adjusted EBITDA.

Quarterly Earnings Before Interest, Taxes and Amortization (EBITDA)								
(000's)	**Q4/11**	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10
Net (loss)/earnings	**$ (1,271)**	$ 2,867	$(1,150)	$ (723)	$(1,871)	$ 1,430	$ 3,287	$ 957
Deferred tax (recovery)	**(1,639)**	(4,703)	(1,849)	(1,514)	(2,958)	(4,567)	(3,835)	(4,203)
Current tax expense	**783**	1,132	1,881	1,584	-	-	-	-
Amortization expense	**25,362**	25,453	25,451	25,437	25,947	26,046	26,061	26,097
Interest expense	**15,394**	15,189	11,768	10,344	10,909	10,932	10,977	12,865
Dividend (income)	**(4,348)**	(4,112)	-	-	-	-	-	-
Investment (income)	**(110)**	(111)	(87)	(60)	(67)	(9)	(3)	(1)
EBITDA	**34,171**	35,715	36,014	35,068	31,960	33,832	36,487	35,715
Add: Loss on disposal of equipment	**4,880**	4,718	4,861	4,640	4,673	5,756	5,918	4,993
Adjusted EBITDA	**$ 39,051**	$40,433	$40,875	$39,708	$36,633	$39,588	$42,405	$40,708

The variances over the last eight quarters are primarily due to the following:

Net earnings are impacted by rental rate increases, generally implemented in January of each year, and accruals related to billing and servicing matters.

1. In 2011, current taxes as a result of Conversion to a corporation.
2. Amortization and loss on disposal of equipment are primarily driven by unit continuity activity such as Attrition, exchanges and outstanding units.
3. Interest expense in the first quarter of 2010 was impacted by fees in respect of the 2009 Bridge incurred prior to the issuance of the 2010 Notes. Interest expense commencing in the third quarter of 2011 reflects the impact of the $250,000 demand loan from Stratacon.
4. Dividend income commencing in the third quarter of 2011 reflects the impact of the $250,000 investment in Stratacon.

Billing and Servicing Matters

Earnings Items

DE, through EGD, provides billing and collection services for substantially all of EnerCare Solutions' water heaters and other assets. Following the September 2009 billing system conversion implemented by DE, which coincided with a billing system conversion by EGD, EnerCare Solutions' ICFR identified issues principally associated with DE's system conversion impacting EnerCare Solutions' customers, including issues in respect of the allocation of customer payments, customer collections, and billing issues, including completeness of billing, billing in respect of new customers and implementation of new rental rates. EnerCare Solutions continues to work closely with DE to resolve billing issues as well as billing completeness.

EnerCare Solutions has estimated and recorded revenues of $1,700 in respect of billings and adjustments expected to be recovered from customers, but did not include any amounts EnerCare Solutions may recover from DE for lost revenues arising from the billing system conversion. At December 31, 2010, the accrual was $1,700, consequently in 2011 there was no cumulative earnings impact. Subsequent to year end, EnerCare Solutions has collected $1,200 of the $1,700 accrual. The remaining balance is expected to be collected in 2012.

During 2010, EnerCare Solutions provided for bad debt regarding the collectability of revenues recorded related to customers where the EGD revenue guarantee did not apply and where DE was responsible for collection activities. As reported in the second quarter of 2011, EnerCare Solutions reached an agreement in principle with DE to receive a payment of approximately $2,200 representing EnerCare Solutions' entitlement to unremitted customer payments for rentals outside of the EGD territory. The settlement amount had an earnings impact of $1,300 recorded as a recovery of previous bad debts written off during 2010, with the remainder reflected as a change in financial position between outstanding customer receivables and an account receivable from DE. Payment and executed legal settlement of this component of the DE billing issues should be completed for early 2012.

Buyout processing and other miscellaneous items from 2010 remain outstanding. EnerCare Solutions has recorded amounts expected to be charged to customers by DE and continues to work with DE to resolve issues relating to buyout processing.

Settlement with DE for an amount in excess of revenues recorded and recovery of any expenses accrued would result in an increase to previously stated EBITDA amounts.

Capital Items

EnerCare Solutions continues to be in discussion with DE regarding certain amounts DE has billed EnerCare Solutions for water heater installations that are reflected as capital additions. The amounts at issue totalled $3,672 ($3,100 in 2010). Settlement with DE for a lower amount than billed could result in a reduction to previously stated capital expenditure amounts.

Transactions with DE

In addition to the 35% of revenues earned by DE for services under the co-ownership agreement, the following amounts for capital and expenses were paid or payable to DE to purchase water heaters and related Rentals assets, in addition to certain fee-for-service arrangements (such as in respect of the TH Energy units) and other support.

Amount Paid or Payable to DE (000's)	**2011**	2010
Origination agreement		
Capital expenditures	**$ 53,159**	$ 60,914
Inventory service fee	**3,386**	3,974
Other capital expenditures	**5,272**	5,496
Other expenses, including billing and servicing costs	**2,918**	3,230
Total payments	**$ 64,735**	$ 73,614

Under the terms of the co-ownership agreement and the origination agreement (the principal operating agreements between EnerCare Solutions and DE), DE provides a range of operating services. These agreements set out the rights and obligations of the parties and the fees payable by EnerCare Solutions to DE for the services, as set in the AIF in further details. Copies of these agreements are available on SEDAR at www.sedar.com.

In summary, the agreements are as follows:

Co-ownership Agreement

Under this agreement, DE receives, subject to certain exceptions, 35% of the gross revenue generated by the co-owned portfolio of assets and is obligated to service that asset portfolio, effectively operating the day-to-day activities of that portion of the Rentals business. Pursuant to an agreement between DE and EnerCare Solutions, DE is entitled to put forth one individual for consideration by EnerCare Solutions' board for inclusion in EnerCare Solutions' annual management information circular for election as a director of EnerCare Solutions for as long as it is servicer under the co-ownership agreement.

Origination Agreement

Under this agreement, subject to certain exceptions, DE must offer to sell all rental water heaters to EnerCare Solutions at prescribed prices, essentially at DE's cost plus an inventory service fee and a set installation fee. EnerCare Solutions has no obligation to purchase any water heaters. The agreement also establishes an incentive fee payable to DE should certain growth targets be achieved. The initial term of the origination agreement is through December 2022 and is subject to extension or early termination in certain circumstances.

Other Agreements with DE

In addition to the above agreements, EnerCare Solutions and DE have entered into an agreement for the servicing of TH Energy units, as these units are not subject to the co-ownership agreement. This agreement provides for the administration and servicing of the portfolio on a fee-for-service basis.

EnerCare Solutions and DE have also entered into an agreement for the origination and servicing of HVAC rental units, whereby DE originates HVAC rental customers and provides servicing to these HVAC rental customers. EnerCare Solutions has the right to originate HVAC rental customers outside of this arrangement with DE.

LIQUIDITY AND CAPITAL RESOURCES

(000's)	**2011**	2010
Cash flow from operating activities	**$ 121,980**	$ 117,437
Net change in non-cash working capital	**(6,265)**	2,577
Operating Cash Flow	**115,715**	120,014
Net capital expenditures	**(56,747)**	(65,311)
Cash used in investing activities	**(56,747)**	(65,311)
Dividends paid	**(32,975)**	(32,588)
Other financing activities	**-**	(13,766)
Cash used in financing activities	**(32,975)**	(46,354)
Cash and equivalents – end of period	**$ 50,403**	$ 18,145

Operating Cash Flow of $115,715 decreased by $4,299 in 2011 compared to the same period in 2010. Cash flow from operating activities is an IFRS measure which is impacted by the timing of net changes in non-cash working capital. In 2011 non-cash working capital changed by $8,842 to $6,265 primarily as a result of an increase in accounts receivable, accounts payable and other liabilities and interest payable.

Capital investments in 2011 were lower compared to 2010 based upon significantly lower asset exchanges and additions.

EnerCare Solutions is subject to a number of covenants and has the ability to incur additional senior debt as described in Liquidity and Capital Resources – Cash from Financing.

EnerCare Solutions is examining opportunities to refinance its 2010 Notes and 2009-2 Notes in order to take advantage of the current low interest environment. In respect of the $60,000 2009-1 Notes, EnerCare Solutions expects to repay from cash on hand these notes on or before April 30, 2012. EnerCare Solutions continues to generate considerable cash flow from operations as a result cash and cash equivalents increased by $32,258 to $50,403 as of December 31, 2011. In addition, EnerCare Solutions has an unused Revolver of $35,000 available.

Management believes that EnerCare Solutions has sufficient cash flow, cash on hand and credit available to meet its 2012 obligations, including capital expenditures, debt repayments and working capital requirements.

Capital Expenditures

Capital expenditures typically have a significant impact on liquidity and are best understood with reference to the unit continuity analysis below.

Installed Asset Unit Continuity (000's)	**2011**	2010
Segment	**Total**	Total
Units – start of period	**1,267**	1,322
Portfolio additions	**25**	29
Attrition	**(76)**	(84)
Units – end of period	**1,216**	1,267
Asset exchanges – units retired and replaced	**51**	60
% change in units during the period	**(4.0%)**	(4.2%)
% of units from start of period:		
Portfolio additions (net of acquisitions)	**2.0%**	2.2%
Attrition	**(6.0%)**	(6.4%)
Units retired and replaced	**4.0%**	4.5%

Net capital expenditures include portfolio additions and asset exchanges, net of proceeds on disposal. In 2011, net capital expenditures were $56,747, decreasing by 13% or $8,564 when compared to 2010. Capital expenditures decreased primarily due to reductions in asset exchanges of 9,000 units and 4,000 fewer additions for 2011, when compared to 2010.

Attrition fell 8,000 units to 76,000 units during 2011, a decrease of 10% from 2010. Attrition units and percentages on a year over year basis decreased throughout much of the past two years in part due to customer communications and marketing programs delivered by EnerCare Solutions and DE.

Cash from Financing

During 2011, EnerCare Solutions did not undertake any financing activities. During the same period in 2010 financing activity net of dividends of $13,766 was primarily related to payments made towards the Revolver.

Capitalization (000's)	**2011**	2010
Cash and cash equivalents	**$ 50,403**	$ 18,145
Net investment in working capital	**(15,028)**	(5,499)
Cash, net of working capital	**35,375**	12,646
Total senior debt	**568,054**	566,853
Subordinated debt	**250,000**	-
Promissory note	**100,000**	381,755
Shareholder's equity	**(23,496)**	(272,429)
Total capitalization – book value	**$ 894,558**	$ 676,179

Typically, EnerCare Solutions maintains cash balances to provide sufficient cash reserves to satisfy short-term requirements, including interest payments, dividends and certain capital expenditures and acquisitions. EnerCare Solutions held $50,403 of cash and cash equivalents at December 31, 2011, an increase of $32,258 from December 31, 2010, comprised of positive cash flows and lower capital expenditures.

At December 31, 2011, total debt was comprised of the 2009 Notes and 2010 Notes, a promissory note payable to EnerCare and subordinated debt owing to Stratacon.

EnerCare Solutions is subject to a number of covenant requirements as described in the AIF. The following discussion outlines the principal covenants.

Revolver

Under the Revolver, EnerCare Solutions is subject to three principal financial covenants as described in the AIF. The covenants address interest and debt coverage. EnerCare Solutions complied with these covenants on December 31, 2011. No amounts were drawn on the Revolver at December 31, 2011.

2009 Notes and 2010 Notes – Incurrence Test

The covenants under the 2009 Notes and 2010 Notes are contained in a master trust indenture and supplemental indentures effective January 29, 2010 and February 19, 2010, respectively. Under the terms of these indentures, EnerCare Solutions may not incur additional senior debt other than certain refinancing debt and certain working capital debt if the Incurrence Test (as described in the AIF) is less than 3.8 to 1. On December 31, 2011, EnerCare Solutions exceeded this minimum and has the capacity under the covenant to raise approximately $40,000 to $50,000 additional senior debt should it elect to do so.

Summary of Quarterly Results

(000's)	**Q4/11**	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10
Total revenues	**$50,489**	$51,076	$46,832	$46,955	$45,111	$46,960	$49,118	$46,465
Net (loss)/earnings	**(1,271)**	2,867	(1,150)	(723)	(1,871)	1,430	3,287	957
Dividends declared	**$ 9,143**	$ 9,047	$ 8,958	$ 8,918	$ 7,904	$ 7,905	$ 7,352	$ 7,082

In addition to quarterly comments found under "Results of Operations – Adjusted EBITDA and EBITDA", differences in net earnings between quarters reflect the timing of expenses, current tax expense and the temporary difference reversals of future income tax recoveries. Dividends declared primarily reflect the change in dividends declared by EnerCare.

SUMMARY OF CONTRACTUAL DEBT AND LEASE OBLIGATIONS

The following schedule summarizes the contractual debt and lease obligations of EnerCare Solutions at December 31, 2011:

Period (000's)	Principal Payments	Interest Payments	Leases
Within the next 12 months	$ 60,000	$ 32,685	$ 305
1 to 2 years	240,000	24,525	248
2 to 3 years	270,000	9,113	248
3 to 4 years	-	-	363
4 to 5 years	-	-	386
Thereafter	-	-	64
Total	$ 570,000	$ 66,323	$ 1,614

Long-term senior contractual obligations of EnerCare Solutions include debt service on the 2009-1 Notes, 2009-2 Notes and 2010 Notes bearing interest at 6.20%, 6.75% and 5.25%, respectively. Interest on the 2009 Notes is payable semi-annually on April 30 and October 30 and on March 15 and September 15, in respect of the 2010 Notes.

At December 31, 2011, $35,000 of the Revolver was available to be drawn. The Revolver bears a standby fee of 0.31%, which has not been included in the above schedule, until maturity in January 2014.

Lease obligations include premises and office equipment. Substantially all of the future expense obligations are the result of leased premises.

On July 6, 2011, Stratacon provided a $250,000 loan to a subsidiary of EnerCare Solutions. The loan bears interest at 7.00% and is payable on demand. Annual interest payments of $17,500 have not been included in the above schedule.

ENERCARE SOLUTIONS SHARES ISSUED AND OUTSTANDING

EnerCare Solutions' articles of incorporation provide for the issuance of an unlimited number of shares.

At December 31, 2011, there were 1,001 shares issued and outstanding.

FOURTH QUARTER RESULTS OF OPERATIONS

Earnings Summary (000's)	**2011**	2010
Revenues:		
Rentals	**$ 46,031**	$ 45,044
Dividend income	**4,348**	-
Investment income	**110**	67
Total revenues	**50,489**	45,111
SG&A expenses	**6,980**	8,411
Amortization expense	**25,362**	25,947
Loss on disposal of equipment	**4,880**	4,673
Interest on subordinated debt	**4,411**	-
Interest on promissory note	**1,125**	962
Interest expense	**9,858**	9,947
Total operating expenses	**52,616**	49,940
(Loss) before income taxes	**(2,127)**	(4,829)
Current tax expense	**(783)**	-
Income tax recovery	**1,639**	2,958
Net (loss)	**$ (1,271)**	$ (1,871)
EBITDA	**34,171**	31,960
Adjusted EBITDA	**$ 39,051**	$ 36,633

Fourth Quarter Overview

Unless stated otherwise, the narrative in this section is in reference to the operating results for the fourth quarter of 2011 as compared to the same period in 2010.

Revenues

Total revenue of $50,489 in 2011 increased by $5,378 or 12% compared to 2010. Rentals revenue for the period increased by $987, or 2%, primarily due to the January rate increase, partially offset by the impact of net Attrition.

Dividend income of $4,348 in 2011 is related to a $250,000 investment in the preferred shares of Stratacon, a subsidiary of EnerCare.

Investment income was $110 or $43 greater than in the same period in 2010 primarily due to higher investment balances.

Selling, General & Administrative Expenses

SG&A expenses decreased by $1,431 or 17% from 2010 to $6,980.The expense decrease was caused by reductions of $1,249 in professional fees, $836 in bad debts and claims and $81 of billing, servicing and inventory management charges, partially offset by an increase in wages and benefits of $669 and selling and office expense of $66. The reductions in professional fees are in part due to the Conversion charges incurred in 2010.

Amortization Expense

Amortization expense of $25,362 was $585 lower than in 2010, primarily the result of cumulative portfolio Attrition.

Interest Expense

Interest expense decreased nominally in 2011 to $9,858 over the same period in 2010.

The interest expense on subordinate debt originated on July 6, 2011, Stratacon provided a $250,000 loan to a subsidiary of EnerCare Solutions. The loan is a demand loan and bears interest at 7.00%. The subsidiary used the proceeds from the loan to repay existing obligations due to EnerCare Solutions from the subsidiary.

Loss on Disposal of Equipment

Loss on disposal of equipment for the period was $4,880, an increase of $207 or 4% over 2010. The net increased loss was primarily the result of asset age and mix as the number of Attrition and exchanged assets for the period was the same as that in 2010.

Net Loss

Losses before income taxes in 2011 of $2,127 were $2,702 better than 2010, as previously described. Net earnings increased by $600 in 2011 primarily as a result of the lower deferred tax recoveries and the recognition of current taxes with the conversion from an income trust to a corporation in 2011.

IFRS

Effective January 1, 2011, EnerCare Solutions adopted IFRS for publicly traded enterprises. IFRS accounting principles and financial data has been applied retroactively to 2010. There were no significant changes to the statement of financial position, statement of income, statement of change in equity or statement of cash flows as a result of the conversion to IFRS.

NON-IFRS FINANCIAL AND PERFORMANCE MEASURES

The consolidated financial statements of EnerCare Solutions are prepared in accordance with IFRS. EnerCare Solutions' accounting policies are summarized in detail in note 3 of the consolidated financial statements.

EnerCare Solutions' reports on certain Non-IFRS measures that are used by management to evaluate performance of EnerCare Solutions' and meet certain covenant requirements relating to its debt financing. Since Non-IFRS measures do not have standardized meanings prescribed by IFRS, securities regulations require that Non-IFRS measures be clearly defined, qualified, and reconciled with their nearest IFRS measure. These measures do not have standardized meanings or interpretations, and may not be comparable to similar terms and measures provided by other issuers.

Non-IFRS financial indicators used by EnerCare Solutions and reported in this MD&A include:

Measures of Asset Portfolio Performance

Capital Expenditures and Acquisitions

EnerCare Solutions makes two principal types of investments to grow its installed base of water heaters and other assets: capital expenditures and acquisitions.

Measures of Financial Performance

EBITDA

This measure is comprised of net earnings plus income taxes, interest expense and amortization expense, less investment and other income. It is one metric that can be used to determine EnerCare Solutions' ability to service its debt, finance capital expenditures, and provide for the payment of dividends to shareholders. EBITDA is reconciled with net earnings, an IFRS measure, in the section "*Results of Operations - Adjusted EBITDA and EBITDA*" in this MD&A.

Adjusted EBITDA

This measure is comprised of net earnings plus income taxes, interest expense, amortization expense, impairment losses and loss on disposal of equipment, less investment and other income. It is one metric that can be used to determine EnerCare Solutions' ability to service its debt, finance capital expenditures, and provide for the payment of dividends to shareholders. Adjusted EBITDA is reconciled with net earnings, an IFRS measure, in the section "*Results of Operations - Adjusted EBITDA and EBITDA*" in this MD&A.

Operating Cash Flow

Operating Cash Flow is the cash flow from operating activities excluding changes in non-cash working capital. It represents the net cash generated in earnings, excluding non-cash items. It is one indicator of financial strength of EnerCare Solutions. Operating Cash Flow is reconciled with cash flow from operating activities, an IFRS measure, in the section "*Liquidity and Capital Resources*" in this MD&A.

Measures Regarding Debt Covenants

As at December 31, 2011, EnerCare Solutions was in compliance with all covenants under the 2009 Notes, 2010 Notes and Revolver. A summary of the current covenants as described in the AIF is discussed below.

Revolver

Under the Revolver, EnerCare Solutions is subject to three principal financial covenants as described in the AIF. The covenants address interest and debt coverage. EnerCare Solutions complied with these covenants on December 31, 2011. No amounts were drawn on the Revolver at December 31, 2011.

2009 Notes and 2010 Notes – Incurrence Test

The covenants under the 2009 Notes and 2010 Notes are contained in a master trust indenture and supplemental indentures effective January 29, 2010 and February 19, 2010, as applicable. Under the terms of these indentures, EnerCare Solutions may not incur additional senior debt other than certain refinancing debt and certain working capital debt if the Incurrence Test (as described in the AIF) is less than 3.8 to 1.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. These estimates are based on EnerCare Solutions' historical experience, probability analysis and various other assumptions that management considered under the circumstances, the results of which form the basis for making judgments about the reported amounts in the consolidated financial statements that are not readily apparent from other sources. The critical accounting estimates for EnerCare Solutions are the estimated useful lives of equipment, intangible assets and provisions. During 2010 and 2011, additional accruals were recorded (see *"Billing and Servicing Matters"* in this MD&A).

Equipment

Equipment is stated at cost, adjusted to fair market value where cost exceeds the net recoverable amount. Costs include the purchase price of the water heaters and other assets, and installation allowances. There exists measurement uncertainty with respect to the useful life of the installed rental assets; accordingly, EnerCare Solutions periodically reviews the estimated useful lives of water heaters and believes it is currently appropriate to amortize the cost on a straight-line basis over 16 years.

Intangible Assets

Intangible assets represent the right to rental cash flows. The intangible assets are stated at cost, adjusted to fair market value where cost exceeds the net recoverable amount. EnerCare Solutions' intangible assets are amortized over 16 years on a straight-line basis in conjunction with the related equipment.

EnerCare Solutions reviews the intangible assets on an annual basis or at any other time when events or changes have occurred that would suggest an impairment of carrying amount.

DISCLOSURE AND INTERNAL CONTROLS AND PROCEDURES

EnerCare Solutions' certifying officers have designed, and assessed the design of, a system of DC&P to provide reasonable assurance that (i) material information relating to EnerCare Solutions, including its consolidated subsidiaries, is made known to them by others; and (ii) information required to be disclosed by EnerCare Solutions in its annual filings, interim filings and other reports filed or submitted by EnerCare Solutions under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. As well, EnerCare Solutions' certifying officers have designed, and assessed the design of, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There are no material weaknesses relating to the design of either DC&P or ICFR at December 31, 2011. There have been no changes to our ICFR during the year ended December 31, 2011 that has materially affected, or is reasonably likely to materially affect, EnerCare Solutions' ICFR, including as a result of the implementation of IFRS, as any changes were either immaterial or implemented in prior periods. The certifying officers have evaluated the effectiveness of the EnerCare Solutions' DC&P and ICFR at December 31, 2011 and are satisfied that the EnerCare Solutions' DC&P and ICFR were both effective as at December 31, 2011. Management also did not identify any material weaknesses in the EnerCare Solutions' ICFR at December 31, 2011.

Management does recognize that any controls and procedures no matter how well designed and operated, can only provide reasonable assurance and not absolute assurance of achieving the desired control objectives. In the unforeseen event that lapses in the disclosure or internal controls and procedures occur and/or mistakes happen, EnerCare Solutions intends to take whatever steps are necessary to minimize the consequences thereof.

CHANGES IN ACCOUNTING POLICIES

The consolidated financial statements of EnerCare Solutions are prepared in accordance with IFRS, which became effective on January 1, 2011 with retroactive application to January 1, 2010.

Accounting standard IFRS 9, Financial Instruments, was issued in November 2009. It addressed classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent not clearly representing a return on investment, are recognized in profit or loss; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. This standard is required to be applied for accounting periods beginning on or after January 1, 2015, with early adoption permitted. EnerCare Solutions has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 10, *Consolidated Financial Statements,* was issued in May 2011. It introduces a single model in the control analysis to determining which investees should be consolidated. The consolidation procedures are carried forward from IAS 27 (2008). The control model is based on three elements: An investor controls an investee when (1) it is exposed or has rights to variable (e.g. residual) returns from its involvement with that investee, (2) has the ability to affect those returns through its power over that investee and (3) there is a link between power and returns. The approach comprises a series of indicators of control, but no hierarchy is provided: preparers are required to analyze all facts and circumstances and apply their judgment in making the control assessment. Control is usually assessed over a legal entity, but also can be assessed over only specified assets and liabilities of an investee. In such a case that portion of the investee is a deemed separate entity (referred to as a silo) for the purpose of applying the consolidation requirements. In assessing control, the investor also needs to analyze substantial potential voting rights as well as currently exercisable potential voting rights. This is likely to change the control conclusion in some cases: currently exercisable potential voting rights might not be considered substantive and vice versa. Control is assessed on a continuous basis, i.e. it is reassessed as facts and circumstances change considerably. This standard is required to be applied for accounting periods beginning on or after January 1, 2013. EnerCare Solutions has not yet assessed the impact of the standard.

IFRS 13, *Fair Value Measurement*, was issued in May 2011. It defines “fair value” and sets out, in a single IFRS, a framework for measuring fair value measurements. IFRS 13 applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or liability at fair value, nor does it change what is measured at fair value in IFRSs or address how to present changes in fair value. This standard is required to be applied for accounting periods beginning on or after January 1, 2013, but can, with early adoption permitted. EnerCare Solutions has not yet assessed the impact of the standard or whether it will adopt the standard early.

OUTLOOK

We believe that the expiry of the Consent Order on February 20, 2012 represents the removal of a significant impediment to our Rentals business’s ability to compete in Ontario.

Following the expiry, EnerCare and DE initiated a number of changes in the operation of the Rentals business, including:

- New procedures requiring customers to confirm their decision to terminate prior to returning their rental water heater;
- Enhancements to verification procedures at water heater return locations;

- Changes to water heater return locations and operating hours; and
- Introduction of consumer promotional offers.

EnerCare believes that these changes will help to level the playing field for EnerCare and DE in the competitive rental water heater market.

EnerCare Solutions plans to increase efforts to grow its business organically, including through wider product offerings and geographic expansion, as it did recently with the introduction of a rental program in New Brunswick. In addition, EnerCare Solutions will continue to seek acquisition opportunities in its current or adjacent markets. Investments will focus on those which have long asset life and long-term customer relationships and that will generate positive growth in revenues, earnings and/or cash flows within an appropriate horizon depending on the stage of the development of the business.

EnerCare Solutions is examining opportunities to refinance its 2009-2 Notes and 2010 Notes in order to take advantage of the current low interest rate environment. In respect of the $60,000 2009-1 Notes, EnerCare Solutions expects to repay from cash on hand and the Revolver, these notes on or before their maturity on April 30, 2012. EnerCare Solutions continues to generate considerable cash flow from operations as a result cash and cash equivalents increased by approximately $32,300 to $50,403 as of December 31, 2011. In addition, EnerCare Solutions has an unused Revolver of $35,000 available.

GLOSSARY OF TERMS

Defined Term	Definition
AIF	Annual Information Form of EnerCare Solutions dated May 9, 2011.
Attrition	Termination of customer relationships, including buyouts.
CGAAP	Generally Accepted Accounting Principles under Part V of the Canadian Institute of Chartered Accountants Handbook.
Consent Order	Issued by the Competition Bureau in 2002 and expiring in 2012 which restricts EnerCare Solutions' and DE's business practices.
Conversion	The conversion of the Fund and the Trust, income trusts, to EnerCare and EnerCare Solutions, respectively.
D2D	Door to door.
DBRS	DBRS Limited.
DC&P	Disclosure Controls and Procedures as defined under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.
DE	Direct Energy Marketing Limited.
EGD	Enbridge Gas Distribution Inc.
EnerCare	EnerCare Inc., formerly the Fund.
EnerCare Solutions	EnerCare Solutions Inc., formerly the Trust.
EGNB	Enbridge Gas New Brunswick Limited Partnership.
Fund	The Consumers' Waterheater Income Fund.
Fund Units	Units of the Fund
HVAC	Heating, ventilation and air conditioning.
Incurrence Test	2009 Notes and 2010 Notes Incurrence EBITDA to Net Interest Expense.
ICFR	Internal Control Over Financial Reporting as defined under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.
IFRS	International Financial Reporting Standards as adopted by the Canadian Institute of Chartered Accountants under Part I of the Handbook.
MD&A	Management's Discussion and Analysis.
OCI	Other Comprehensive Income.
Revolver	$35,000 line of credit, with a maturity date of January 28, 2014 as amended and restated as of July 6, 2011.
SG&A	Selling, general and administrative expenses.
S&P	Standard and Poor's Rating Services.
Shares	Common shares of EnerCare.
Stratacon	Stratacon Inc. (now ECI).
TH Energy	Toronto Hydro Energy Services Inc.
Trust	The Consumers' Waterheater Operating Trust.
Units	Trust Units of the Fund.
2009 Bridge	$240,000 bridge credit facility, with a maturity date of January 28, 2011, which was repaid in March 2010.
2009-1 Notes	$60,000 of 6.20% Series 2009 -1 Senior Notes of the Trust, which mature on April 30, 2012.
2009-2 Notes	$270,000 of 6.75% Series 2009 -2 Senior Notes of the Trust, which mature on April 30, 2014.
2009 Notes	Collectively, the 2009-1 Notes and 2009-2 Notes.
2010 Notes	$240,000 of 5.25% Series 2010 -1 Senior Unsecured Notes of the Trust, which mature on March 15, 2013.