EnerCare Solutions Inc.

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

Year Ended December 31, 2014

Dated March 2, 2015

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The consolidated financial statements of EnerCare Solutions are prepared in accordance with IFRS. EnerCare Solutions' basis of presentation and significant accounting policies are summarized in detail in notes 2 and 3 of the consolidated financial statements for the period ended December 31, 2014. Unless otherwise specified, amounts are reported in this MD&A in thousands, except customers, units and "per unit" amounts, Shares and "per Share" amounts and percentages (except as otherwise noted). Dollar amounts are expressed in Canadian currency.

As at December 31, 2014, EnerCare Solutions was a wholly-owned subsidiary of EnerCare. EnerCare Solutions' business is the rental of water heaters, furnaces, air conditioners and other HVAC rental products, protection plans and related services (collectively, known as "Home Services").

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".

FORWARD-LOOKING INFORMATION

This MD&A, dated March 2, 2015, contains certain forward-looking statements that involve various risks and uncertainties and should be read in conjunction with EnerCare Solutions' 2014 audited consolidated financial statements. Additional information in respect to the Trust and EnerCare Solutions 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, 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 actual 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.

Please see the section entitled "*Risk Factors*" in this MD&A for a thorough discussion in respect of the material risks relating to the business and structure of EnerCare Solutions.

OVERVIEW

EnerCare Solutions, primarily through acquisition, has become a multi-segment and product company since its origins in 2002 as the Trust, which primarily financed rental equipment originated and serviced by DE. On October 20, 2014, EnerCare Solutions purchased the Ontario home and small commercial services business from DE and effectively reunited the business separated in 2002 with the creation of the Trust (see additional commentary under *"Recent Developments – EnerCare Completes Acquisition of DE's Home and Small Commercial Services Business in Ontario*"). EnerCare Solutions, through its subsidiaries, operates the Home Services business.

EnerCare Solutions has grown revenues every year since its inception in 2002, generated stable cash flow and consistently maintained a high dividend yield. EnerCare Solutions has investment grade ratings of BBB+/negative and BBB(high) stable rating from S&P and DBRS, respectively.

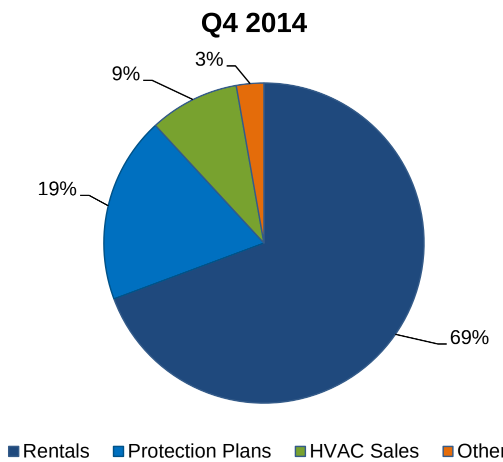
PORTFOLIO SUMMARY

Prior to October 20, 2014, the Home Services business was mainly comprised of the rental of water heater and HVAC rental products, primarily subject to the origination and servicing arrangements with DE. Since the Acquisition, the business includes the other revenue sources discussed below.

There are four main business activities within Home Services: Rentals, Protection Plans, HVAC Sales and Other (which includes duct cleaning, chargeable plumbing work and other chargeable services). The following diagram shows the breakdown of customer contracts for each such activity ending in the fourth quarter of 2014.

Of the four main business activities, the Rentals component produces the largest portion of revenue, followed by Protection Plans, HVAC Sales and Other, as illustrated in more detail by the following chart.

Home Services Revenue By Category



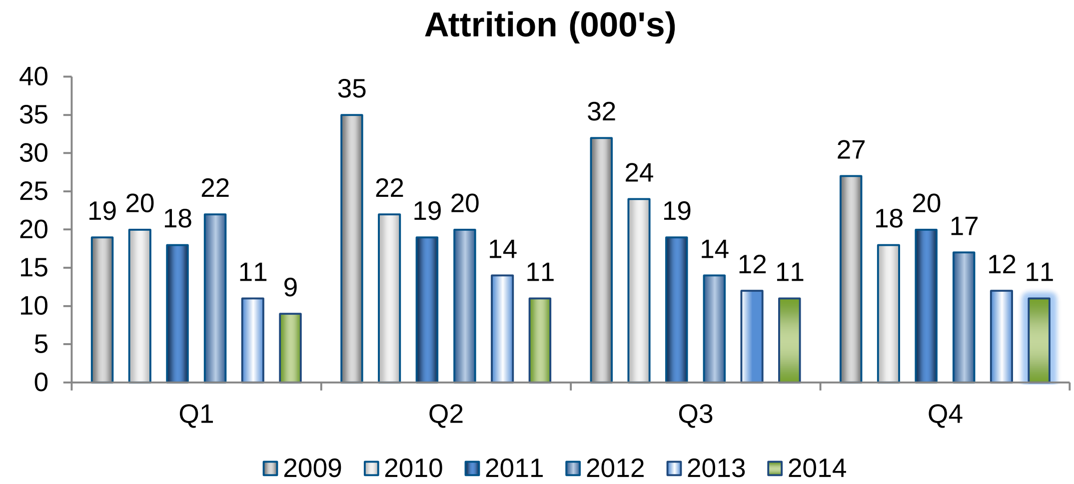
Rentals

Prior to the Acquisition, EnerCare Solutions had expanded its business through a number of acquisitions and origination arrangements with various parties, however, approximately 90% of the Rentals revenue was subject to the Co-ownership Agreement.

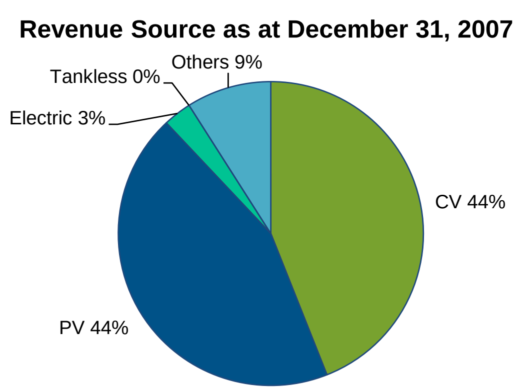
For the portfolios under the Co-ownership Agreement, EnerCare Solutions was entitled to 65% of the revenue and other payments and DE was entitled to 35% of the revenue. For DE's portion of the revenue, it was responsible for servicing and maintaining the assets. Through its origination agreement with DE, EnerCare Solutions essentially incurred the capital expenditures in respect of the portfolio. Following the Acquisition, EnerCare Solutions now receives 100% of the rental revenues and is responsible for the service and maintenance obligations associated with those assets.

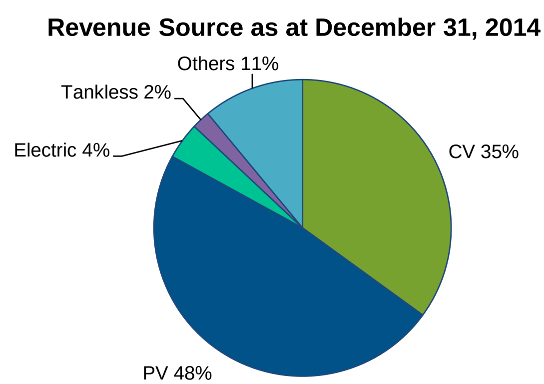
Over the last several years, EnerCare Solutions has experienced higher than normal Attrition on the water heater rental portfolios. This was largely a result of greater competition through aggressive D2D campaigns. EnerCare Solutions has implemented many programs, including continued consumer education campaigns. Such initiatives, coupled with broader consumer awareness as well as enhancements to our customer value proposition (for example, the "same day service campaign"), have helped to significantly reduce Attrition in recent years.

Attrition decreased in the fourth quarter of 2014 by 1,000 units or 8% and by 7,000 units or 14% in 2014, over the same periods in 2013. Attrition has improved year-over-year since 2009 (see table below) with Attrition in 2014 being the lowest in the past six years.

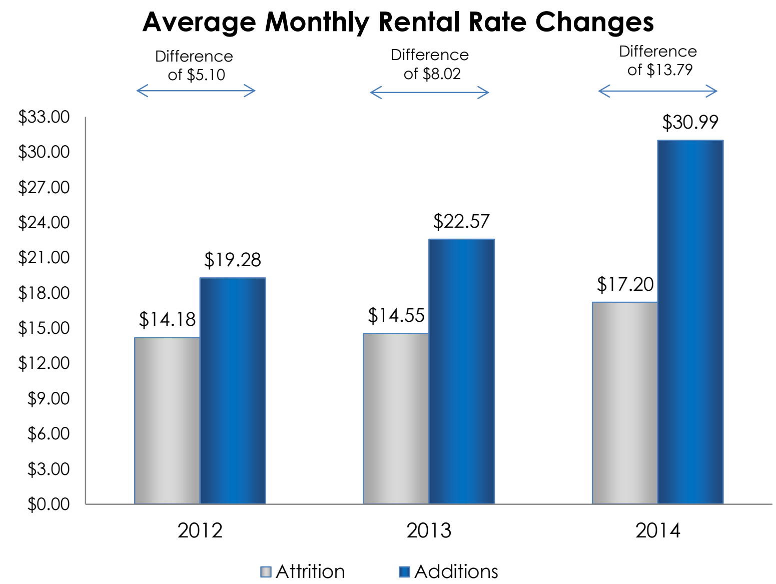


Partially offsetting Attrition is the movement in asset mix to units with higher returns. One of EnerCare Solutions' growth platforms has been to focus on single family and multi-residential HVAC rental units. Although results are small on the unit continuity, HVAC units provide three to five times more rental revenue than that of a water heater. A comparison of the product mix seven years ago to that of today reveals that the portfolio contains a higher percentage of power vent ("PV") and tankless units, both of which provide a higher revenue than conventional vent ("CV") units.





The impact of changes in product mix over time is outlined further in the graph below which shows revenue for 2014 from unit additions contributing approximately $13.79 per unit more than revenue from units lost on account of Attrition. New customers are worth approximately 1.8 times that of a lost customer.

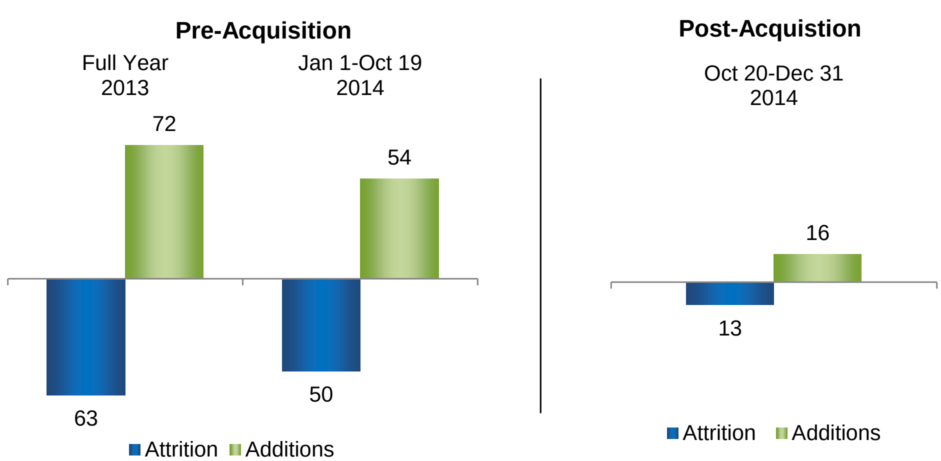


Subsequent to the Acquisition, EnerCare Solutions offers the additional products and services as follows:

Protection Plans

Home Services sells a variety of plans covering such items as furnaces, air conditioning, plumbing and appliances. There are essentially two types of protection plans: maintenance protection plans and full service protection plans. Maintenance protection plans essentially only provide for maintenance services, whereas full service protection plans provide a broader suite of protections, such as parts and labour. The plans are typically one year in length with monthly, quarterly or annual payment options. Due to the annual nature of the contract, the protection plans tend to have a higher churn rate. The following chart depicts the additions and attrition for the category from October 20, 2014 to December 31, 2014.

Protection Plan Additions & Attrition (000's)



The following table illustrates the annualized protection plan contract continuity for 2014 and 2013.

Protection Plan Unit Continuity (000's)	**Pre and Post Acquisition**	Pre-Acquisition
	2014	2013
Contracts - start of year	**546**	537
Portfolio additions	**70**	72
Attrition	**(63)**	(63)
Contracts - end of year	**553**	546
% change in units during the year	1.3%	1.7%
% of units from start of year:		
Portfolio additions	12.8%	13.4%
Attrition	(11.5%)	(11.7%)

HVAC Sales

A customer can acquire an HVAC asset through a sale, comprised of an outright purchase or financing through a third party. Typically, HVAC sales occur during the heating and cooling seasons of the year. During the quarter, EnerCare Solutions rented approximately 2,000 new units to customers and between October 20, 2014 and December 31, 2014, sold approximately 2,700 units to customers.

Other

The Other category includes ancillary services such as duct cleaning, plumbing work and other non-contracted chargeable services provided by Home Services.

2014 HIGHLIGHTS

(000's)	**2014**	2013	Change	Percent Change
Revenue	**$242,334**	$189,438	$52,896	28%
Dividend income	**3,460**	3,459	1	0%
Investment income	**242**	352	(110)	(31)%
Total revenues	**$246,036**	$193,249	$52,787	27%
EBITDA[1]	**163,593**	153,236	10,357	7%
Adjusted EBITDA[1]	**173,860**	169,323	4,537	3%
Acquisition Adjusted EBITDA[1]	**181,682**	169,323	12,259	7%
Earnings before income taxes	**28,117**	9,843	18,274	186%
Current tax (expense)	**(26,374)**	(21,685)	(4,689)	22%
Deferred income tax recovery	**19,048**	18,627	421	2%
Net earnings	**$ 20,791**	$ 6,785	$14,006	206%

The following highlights compare 2014 results with those of 2013.

- Total revenues of $246,036 increased by 27% in 2014. Revenues were $242,334, greater than the prior year by $52,896, primarily as a result of $46,065 of revenues added through the Acquisition. The remaining $6,831 increase was primarily as a result of rental rate increases, improved billing completeness and asset mix changes, partially offset by fewer installed assets. Dividend income relates to an investment in ECI preferred shares of $50,000.
- EBITDA increased by $10,357 to $163,593 in 2014, driven principally by improved total revenues and loss on disposal of equipment, partially offset by higher cost of goods sold and SG&A primarily from costs associated with the Acquisition. EBITDA was negatively impacted by $1,544 in 2014 as a result of the costs incurred for protection plans sold by DE prior to the Acquisition. Adjusted EBITDA of $173,860

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

increased by $4,537 after removing from EBITDA the impact of the loss on disposal of equipment and including other income. After removing Acquisition costs of $7,722, Acquisition Adjusted EBITDA was $181,582 in 2014, an increase of $12,259 over the same period in 2013.

- Net earnings of $20,791in 2014 increased by $14,006 or 206% compared to 2013, reflecting increased EBITDA, lower interest expense and the non-recurring make-whole payment of $13,754 incurred in 2013, partially offset by higher bridge financing charges, professional fees associated with the Acquisition and higher total taxes payable.
- Attrition in the Rentals portfolio decreased by 14% or 7,000 units for 2014. Attrition has improved year-over-year since 2009 and for ten consecutive quarters, year-over-year.

RECENT DEVELOPMENTS – 2014 AND 2015 TO DATE

Acquisition of Water Heaters from Energy Services Niagara Inc.

In February 2014, a subsidiary of EnerCare Solutions acquired the rental portfolio of ESN, comprised of approximately 2,468 electric and gas-fired water heaters for cash consideration of $3,035 plus inventory of $38. In connection with the acquisition, ESN and EnerCare Solutions entered into a transitional agreement, as well as an assignment, assumption and consent agreement with Enbridge in respect of the ESN OBA. At the time of acquisition, approximately 97% of ESN's customers were billed through the ESN OBA. The rental revenue from the ESN water heaters were not subject to the Co-ownership Agreement.

Direct Energy Collective Bargaining Agreement

On April 23, 2014, DE reached a tentative three-year CBA, which was subsequently ratified by the union.

EnerCare and EnerCare Solutions Provide a Business Update

On July 10, 2014, EnerCare and EnerCare Solutions provided a business update in order to outline developments in their operations for the second quarter of 2014 and year-to-date. EnerCare highlighted that EnerCare and EnerCare Solutions continued to experience improved customer retention, with Attrition improving year-over-year since 2009 and for eight consecutive quarters year-over-year and Rentals portfolio revenue growth from additions outpaced revenue lost to Attrition.

EnerCare and EnerCare Solutions Respond to Shareholder Letter Issued by Augustus Advisors

On July 17, 2014, EnerCare and EnerCare Solutions issued a news release to respond to the letter issued by Augustus Advisors, LLC (an affiliate of EnerCare's largest shareholder) to EnerCare's shareholders. In that news release, EnerCare indicated that, following receipt of a letter of indication sent by TPG Special Situations Partner, LLC (''TSSP'') to EnerCare in late May 2014 referenced in the letter to shareholders, the board of directors met and considered the letter of indication and that, after that consideration, including considering financial and other information provided by EnerCare's advisors, the board unanimously determined that the indicated price of between $13.50 and $15.00 per Share did not represent full value for the Shares and was not sufficient to form the basis of meaningful discussions with TSSP.

EnerCare Solutions Completes Acquisition of DE's Home and Small Commercial Services Business in Ontario

On October 20, 2014, a subsidiary of EnerCare Solutions completed the acquisition of DE's home and small commercial services business in Ontario.

The purchase price of the Acquisition was approximately $550,390, subject to final working capital adjustments. The Acquisition and related transaction costs were financed through a combination of debt and equity, including approximately $333,262 of Subscription Receipts (25,635,525 Subscription Receipts at a price of $13.00 per Subscription Receipt and $317,000 net of fees), $150,000 from the New Term Loan, and a private placement of 7,692,308 Shares to DE. The Shares issued to DE are subject to a 12-month lock-up and thereafter, one-half of such Shares will be subject to a further 6-month lock-up.

In accordance with the terms of the agreement pursuant to which the Subscription Receipts were issued, each outstanding Subscription Receipt was exchanged for one Share, resulting in the issuance of 25,635,525 Shares and a cash payment equal to $0.1208 per Subscription Receipt. The cash payment was equal to the aggregate amount of dividends per Share for which record dates occurred since the issuance of the Subscription Receipts, less any withholding taxes, if any.

Concurrent with the closing of the Acquisition, the net funds from the Subscription Receipts were loaned to EnerCare Solutions in the form of an interest bearing promissory note of $317,367 such that a subsidiary of EnerCare Solutions could fund the Acquisition. In addition, EnerCare Solutions issued 168 shares for $109,462 funding the private placement with DE.

EnerCare Solutions' New Debt Financing with two Canadian chartered banks is comprised of: (i) the New Term Loan, which has been drawn for the purpose of financing the Acquisition and re-financing EnerCare Solutions' Previous Term Loan; and (ii) the New Revolver, which replaced the Previous Revolver, which was undrawn at the time of replacement.

Concurrent with the closing of the Acquisition, EnerCare and DE entered into a transition services agreement pursuant to which DE provides certain transition services to EnerCare relating to, among other things, the provision of ongoing information technology, other support and information technology decoupling services for an initial period of 15-months, subject to extension by either party for up to two additional 3-month terms.

Stronger Protection for Ontario Consumers Act, 2013

On November 27, 2013, the *Stronger Protection for Ontario Consumers Act, 2013* ("Bill 55") passed third reading in the Ontario Legislature. Bill 55 is a direct response by the Ontario Government to aggressive and deceptive door-to-door water heater rental sales.

On March 7, 2014 and October 10, 2014, the Ontario Ministry of Consumer Services (the "Ministry") issued proposals for regulations to implement Bill 55 and invited public consultation on the proposals. EnerCare submitted its comments on the proposals to the Ministry in respect of both consultations.

On January 12, 2015, EnerCare Solutions announced that the amendments to the *Consumer Protection Act* (Ontario) pursuant to Bill 55 will come into force on April 1, 2015.

Among other things, Bill 55 provides the following changes in respect of direct agreements for the supply of water heaters:

- Doubles the existing 10-day cooling-off period to 20 days, providing consumers with more time to consider their decision;
- Subject to certain exceptions, including where the consumer initiates contact with the supplier, bans the delivery and installation of water heaters during the new 20-day cooling-off period; and
- Provides new consumer protection when the rules are not followed, such as requiring the supplier to reimburse the customer for all cancellation, return or removal fees when the 20-day cooling-off period is not observed.

Concurrently with the coming into force of Bill 55, new or amended regulations under the *Consumer Protection Act* (the "Regulations") are also to come into effect. Among other things, the Regulations require the following in respect of direct agreements for the supply of water heaters:

- Companies must confirm sales by making scripted and recorded telephone calls to the customer, subject to certain exceptions including where the consumer initiates contact with the supplier; and

- Enhanced disclosure, including the requirement to include mandatory cover pages and the comparable retail price, rental rate, total amounts payable under the contract and any termination charges.

EnerCare Solutions believes that Bill 55 is a strong enhancement in consumer protection that will provide necessary protection for its customers and greatly assist with EnerCare Solutions' continued efforts to combat Attrition in its water heater business.

Appointment of Director

On October 27, 2014, Scott Boose was appointed to EnerCare Solutions' board. Mr. Boose was nominated to the EnerCare Solutions board by DE pursuant to DE's rights under a nomination agreement entered into in connection with the Acquisition. That agreement provides that for so long as DE controls not less than 3,846,154 Shares of EnerCare, DE will be entitled to nominate one individual for consideration by EnerCare's governance committee and board. Mr. Boose is the President of Direct Energy Services. Prior to this role, Mr. Boose was President of the Clockwork Home Services business (a DE company), which operates its franchise network in 48 states and has company-owned operations in the United States in 11 states, as well as 2 Canadian provinces. Mr. Boose joined DE in 2004 through the acquisition of the Residential Services Group, in which he held several senior positions over a ten year period.

EnerCare Provides Voluntary Assurance to the Competition Bureau regarding Water Heater Returns

On November 6, 2014, EnerCare announced that it resolved concerns that Canada's Competition Bureau (the "Bureau") had in respect of certain water heater return policies and practices of DE in respect of OHCS. This was the culmination of a co-operative process between EnerCare and the Bureau that was initiated in conjunction with the Acquisition.

As noted in the Bureau's own announcement, EnerCare and EnerCare Solutions had not engaged in any anti-competitive behaviour. However, following the Acquisition, EnerCare voluntarily provided written assurance to the Bureau regarding EnerCare's and EnerCare Solutions' water heater return policies and practices, including:

- no longer requiring customers to obtain authorization numbers before returning a rented water heater;
- honouring agreements whereby a new supplier can terminate a customer's account on his or her behalf and return the old water heater; and
- opening two new return depots to facilitate the return of its water heaters.

EnerCare Solutions does not expect that the changes will have a significant impact on its operating costs or Attrition.

Senior Management Changes

Laima Cers, Vice-President, Marketing and Business Development, resigned effective May 30, 2014.

On January 12, 2015, Aaron Cheng was appointed Vice President of Information Technologies of EnerCare and EnerCare Solutions and each of their respective subsidiary entities.

On January 16, 2015, Larry Ryan was appointed interim Senior Vice President and General Manager of Home Services EnerCare and EnerCare Solutions and each of their respective subsidiary entities (other than ECI).

On March 23, 2015, Lorne Solway will be appointed Chief Marketing Officer of EnerCare and EnerCare Solutions and each of their respective subsidiary entities.

Acquisition of Water Heaters from Cobourg Network Inc.

On March 2, 2015, a subsidiary of EnerCare Solutions, acquired the rental portfolio of Cobourg Network Inc. ("CNI"), comprised of approximately 1,380 electric water heaters for cash consideration of $890, subject to post-closing adjustments. In connection with the acquisition, CNI and EnerCare entered into a transitional agreement pursuant to which CNI provides transitional support and billing and collection services on behalf of EnerCare Solutions.

RESULTS OF OPERATIONS

Overview

Consolidated Financial Highlights (000's)	**2014**	2013	2012
Total revenues	**$ 246,036**	$193,249	$197,032
Earnings/(loss) before income taxes	**28,117**	9,843	(1,970)
Current tax (expense)	**(26,374)**	(21,685)	(13,896)
Deferred income tax recovery	**19,048**	18,627	9,696
Net earnings/(loss)	**$ 20,791**	$ 6,785	$ (6,170)
EBITDA	**163,593**	153,236	143,561
Adjusted EBITDA	**173,860**	169,323	159,847
Acquisition adjusted EBITDA	**181,582**	169,323	159,847
Total assets	**1,358,505**	736,926	765,460
Total debt	**1,299,245**	832,121	817,508
Cash provided by operating activities	**$ 128,481**	$ 98,078	$ 97,887

2014 vs. 2013

Total revenues increased by approximately 27% or $52,787 to $246,036 in 2014. The improved revenues were the result of an increase in contracted, sales and other services revenues of $52,896 or 28% to $242,334, driven primarily by $46,065 of revenues generated following the Acquisition and $6,831 from a rental rate increase effective January 2014. Net earnings were $20,791 in 2014, $14,006 higher than 2013 as a result of improved EBITDA, lower interest expense and the non-recurring make-whole payment of $13,754 incurred in 2013, partially offset by reducted other income, higher bridge financing charges, professional fees associated with the Acquisition and total taxes payable.

EBITDA increased by 7% or $10,357 as a result of improved revenues and lower losses on disposal of equipment, partially offset by a combined increase in cost of goods sold and SG&A expenses of $44,320, of which $46,067 was driven by expenses incurred in the business following the Acquisition. Adjusted EBITDA increased by $4,537 or 3% after removing from EBITDA the impact of a reduced loss on disposal of equipment and including other income. After removing net expenditures of $7,722 associated with the Acquisition, Adjusted EBITDA was $181,582 in 2014, an increase of $12,259 over the same period in 2013.

Total assets increased by approximately $621,579 in 2014, primarily due to the Acquisition, partly offset by the amortization of intangible assets and equipment. Total debt increased to $1,299,245 as a result of the New Debt Financing related to the Acquisition, the issuance of promissory notes and repayment of the Previous Term Loan. Cash flow from operating activities increased by $30,403 in 2014, primarily as a result of improved EBITDA and lower accounts receivable (see the discussion in "*Liquidity and Capital Resources – Cash from Financing*" in this MD&A).

2013 vs. 2012

Total revenues decreased by approximately 2% or $3,783 to $193,249 in 2013. Rentals revenues improved by $3,150 or 2% driven primarily by a rental rate increase effective January 2013, but were offset by reduced dividend and investment incomes of $6,933, primarily as a result of the reduction in the investment in preferred shares of ECI from $250,000 to $50,000 in 2012. Net earnings were $6,785 in 2013, $12,955 higher than 2012 as a result of improved EBITDA and other income, reductions in amortization and interest expense, partially offset by increased current taxes.

EBITDA increased by 7% or $9,675 as a result of improved Home Services revenues, reduced SG&A expenses and losses on disposal of equipment. Adjusted EBITDA increased by $9,476 or 6% after removing from EBITDA the impact of a reduced loss on disposal of equipment and including other income.

Total assets decreased by approximately $28,534 in 2013, primarily due to the amortization of intangible assets and equipment. Total debt increased to $832,121 as a result of the debt refinancing in the first quarter of 2013. Cash flow from operating activities increased modestly to $98,078 in 2013, primarily as a result of improved Adjusted EBITDA, reduced interest expense and changes in working capital requirements, partially offset by increased current taxes.

Earnings Statement

(000's)	**2014**	2013
Revenues:		
Contracted revenue	**$231,454**	$189,388
Sales and other services	**10,880**	50
Dividend income	**3,460**	3,459
Investment income	**242**	352
Total revenue	**$246,036**	$193,249
Expenses:		
Cost of goods sold:		
Maintenance & servicing costs	**10,600**	-
Sales and other services	**7,743**	22
Total cost of goods sold	**18,343**	22
SG&A expenses	**50,539**	24,540
Amortization expense	**98,387**	94,003
Loss on disposal	**9,859**	11,640
Interest expense	**41,199**	57,648
Total expenses	**218,327**	187,853
Other income	**408**	4,447
Earnings before income taxes	**28,117**	9,843
Current tax (expense)	**(26,374)**	(21,685)
Deferred tax recovery	**19,048**	18,627
Net earnings	**$ 20,791**	$ 6,785
EBITDA	**$163,593**	$153,236
Adjusted EBITDA	**$173,860**	$169,323
Acquisition Adjusted EBITDA	**$181,582**	$169,323

Revenues

Total revenues of $246,036 for 2014 increased by $52,787 or 27% compared to 2013.

Home Services revenues, excluding investment income, increased by $52,896 to $242,334 compared to 2013, primarily as a result of $46,065 of additional revenue added through the Acquisition. The remaining $6,831 increase was primarily due to a rental rate increase implemented in January 2014, improved billing completeness and changes in asset mix, partially offset by fewer installed assets. Contracted revenue in Home Services represents revenue generated by the Rentals portfolio and protection plan contracts, while sales and other services revenue mainly pertains to one-time sales and installations of residential furnaces, boilers and air conditioners as well as duct cleaning and other services.

Dividend income for 2014 was $3,460 consistent with the same period in 2013.

Investment income was $242 in 2014, a decrease of $110 compared to 2013. The change in investment income was primarily attributable to lower investment balances in 2014. During the first quarter of 2013 investment balances were greater due to the issuance of the 2013 Notes approximately 30 days prior to the redemption of the 2009-2 Notes.

Cost of Goods Sold

Total cost of goods sold were $18,343 in 2014, compared to $22 in 2013. Home Services cost of goods sold increased by $18,321 compared to 2013, primarily due to $18,266 of expenses resulting from the increased scope of the business following the Acquisition. Maintenance and servicing costs in Home Services primarily consist of protection plan expenses and servicing costs related to the rental portfolio, while sales and other services expenses mainly pertain to one-time sales and installations of residential furnaces, boilers, air conditioners and small commercial products as well as duct and other cleaning services.

Selling, General & Administrative Expenses

Total SG&A expenses were $50,539 in 2014, an increase of $25,999 or 106% compared to 2013, primarily due to $27,801 of additional expenses resulting from the increased scope of the business following the Acquisition. The $25,999 increase over 2013 was primarily as a result of approximately $8,700 in wages and benefits, $7,250 in professional fees, $7,200 of billing and servicing costs, $1,900 in office expenses, $1,440 in selling expenses and $160 in bad debts, partially offset by reductions of $660 in claims expenses. During 2014, SG&A expenses included $7,722 of costs associated with the Acquisition, of which approximately $6,770 were professional fees, $620 selling expenses, $210 office expenses and $120 wages and benefits.

Amortization Expense

Amortization expense increased by $4,384 or 5% in 2014, primarily due to, additional Acquisition related amortization from capital and intangible assets of $1,032 and $4,015, respectively. The remaining increase of $114 over 2013 was primarily from an increasing capital asset base from asset mix changes in the Rentals portfolio.

Loss on Disposal of Equipment

EnerCare Solutions reported a loss on disposal of equipment of $9,859 in 2014, a reduction of $1,781 or 15%, over the same period in 2013. The loss on disposal amount is influenced by the number of assets retired, proceeds on disposal of equipment, changes in the retirement asset mix and the age of the assets retired.

Interest Expense

(000's)	**2014**	2013
Interest expense payable in cash	**$23,537**	$25,015
Equity bridge financing fees	**775**	-
Make-whole payment on early redemption of debt	**-**	13,754
Interest on subordinated debt	**3,510**	3,510
Interest on promissory note	**12,464**	10,000
Non-cash items:		
Notional interest on employee benefit plans, net	**254**	-
Amortization of OCI and financing costs	**659**	5,369
Interest expense	**$41,199**	$57,648

Interest expense payable in cash decreased by $1,732 to $23,283 in 2014 compared to 2013. The decrease is primarily related to the reduction in interest rates with the early redemption in 2013 of the 2009-2 Notes associated with the issuance of the 2013 Notes. Equity bridge financing fees of $775 were incurred as part of the Acquisition. The make-whole payment of $13,754 was incurred upon the early redemption of the 2009-2 Notes and the drawdown of the Previous Term Loan. Interest on the $50,000 Subordinated Debt was consistent with the prior period. The Acquisition resulted in an increase of $317,367 of the $250,000 Subordinated Promissory Notes which drove higher interest expense in the fourth quarter of 2014. Notional interest of $254 in 2014 relates to the employee benefits plans acquired as part of the Acquisition. Amortization of OCI and financing costs for 2013 include the previously unamortized costs associated with the 2009-2 Notes and $4,023 of accumulated OCI which was fully reclassified to earnings in the first quarter of 2013.

Other Income

During 2014, EnerCare Solutions realized a settlement of $408 from DE on account of the reclassification of certain water heaters under the Co-ownership Agreement to EnerCare Solutions' owned portfolio, originally associated with the Toronto Hydro Energy Services Inc. portfolio acquisition. During 2013, EnerCare Solutions realized settlements from DE of $4,447, including income of approximately $2,769 on account of water heater installation costs, billing and collection deficiencies and third-party claims, and $1,678 on account of billing and collection in respect of water heater buyouts.

Income Taxes

EnerCare Solutions reported a current tax expense of $26,374 in 2014 an increase of $4,689 over 2013, primarily as a result of higher taxable income. The deferred income tax recovery of $19,048 for 2014 was $421 higher than the deferred tax recoveries of $18,627 recorded in 2013, primarily as a result of temporary difference reversals, including the impact of the 2013 make-whole payment.

Net Earnings

Net earnings in 2014 were $20,791 or $14,006 higher than in 2013 as previously described.

EBITDA, Adjusted EBITDA and Acquisition Adjusted EBITDA

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

(000's)	**Q4/14**	Q3/14	Q2/14	Q1/14	Q4/13	Q3/13	Q2/13	Q1/13
Net earnings/(loss)	**$ 3,202**	$ 4,031	$ 7,078	$ 6,480	$ 5,230	$ 6,291	$ 6,397	$(11,133)
Deferred tax (recovery)	**(4,473)**	(7,046)	(3,941)	(3,588)	(3,472)	(3,442)	(3,480)	(8,233)
Current tax expense	**5,923**	8,462	6,203	5,786	6,069	5,410	4,725	5,481
Amortization expense	**28,609**	23,514	23,260	23,004	24,028	23,763	23,086	23,126
Interest expense	**12,845**	9,980	9,188	9,186	9,207	9,206	9,123	30,112
Dividend (income)	**(870)**	(870)	(860)	(860)	(869)	(870)	(860)	(860)
Other (income)	**-**	-	-	(408)	(769)	(2,000)	(1,678)	-
Investment (income)	**(67)**	(66)	(75)	(34)	(35)	(20)	(29)	(268)
EBITDA	**45,169**	38,005	40,853	39,566	39,389	38,338	37,284	38,225
Add: Loss on disposal of equipment	**2,180**	2,304	2,371	3,004	2,666	2,633	3,449	2,892
Add: Other income	**-**	-	-	408	769	2,000	1,678	-
Adjusted EBITDA(1)	**47,349**	40,309	43,224	42,978	42,824	$42,971	42,411	41,117
Add: Acquisition SG&A	**4,138**	3,584	-	-	-	-	-	-
Acquisition Adjusted EBITDA	**$51,487**	$43,893	$43,224	$42,978	$42,824	$42,971	$42,411	$41,117

(1) Historical Adjusted EBITDA has been conformed to the current presentation which includes other income and expense.

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

1. Net earnings are impacted by rental rate increases, generally implemented in January of each year,

accruals related to billing and servicing matters and the Acquisition results included in the fourth quarter of 2014.
2. Increasing current taxes from higher taxable income.
3. Debt refinancing activities in the first quarter of 2013 resulted in additional interest expense, which included a make-whole payment of $13,754. Commencing in the third quarter of 2013, interest expense reflects the benefits of lower blended interest rates and non-cash fee amortization. During the third quarter of 2014, additional interest expense was incurred related to the bridge financing.
4. Amortization and loss on disposal of equipment are primarily driven by unit continuity activity such as Attrition, exchanges and outstanding units. Commencing in the fourth quarter of 2014, amortization reflects increases from the amortization of capital assets and intangibles following the Acquisition.
5. Other income relates to settlements with DE on account of installation and billing matters.

LIQUIDITY AND CAPITAL RESOURCES

(000's)	**2014**	2013
Cash flow from operating activities	**$128,481**	$98,078
Net change in non-cash working capital	**(17,287)**	1,092
Operating Cash Flow[2]	**111,194**	99,170
Capital expenditures: excluding acquisitions	**(77,943)**	(68,709)
Proceeds on disposal of equipment	**5,426**	4,720
Net capital expenditures	**(72,517)**	(63,989)
Acquisition – Niagara portfolio	**(3,035)**	-
Acquisition – OHCS	**(440,113)**	-
Cash used in investing activities	**(515,665)**	(63,989)
Dividends paid	**(43,885)**	(33,174)
Other financing activities	**466,125**	13,267
Cash used in financing activities	**422,240**	(19,907)
Cash and equivalents – end of period	**$52,855**	$17,799

Operating Cash Flow of $111,194 increased by $12,024 in 2014 compared to 2013, primarily as a result of improved revenues, changes in non-cash working capital and reduced interest expense, inclusive of the make-whole payment of $13,754 associated with the redemption of the 2009-2 Notes, partially offset by increased cost of goods sold, SG&A and current taxes. On December 30, 2014, Enbridge settled approximately $30,000 of December's EnerCare Solutions billings in advance of its normal settlement dates, impacting non-cash working capital as a result of lower accounts receivable. Under the OBA cash is typically paid 21 days after billing.

Net capital expenditures of $72,517 in 2014 increased by $8,528 compared to 2013, due to changes in asset mix, including increased HVAC rentals. In 2014, the acquisition of $3,035 represents the purchase of the ESN rental portfolio in the first quarter while the Acquisition of $440,113 represents the cash portion of the purchase price of OHCS in the fourth quarter.

Dividends paid reflect dividend payments on outstanding Shares.

Other financing activities for 2014 primarily reflect additional debt and equity issued to finance the Acquisition. In 2013, other financing activities reflected the repayment of $2,000 in respect of the Previous Revolver during the second quarter and EnerCare Solutions' repayment of the 2009-2 Notes on March 6, 2013 with proceeds from the 2013 Notes and the drawdown on the Previous Term Loan.

Available credit of $100,000 under the New Revolver was not drawn as at December 31, 2014.

EnerCare Solutions is subject to a number of covenants and has the ability to incur additional senior debt as

[2] Operating Cash Flow is a Non-IFRS financial measure. Refer to the Non-IFRS Financial and Performance Measures section in this MD&A.

described in "*Liquidity and Capital Resources – Cash from Financing*" in this MD&A.

Management believes that EnerCare Solutions has sufficient cash flow, cash on hand and available credit to meet its 2015 obligations, including capital expenditures, financing activities and working capital requirements for its businesses.

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)	**2014**	2013
Units – start of period	**1,145**	1,171
Portfolio additions	**24**	23
Acquisitions	**2**	-
Attrition	**(42)**	(49)
Units – end of period	**1,129**	1,145
Asset exchanges – units retired and replaced	**51**	54
% change in units during the period	**(1.4%)**	(2.2%)
% of units from start of period:		
Portfolio additions (net of acquisitions)	**2.1%**	2.0%
Attrition	**(3.7%)**	(4.2%)
Units retired and replaced	**4.5%**	4.6%

Net capital expenditures include unit additions and asset exchanges, net of proceeds on disposal. In 2014 net capital expenditures were $72,517, increasing by 13% or $8,528 when compared to 2013, primarily as a result of increased HVAC rentals.

Attrition decreased in 2014 by 7,000 units or 14% compared to 2013. EnerCare Solutions has implemented many programs, including continued consumer education campaigns. Such initiatives, coupled with broader consumer awareness as well as enhancements to our customer value proposition (for example, the "same day service campaign"), have helped to significantly reduce Attrition in recent years.

Cash from Financing

Financing activities for EnerCare Solutions may reflect dividend payments, periodic financing of EnerCare Solutions' indebtedness and share issuances. During 2014, EnerCare Solutions' financing activity was comprised of a share issuance of $109,462, an increase in Subordinated Promissory Notes of $317,367 and $150,000 of additional debt as part of the Acquisition, partially offset by dividend payments.

Capitalization (000's)	**2014**	2013
Cash and cash equivalents	**$ 52,855**	$ 17,799
Net investment in working capital	**8,681**	(10,135)
Cash, net of working capital	**61,536**	7,664
Total senior debt	**681,878**	532,121
Promissory note	**567,367**	250,000
Subordinated debt	**50,000**	50,000
Shareholder's equity	**(153,561)**	(237,517)
Total capitalization – book value	**$1,145,684**	$594,604

Typically, EnerCare Solutions maintains cash balances and available credit to provide sufficient cash reserves to satisfy short-term requirements, including interest payments, dividends and certain capital expenditures and acquisitions**.**

At December 31, 2014, total debt was comprised of the 2012 Notes, the 2013 Notes and the New Term Loan.

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

Debt Financing

The Previous Revolver and Previous Term Loan each contained terms, representations, warranties, covenants and events of default that were customary for credit facilities of this kind, including financial covenants discussed below, restrictions on asset sales and reorganizations, a negative pledge and limits on distributions to EnerCare (and, therefore, in effect, holders of Shares). Events of default under the Previous Revolver and Previous Term Loan included a cross-default provision and the occurrence of a change of control of EnerCare or EnerCare Solutions. EnerCare Solutions' obligations under the Previous Revolver and Previous Term Loan were guaranteed by all of EnerCare Solutions' direct and indirect subsidiaries.

The New Debt Financing is an amendment and restatement of EnerCare Solutions' Previous Revolver, with substantially similar terms to that facility but with the following material additions and revisions made to reflect the inclusion of the New Term Loan and contemplation of the Acquisition: (i) the addition of the New Term Loan commitments, (ii) the addition of EHCS LP and the general partner of EHCS LP as guarantors, (iii) the revision to the definition of "Adjusted EBITDA" to include add-backs for Acquisition-related transaction expenses, one-time rebranding costs and information technology system harmonization costs not to exceed $23,500, (iv) increase in the "basket" sizes permitted under certain covenants and events of default (to take into account the increase of assets under management due to the Acquisition), and (iv) favourable changes to the financial covenants as described below.

The Previous Revolver and Previous Term Loan contained the following financial covenants (i) all additional incurrences of senior debt, with certain exceptions, must, on the date of incurrence, result in a *pro forma* ratio equal to or greater than 3.8 to 1.0 of Incurrence EBITDA (as defined in the Senior Unsecured Indenture) to Net Interest Expense (as defined in the Senior Unsecured Indenture); (ii) the ratio of total debt (other than subordinated debt) to "Adjusted EBITDA" must be less than 4.25:1; (iii) the ratio of Adjusted EBITDA to "Cash Interest Expense" must be greater than 3.00:1; and (iv) the ratio of Adjusted EBITDA less capital expenditures to Cash Interest Expense must be greater than 1.75:1.

The Previous Revolver and Previous Term Loan defined (i) "Adjusted EBITDA" as the consolidated net income of EnerCare Solutions and any losses on dispositions of assets less, to the extent included in calculating such net income, all interest income and income tax recoveries, gains on hedging contracts and all extraordinary, non-recurring and unusual income items, plus, to the extent deducted in calculating such net income, amounts for total interest expense, fees payable under the origination agreement with DE (as assigned to EnerCare Solutions in connection with the Acquisition), amortization and depreciation expenses, income taxes and any other non-cash items, losses on hedging contracts, proceeds of disposal of water heaters in the ordinary course of business, determined on a consolidated basis. The Previous Revolver and Previous Term Loan essentially defined "Cash Interest Expense" as the aggregate amount of interest and other financing charges payable in cash and expensed by EnerCare Solutions with respect to debt (other than subordinated debt between EnerCare Solutions and EnerCare or any subsidiary of EnerCare Solutions or between subsidiaries of EnerCare Solutions), but excluding any make-whole, prepayment, penalty or premium or other yield maintenance amount with respect to debt.

The New Debt Financing contains financial covenants that are more favourable than the Previous Revolver and Previous Term Loan. The ratio of total debt (other than subordinated debt) to Adjusted EBITDA described in (ii) above must now only be less than 4.75:1, and the financial covenant pertaining to the ratio of Adjusted EBITDA less capital expenditures to Cash Interest Expense described in (iv) above has been removed entirely. The New Debt Financing also contains substantially similar definitions to those of the Previous Revolver and Previous Term Loan except that "Adjusted EBITDA" adds back certain specified items incurred with respect to the Acquisition, including transaction expenses, one-time rebranding costs and information technology system harmonization costs, not to exceed $23,500.

EnerCare Solutions was in compliance with the covenants within the New Revolver and New Term Loan as of December 31, 2014. No amounts were drawn under the New Revolver at December 31, 2014.

2012 Notes and 2013 Notes – Incurrence Test

The covenants in respect of the 2012 Notes and 2013 Notes are contained in the Senior Unsecured Indenture. Under the terms of the Senior Unsecured Indenture, EnerCare Solutions may not incur additional senior debt other than certain refinancing debt and certain working capital debt if the Incurrence Test is less than 3.8 to 1.

On December 31, 2014, EnerCare Solutions exceeded this minimum and had the capacity under the covenant to raise more than $300,000 additional senior debt should it elect to do so.

SUMMARY OF QUARTERLY RESULTS

(000's)	**Q4/14**	Q3/14	Q2/14	Q1/14	Q4/13	Q3/13	Q2/13	Q1/13
Total revenues	**$96,257**	$50,090	$50,159	$49,530	$48,719	$48,138	$48,182	$48,210
Net earnings/(loss)	**3,202**	4,031	7,078	6,480	5,230	6,291	6,397	(11,133)
Dividends declared	**$16,648**	$ 8,486	$10,600	$10,312	$10,161	$10,019	$ 6,632	$ 6,502

In addition to quarterly comments found under "*Results of Operations – EBITDA and Adjusted EBITDA*", differences in net earnings between quarters reflect the timing of expenses, current tax expense, the temporary difference reversals of future income tax recoveries and the impact of the Acquisition in the fourth quarter of 2014. Dividends declared primarily reflect the change in outstanding Shares over time as well as the dividend increases implemented in the first quarters of 2012, 2013 and 2014, and the fourth quarter of 2013.

SUMMARY OF CONTRACTUAL DEBT AND LEASE OBLIGATIONS

The following schedule summarizes the contractual debt and lease obligations of EnerCare Solutions at December 31, 2014:

Period	Debt		Finance Leases		Operating
(000's)	Principal	Interest	Principal	Interest	Leases
Due in 2015	$ -	$22,480	$1,981	$361	$1,237
Due in 2016	-	21,215	1,808	268	1,308
Due in 2017	250,000	21,100	1,551	177	536
Due in 2018	210,000	10,350	1,160	96	-
Due in 2019	-	10,350	701	39	-
Thereafter	225,000	5,175	253	6	-
Total	$685,000	$90,670	$7,454	$947	$3,081

As at December 31, 2014, long-term senior contractual obligations of EnerCare Solutions included debt service on the 2012 Notes and 2013 Notes bearing interest at 4.30% and 4.60%, respectively. Interest on the 2012 Notes is payable semi-annually on May 30 and November 30 and is payable semi-annually on February 3 and August 3 in respect of the 2013 Notes. In addition, the Previous Term Loan of $60,000, due January 28, 2016, was replaced in October 2014 as part of the financing of the Acquisition, which was partly financed through the issuance of the New Term Loan, maturing on October 20, 2018. The 2009-2 Notes, which would have matured on April 30, 2014, were redeemed on March 6, 2013, following the issuance of the 2013 Notes and the drawdown of the Previous Term Loan. In connection with the debt refinancing, a make-whole payment of $13,754 was paid in respect of the early redemption of the 2009-2 Notes in 2013.

At December 31, 2014, no amounts were drawn on the New Revolver. The New Revolver bears a standby charge of 0.20%, which has not been included in the above schedule.

The obligations under finance leases are secured by the leased vehicles and bear floating interest rates ranging from 0.5% to 7% per annum, which are contingent on market rates. The finance leases mature at dates ranging between January 2015 and December 2020.

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

ENERCARE SOLUTIONS SHARES ISSUED AND OUTSTANDING

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

At December 31, 2014, there were 1,169 common shares issued and outstanding.

FOURTH QUARTER RESULTS OF OPERATIONS

Earnings Summary (000's)	**2014**	2013
Revenues:		
Contracted revenue	**$84,513**	$47,807
Sales and other services	**10,807**	8
Dividend income	**870**	869
Investment income	**67**	35
Total revenues	**$96,257**	$48,719
Expenses:		
Cost of goods sold:		
Maintenance and servicing costs	**10,600**	-
Sales and other services	**7,693**	(10)
Total cost of goods sold	**18,293**	(10)
SG&A expenses	**29,678**	5,770
Amortization expense	**28,609**	24,028
Loss on disposal	**2,180**	2,666
Interest expense	**12,845**	9,207
Total expenses	**91,605**	41,661
Other income	**-**	769
Earnings before income taxes	**4,652**	7,827
Current tax (expense)	**(5,923)**	(6,069)
Deferred tax recovery	**4,473**	3,472
Net earnings	**$ 3,202**	$ 5,230
EBITDA	**$45,169**	$39,389
Adjusted EBITDA	**$47,349**	$42,824
Acquisition Adjusted EBITDA	**$51,487**	$42,824

Fourth Quarter Overview

Unless stated otherwise, the narrative in this section is in reference to the operating results for the fourth quarter of 2014 as compared to the same period in 2013.

Revenues

Total revenues of $96,257 in 2014 increased by $47,538 or 98% compared to 2013.

Home Services revenue, excluding investment income, for the period increased by $47,505 to $95,320, primarily as a result of $46,065 of additional revenues added through the Acquisition. The remaining $1,440 increase was primarily due to a rental rate increase implemented in January 2014, improved billing completeness and changes in asset mix, partially offset by the impact of net Attrition. Contracted revenues represent revenues generated by the Rentals units and protection plan contracts, while sales and other services revenues mainly pertain to royalties from franchisee protection plan sales, one-time sales and installations of residential furnaces, boilers, air conditioners and small commercial products as well as duct cleaning services.

Dividend income was consistent with 2013 and relates to preferred shares from ECI, which is wholly-owned by EnerCare.

Investment income was $67, $32 higher than 2013, primarily from higher investment income balances in 2014.

Cost of Goods Sold

Cost of goods sold increased by $18,303 compared to 2013, primarily due to $18,266 of expenses resulting from the increased scope of the business following the Acquisition. Maintenance and servicing costs primarily consist of protection plan expenses and servicing costs related to the Rentals portfolio while sales and other services expenses mainly pertain to one-time sales and installations of residential and commercial furnaces, water heaters, boilers, air conditioners as well as duct cleaning services.

Selling, General & Administrative Expenses

Total SG&A expenses were $29,678 in 2014, an increase of $23,908 compared to 2013, primarily due to $27,801 of additional expenses from the increased scope of the business following the Acquisition. The $23,908 increase over 2013 was primarily due to approximately $7,800 in wages and benefits, $4,030 in professional fees, $7,020 of billing and servicing costs, $1,850 in office expenses, $2,450 in selling expenses, $540 in bad debts and $220 in claims expenses. During the fourth quarter of 2014, SG&A expenses included $4,138 of costs associated with the Acquisition, of which approximately $3,470 were professional fees, $480 selling expenses, $110 office expenses and $70 of contract labour.

Amortization Expense

Amortization expense of $28,609 was $4,581 higher than in 2013, primarily due to additional amortization from capital and intangible asset additions resulting from the Acquisition of $1,032 and $4,015, respectively.

Loss on Disposal of Equipment

Loss on disposal of equipment for the period was $2,180, a decrease of $486 or 18% over 2013. The decreased loss was primarily the result of lower Attrition and fewer exchanged assets during the period.

Interest Expense

In 2014, interest expense of $12,845 was $3,638 higher than in 2013, primarily from an increase in Subordinated Promissory Notes, the issuance of additional debt and $254 of notional interest on employee benefit plans, both resulting from the Acquisition.

Net Earnings

Earnings before income taxes in 2014 were $4,652, $3,175 lower than 2013, as previously described. Net earnings were $3,202, a decrease of $2,028 in 2014, reflecting a reduction of $146 in current taxes and higher deferred tax recoveries of $1,001 impacted by the timing of deferred tax reversals.

NON-IFRS FINANCIAL AND PERFORMANCE MEASURES

The consolidated financial statements of EnerCare Solutions are prepared in accordance with IFRS. EnerCare Solutions' basis of presentation and significant accounting policies are summarized in detail in notes 2 and 3 of the consolidated financial statements for the period ended December 31, 2014.

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.

EBITDA, Adjusted EBITDA and Acquisition Adjusted EBITDA should not be construed as alternatives to net income determined in accordance with IFRS as indicators of EnerCare Solutions' performance.

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 – EBITDA, Adjusted EBITDA and Acquisition Adjusted EBITDA*" in this MD&A.

Adjusted EBITDA

This measure is comprised of net earnings plus income taxes, interest expense, amortization expense, impairment losses, loss on disposal of equipment, less investment 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, (see "*Results of Operations – EBITDA, Adjusted EBITDA and Acquisition Adjusted EBITDA*" in this MD&A).

Acquisition Adjusted EBITDA

This measure reflects the same components as Adjusted EBITDA, however, eliminates the additional one-time costs associated with the Acquisition, including equity bridge financing fees, professional fees associated with due diligence, pre and post-merger integration, expenditures associated with rebranding, severance and other costs in SG&A. This is one metric that can be used to determine EnerCare Solutions' ability to service its ongoing debt, finance capital expenditures, and provide for the payment of dividends to shareholders. Acquisition Adjusted EBITDA is reconciled with net earnings, an IFRS measure, in the section *"Results of Operations – EBITDA, Adjusted EBITDA and Acquisition Adjusted 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 the 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, 2014, EnerCare Solutions was in compliance with all covenants under the 2012 Notes, 2013 Notes, New Revolver and New Term Loan. A summary of the financial covenants in respect of such debt, together with those of the New Debt Financing, can be found in "*Liquidity and Capital Resources – Debt Financing*".

New Revolver and New Term Loan

Under the New Revolver and New Term Loan agreements, EnerCare Solutions is subject to three principal financial covenants as described in the section *"Risks Related to the Structure of EnerCare"* in this MD&A. The covenants address interest and debt coverage. EnerCare Solutions complied with these covenants on December 31, 2014. No amounts were drawn under the New Revolver at December 31, 2014.

2012 Notes and 2013 Notes – Incurrence Test

The covenants under the 2012 Notes and 2013 Notes are contained in the Senior Unsecured Indenture. Under the terms of the Senior Unsecured Indenture, EnerCare Solutions may not incur additional senior debt other than certain refinancing debt and certain working capital debt if the Incurrence Test is less than 3.8 to 1.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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. Management applies judgment in its assessment of EnerCare Solutions' arrangements with customers when determining the classification of leases and the extent to which the risks and rewards incidental to ownership lie with the company or the customer. In addition to leases, other estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. The following items are of significance for the period.

Revenue Accruals

At December 31, 2014, EnerCare Solutions recorded a revenue accrual of approximately $45,800 (2013 - $900) reflecting accrued service periods. Unbilled protection plans comprise approximately $28,400 (2013 - $0) of this balance which is predominantly made up of protection plans sold in franchisee service areas which are recognized as royalty revenue at inception but are invoiced over a period of twelve months. The remaining unbilled revenues reflect accrued service periods for rental water heaters and other products.

Bad Debt Provisions

EnerCare Solutions is exposed to credit risk in the normal course of business for customers who are billed directly by Enbridge within its service territory and secondarily when billed by EnerCare Solutions or are billed by Enbridge outside of its service territory. For billing within the Enbridge service territory, EnerCare Solutions was guaranteed payment by Enbridge for 99.56% in 2014 and 99.46% in 2013 of the amount billed (subject to certain exceptions) 21 calendar days after the invoices are issued. For the remaining billings, EnerCare Solutions considers several factors in the determination of the accounts receivable provision. Changes in any of these factors may result in a materially different recoverable amount.

Leases

Management applies judgment in its assessment of EnerCare Solutions' arrangements with customers when determining the classification of leases and the extent to which the risks and rewards incidental to ownership lie with the company or the customer.

Impairment of Non-Financial Assets and Goodwill

Impairment tests are conducted at least annually, or as warranted by prevailing circumstances at the time of reporting. The recoverable amount is based upon a number of assumptions, including but not limited to: discount rates, billing suites, cash flows and expenses. Changes in any of these assumptions may result in a materially different recoverable amount.

Employee Benefit Plans

EnerCare Solutions maintains active employee defined benefit pension plans which are closed to new members. The balances related to these plans are subject to a number of assumptions. The actuarial valuations rely on estimates and assumptions including those for wage escalation, mortality, health care and dental costs inflation, retirement ages, life expectancies and discount rates. Changes in these estimates could have a material impact on the employee benefit plans liability and employee benefit plan costs.

Recoverability of Deferred Tax Assets

Deferred tax assets are recognized to the extent that realization is considered probable. Judgments regarding projected future income and tax planning strategies are considered in making this assessment.

Business Combination

With respect to the preliminary estimated fair value of acquired assets and assumed liabilities and other adjustments related to the Acquisition, these consolidated financial statements have been prepared using the acquisition method of accounting, in accordance with IFRS 3R, Business Combinations, under which, the total fair value of the consideration transferred has been assigned to the assets acquired and liabilities assumed based on their estimated fair values at the date of the Acquisition, with any excess purchase price allocated to goodwill. Changes may be expected as additional information becomes available following the closing date of October 20, 2014. Accordingly, the final fair value determinations may differ from those set forth in these consolidated financial statements and such differences may be material.

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. EnerCare Solutions has used the Internal Control – Integrated Framework (2013) from The Committee of Sponsoring

Organizations of the Treadway Commission ("COSO") in order to assess the effectiveness of EnerCare Solutions' internal control over financial reporting. There are no material weaknesses relating to the design of either DC&P or ICFR at December 31, 2014. There have been no changes to our ICFR during the quarter and year to date ended December 31, 2014 that has materially affected, or is reasonably likely to materially affect, EnerCare Solutions' ICFR.

EnerCare Solutions has limited the scope of its design of disclosure controls and procedures and internal control over financial reporting to exclude controls, policies and procedures of EHCS LP, which acquired OHCS on October 20, 2014.

EHCS LP's contribution to EnerCare Solutions' consolidated financial statements for the year ended December 31, 2014 was approximately 19% of revenues and 7% of net earnings. In addition, EHCS LP's current assets and current liabilities were approximately 44% and 35% of the consolidated current assets and current liabilities, respectively, and its long term assets and long term liabilities were approximately 48% and 5% of consolidated long term assets and long term liabilities, respectively.

EnerCare Solutions is currently in the process of documenting and evaluating the controls, policies and procedures in respect of EHCS LP. The financial statements include approximately two months of OHCS results since Acquisition at October 20, 2014.

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 as issued by IASB applicable to the preparation of the consolidated financial statements. EnerCare Solutions has consistently applied the same accounting policies and methods of computation throughout all periods presented, as if these policies had always been in effect.

Adoption of New Accounting Standards

EnerCare Solutions has adopted new or revised standards, effective January 1, 2014. Management has determined that new interpretations have no impact on the amounts recognized in EnerCare Solutions' consolidated financial statements.

IFRIC 21, "Levies" provides guidance on accounting for levies in accordance with IAS 37, "Provisions, contingent liabilities and contingent assets". The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. Management has determined that this new interpretation did not have any material impact on the amounts recognized in EnerCare Solutions' consolidated financial statements.

The IASB issued Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36). The overall effect of the amendments is to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. EnerCare Solutions has modified its disclosures to meet the amendments in IAS 36.

Accounting Standards Issued But Not Yet Applied

The following are accounting policy changes to be implemented by EnerCare Solutions in future years:

Employee Future Benefits

IAS 19, “Employee Benefits”, was amended in November 2013. The amendments include changes to the accounting treatment of employee or third-party contributions to defined benefit plans under certain circumstances, and will be effective for EnerCare Solutions on January 1, 2015.

Revenue Recognition

IFRS 15, “Revenue from Contracts with Customers” (“IFRS 15”), provides a comprehensive five-step revenue recognition model for all contracts with customers. The IFRS 15 revenue recognition model requires management to exercise significant judgment and make estimates that affect revenue recognition. IFRS 15 is effective for annual periods beginning on or after January 1, 2017, with earlier application permitted. EnerCare Solutions is currently evaluating the impact of adopting this standard on the consolidated financial statements.

Financial Instruments

The final version of IFRS 9, “Financial Instruments” (“IFRS 9”), was issued by the IASB in July 2014 and will replace IAS 39, “Financial Instruments: Recognition and Measurement”. IFRS 9 introduces a model for classification and measurement, a single, forward-looking “expected loss” impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity’s own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. EnerCare Solutions is currently evaluating the impact of adopting this standard on the consolidated financial statements.

Presentation of Financial Statements

IAS 1, “Presentation of Financial Statements” (“IAS 1”) was amended by the IASB to clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and disclosure of accounting policies. The amendment gives guidance that information within the consolidated statements of financial position and consolidated statements of income should not be aggregated or disaggregated in a manner that obscures useful information, and that disaggregation may be required in the consolidated statements of income in the form of additional subtotals as they are relevant to understanding the entity’s financial position or performance. The amendments to IAS 1 are effective for periods beginning on or after January 1, 2016. EnerCare Solutions is currently evaluating the impact of adopting this standard on the consolidated financial statements.

RISK FACTORS

Risks Related to the Acquisition and Integration

Continued Reliance on DE Following the Acquisition

Under the Asset Purchase Agreement, EnerCare Solutions did not acquire certain assets owned by DE that were used in both OHCS and in DE's other business segments. As a result, EnerCare Solutions and DE entered into the Transition Services Agreement on the closing of the Acquisition that provides for, among other things, the continuing provision by DE of information technology and other "back office" services and support to EnerCare Solutions in respect of OHCS for up to a 21-month transition period. As a result, EnerCare Solutions continues to be reliant on DE's personnel, good faith, expertise, historical performance, technical resources and information systems, proprietary information and judgment in providing the services under the Transition Services Agreement. Accordingly, EnerCare Solutions continues to be exposed to adverse developments in the business and affairs of DE, to its management and financial strength. Furthermore, as the definitive decoupling plan contemplated by the Transition Services Agreement is not yet fully negotiated, no assurance can be given as to the terms of such plan or the financial or operational impact that such plan will have on OHCS or EnerCare Solutions' ability to operate OHCS in the same or substantially the same manner as operated by DE as of closing of the Acquisition. Management can give no assurance as to the estimated transition costs as the definitive decoupling plan is not yet settled, and these costs could be substantial.

Risks Related to the Integration of OHCS into EnerCare Solutions' Business

In order to achieve the anticipated benefits of the Acquisition, EnerCare Solutions will rely upon its ability to successfully retain staff, consolidate functions and integrate operations, procedures and personnel in a timely and efficient manner and to realize the anticipated growth opportunities from combining OHCS and related operations with those of EnerCare Solutions. The integration of OHCS and related operations requires the dedication of management effort, time and resources, which may divert management's focus and resources away from other strategic opportunities and from operational matters during the integration process. The integration process may result in the disruption of ongoing business and customer relationships that may materially adversely affect EnerCare Solutions' ability to achieve the anticipated benefits of the Acquisition.

In addition, completing the information technology systems integration upon the expiry of the Transition Services Agreement, as will be set out in the definitive decoupling plan, will require continued focus and investment by both DE and EnerCare Solutions. Failure to successfully migrate the necessary information technology from DE's legacy systems to a stand-alone system (or the recreation of DE's systems by EnerCare Solutions), or a significant disruption in the information technology systems during the decoupling of the OHCS system and/or upon the expiry of the Transition Services Agreement, could result in a lack of data and processes to enable management to effectively manage day-to-day operations of OHCS or achieve its operational objectives, causing significant disruptions to OHCS and potential material financial losses.

Risks Related to Replacement of Shared Information Technology Assets

OHCS depended in large part on DE's corporate information technology services and, pursuant to the Transition Services Agreement, certain information technology and other related assets will continue to be utilized by OHCS and other DE lines of business. Although under the Asset Purchase Agreement and Transition Services Agreement many of those shared assets are to be replaced by EnerCare Solutions at an appropriate time at the cost of DE, other shared assets are to be replaced at EnerCare Solutions' cost. There is a risk, therefore, that not all of the assets utilized by DE in operating OHCS can or will be replaced by EnerCare Solutions in a timely manner, and that those assets replaced by EnerCare Solutions, whether at its cost or at the cost of DE, may not be as effective as the assets utilized by DE, which could have a material adverse effect on EnerCare Solutions' financial condition and results of operations and on

EnerCare Solutions' ability to satisfy its debt service obligations.

Possible Failure to Realize Expected Returns on the Acquisition

There can be no assurance that management of EnerCare Solutions will be able to fully realize some or all of the expected benefits of the Acquisition. The ability to realize these anticipated benefits will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as on the ability to realize growth opportunities and potential synergies from integrating OHCS with EnerCare Solutions' existing business. There is a risk that some or all of the expected benefits will fail to materialize, or may not occur within the time periods anticipated by management. The realization of some or all of such benefits may be affected by a number of factors, many of which are beyond the control of EnerCare Solutions.

Risks Related to Rebranding

OHCS is in the process of being rebranded by EnerCare Solutions. No assurance can be given that EnerCare Solutions' brand will be as valuable as the "DE" brand or that rebranding will not result in a loss of customers due to a lack of brand recognition or otherwise.

Assumption of Liabilities

EnerCare Solutions assumed certain liabilities arising out of or related to OHCS, and agreed to indemnify DE for, among other matters, such liabilities. In addition, there may be liabilities that EnerCare Solutions failed to discover or was unable to quantify during its due diligence and which could have a material adverse effect on EnerCare Solutions' business, financial condition or future prospects. DE's representations and warranties, and related indemnification, may not apply or be sufficient so as to fully indemnify EnerCare Solutions for such liabilities.

Internalization of OHCS

The success of the Acquisition will depend in large part on the ability of management to integrate DE personnel and systems into EnerCare Solutions (or to recreate DE's systems under the Transition Services Agreement). Going forward, EnerCare Solutions will depend on the diligence, experience and skill of the former DE personnel that joined EnerCare Solutions in conjunction with the closing of the Acquisition and the future success of EnerCare Solutions will depend on the continued service of these individuals. EnerCare Solutions may be unable to retain former employees of DE to the same extent that DE has been able to do so in the past. Such individuals may depart because of issues relating to the uncertainty or difficulty associated with the integration, including potential differences in corporate cultures and management philosophies. Furthermore, pursuant to the Asset Purchase Agreement, senior management employees of DE that had responsibility for overseeing OHCS or corporate support functions did not become employees of EnerCare Solutions and therefore EnerCare Solutions does not have the benefit of their experience in the management of OHCS. The departure of a significant number of OHCS employees is not expected but if this occurs for any reason, the failure to appoint qualified or effective successors in the event of such departures or the failure to replace senior management employees of DE that were not employed by EnerCare Solutions on closing of the Acquisition could have a material adverse effect on EnerCare Solutions' ability to achieve its objectives, the market price or value of EnerCare's securities and on EnerCare Solutions' ability to satisfy its debt service obligations.

Indemnities in the Asset Purchase Agreement

The representations and warranties provided by DE pursuant to the Asset Purchase Agreement are customary for a transaction of this nature. There can be no assurance, however, of adequate recovery by EnerCare Solutions from DE for any breach of the representations, warranties and covenants of DE under the Asset Purchase Agreement or Transition Services Agreement, or that the length and amounts of the indemnities provided will be sufficient to satisfy such obligations, or that DE will have the financial ability to satisfy such obligations. Similarly, there can be no assurance of recovery from Centrica plc.

Risks Related to the Home Services Business and Industry

Billing Arrangements

As a result of current billing agreements, EnerCare Solutions is reliant on the personnel, expertise, technical resources, proprietary information and judgment of Enbridge, among others, in providing customer services in respect of Home Services. EnerCare Solutions and its subsidiaries are therefore exposed to adverse developments in the business and affairs of Enbridge, and to its management and financial strength. Although Enbridge is required, under each OBA to make the specified payments to EnerCare Solutions, thereby effectively guaranteeing EnerCare Solutions' collection of 99.56% of the amount invoiced by EnerCare Solutions on the Enbridge bill effective January 1, 2014, subject to adjustments in accordance with the terms of the OBAs, there can be no assurance that Enbridge will have the financial capability to honour such obligation.

In the event that EnerCare Solutions and EHCS LP do not enter into further arrangements with Enbridge upon expiration of the OBAs, EnerCare Solutions may provide the billing and collection services and issue stand-alone bills in the Enbridge billing territory, either itself or through contracts with other third parties.

Any provision of customer services in respect of the Rentals portfolio by EnerCare Solutions and stand-alone billing could have a material adverse effect on EnerCare Solutions' financial condition and results of operations and on its ability to satisfy its debt service obligations as there can be no assurance that the customer services delivered by EnerCare Solutions, or other third parties, will be of the same standard as those delivered under the OBAs and stand-alone billing may result in increased bad debt.

Bad debt experience may also increase if any arrangement relating to stand-alone billing and collection services does not include a collection guarantee. It is also possible that transitional issues may arise following a termination of the OBAs and associated arrangements, and those issues may have a material adverse effect on EnerCare Solutions' financial condition and results of operations and on EnerCare Solutions' ability to satisfy its debt service obligations.

Furthermore, any failure to maintain such billing and trust arrangements may have an adverse impact on the credit rating of EnerCare and EnerCare Solutions' outstanding indebtedness, EnerCare's and EnerCare Solutions' respective issuer credit ratings and EnerCare Solutions' ability to refinance any of its indebtedness.

Reliance on Call Centres

EnerCare Solutions utilizes third party service providers in the Home Services business in the provision of most customer care services, including dealing with customer telephone queries, protection plan sales and renewals and other direct telephonic communications with customers. As a result, EnerCare Solutions is reliant on the personnel, good faith, expertise, technical resources and information systems, proprietary information and judgment of those service providers in providing such customer care services. Accordingly, EnerCare Solutions will be exposed to adverse developments in the business and affairs of such service providers, their management and their financial strength.

Regulatory Matters

As the vast majority of EnerCare Solutions' customers are consumers, EnerCare Solutions is subject to consumer protection laws and regulations (including the *Consumer Protection Act, 2002* (Ontario)). Although EnerCare Solutions believes that it is in compliance with such consumer protection laws and regulations in all material respects, given the likelihood that regulatory determinations are likely to favour consumers in the event of any ambiguity in such laws or regulations (of which there are many), no assurance can be given that EnerCare Solutions will be able to comply with such laws or regulations. Furthermore, changes to any of the laws, rules, regulations or policies respecting the installation, contracting, servicing or billing practices in relation to water heaters, including Bill 55, could have a significant impact on EnerCare Solutions' business, including its compliance costs. There can be no assurance that EnerCare Solutions will be able to comply with any future laws, rules, regulations and policies or, if it does so comply, what the impact may be on its costs to so comply. Failure by EnerCare Solutions to comply with applicable laws, rules, regulations and policies may subject it to civil or regulatory proceedings, including fines, injunctions, recalls or seizures, which may have a material adverse effect on EnerCare Solutions' financial condition and results of operations and on its ability to satisfy its debt service obligations.

In November 2014, following the Acquisition, EnerCare voluntarily provided written assurance to the Commissioner under the Competition Act so as to fully resolve concerns that the Commissioner had in respect of certain water heater return policies and practices of DE. Although EnerCare Solutions does not expect that the changes provided for in such written assurance, which was the culmination of a co-operative process between EnerCare and the Commissioner, will have a significant impact on its operating costs or Attrition, no assurance can be given in that regard and no assurance can be given that EnerCare Solutions will not in the future be subject to other constraints on its business operations under the Competition Act or otherwise in respect of Home Services.

Attrition and Competition

EnerCare Solutions operates in a competitive environment and hence its growth and sustainability may be negatively impacted by loss of market share to new competition or due to changes in consumer behaviour. In 2009, EnerCare Solutions encountered increased competitive pressure and a resulting increase in its Attrition rate. The annualized Attrition rate for 2014 was 3.67% compared to 4.17% in 2013, 5.98% in 2012, 6.00% in 2011, 6.35% in 2010 and 8.02% in 2009. The Attrition rate in 2008 was 3.2%. The higher Attrition rates that began in 2009 are attributable principally to increased competition from both traditional entities and new entrants. Some of these new market entrants used aggressive door to door promotion.

As a result of these and other competitive pressures, EnerCare Solutions may experience increased Attrition rates in the future as well as higher expenses in defense of the installed water heater customer base. Increased Attrition rates could have a material adverse effect on EnerCare Solutions' financial condition and results of operations and on its ability to satisfy its debt service obligations.

Buy-Outs and Returns of Water Heaters

Since the fourth quarter of 2004, customers have been permitted to terminate their Rentals contracts without charge. Prior to that time, the exit charge permitted to be charged to customers in the first five years following installation was not sufficient to cover the capital cost of the installed water heaters and, if the water heater was installed for over five years, there was no exit charge payable. In 2010, EnerCare Solutions implemented new terms and conditions for certain new customers pursuant to which EnerCare Solutions may require these customers to buy-out their water heaters at a pre-determined price determined with reference to the price of the water heater at the time of installation of the water heater if the contract is terminated prior to the end of the useful life of the applicable equipment. If customers choose to buy their installed water heaters or terminate their Rentals contracts, the number of installed water heaters and the composition of the portfolio of installed water heaters could change. Any loss of customers could have a material adverse effect on EnerCare Solutions' financial condition and results of operations and on its ability to satisfy its debt service obligations.

Social or Technological Changes

Within Canada, the Province of Ontario marketplace is unique in that the vast majority of homeowners rent their water heaters. There can be no assurance that homeowners will continue to rent their water heaters for an indefinite period. It is also possible that more economical or efficient water heating technology than that which is currently used by customers will be developed or that the economic conditions in which the current technology is applied will change resulting in a reduction in the number of installed water heaters. Any material change in homeowners' rental practices or in technology may have a material adverse effect on EnerCare Solutions' financial condition and results of operations and on its ability to satisfy its debt service obligations.

Useful Life of Water Heaters

Past experience indicates that the average useful life of a water heater is approximately 16 years. However, there can be no assurance that water heaters will continue to have a useful life of that length. EnerCare Solutions will be responsible for, among other things, the capital cost and installation fees related to the purchase and installation of replacement water heaters. There can be no assurance that EnerCare Solutions will have sufficient cash flow or financing capabilities to fund the purchase and installation of replacement water heaters. The lack of such funds could limit the ability of EnerCare Solutions to maintain the portfolio of water heaters which could have a material adverse effect on EnerCare Solutions' financial condition and results of operations and on its ability to satisfy its debt service obligations.

Concentration of Suppliers, Product Faults and Costs

Although there are a number of manufacturers of water heaters outside Canada, EnerCare Solutions will rely principally on three suppliers for its supply of water heaters, GSW Inc., Rheem Canada Ltd. and Bradford White Corporation. Should any of these suppliers fail to deliver in a timely manner, the result could be delays or disruptions in the supply and installation of water heaters. In addition, as many of the installed water heaters are of the same or similar type manufactured by these three manufacturers, manufacturer's defects or product recalls relating to a particular production model or type of water heater could affect a material portion of the Rentals portfolio. Furthermore, different water heater manufacturers may, from time to time, source components from the same manufacturers for use in their water heaters. As a result, a parts defect relating to a commonly sourced component could affect water heaters produced by more than one manufacturer. EnerCare Solutions does not insure against this risk of product defects or product recalls. All water heaters manufactured by GSW Inc. that were purchased by DE or EnerCare Solutions are currently made in Canada. If GSW Inc. moved production out of Canada, the capital cost of their water heaters may increase. Rheem Canada Ltd. moved production to Mexico in June of 2006. Bradford White Corporation's production facilities are located in the United States.

Prior to the Acquisition, DE had the principal relationship with these three suppliers for the supply of water heaters. There can be no assurance that EnerCare Solutions' relationship with any or all of these suppliers will not be adversely affected as a result of the Acquisition or that the costs of water heaters will not rise as a result.

Although there are a number of suppliers of HVAC equipment, no assurance can be given that EnerCare Solutions will have the same purchasing power as that previously enjoyed by DE in the purchase of HVAC equipment from one or more of these suppliers as EnerCare Solutions' purchases will principally be limited to purchases to serve the Ontario marketplace only.

EnerCare Solutions' business exposes it to potential product liability and product defect risks that are inherent in the ownership and servicing of water heaters and HVAC equipment rentals. While EnerCare Solutions currently maintains what it believes to be suitable product liability insurance, there can be no assurance that EnerCare Solutions will be able to maintain such insurance on acceptable terms or that any such insurance will provide adequate protection against potential liabilities. In the event of a successful claim against EnerCare Solutions, a lack of sufficient insurance coverage could have a material adverse effect on EnerCare Solutions' financial condition and results of operations and on its ability to satisfy its debt service obligations. Moreover, even if EnerCare Solutions maintains adequate insurance, any successful claim could have a material adverse effect on EnerCare Solutions' financial condition and results of operations and on its ability to satisfy its debt service obligations. EnerCare Solutions does not insure against the risk of product defects or product recalls.

While there are several major suppliers of water heaters, HVAC equipment and other rented equipment, the cost of the equipment is affected by commodity prices, such as steel and copper, and currency fluctuations, mainly the U.S. dollar relative to the Canadian dollar. EnerCare Solutions does not hedge these types of exposures, so in any given year, there can be no assurance that increases in capital costs and expenses will be able to be recovered fully in rental rates charged to customers.

Franchisee Independence and Relationships

Approximately 40% of the Home Services portfolio is serviced by licensed franchisees. Licensed franchisees are independent businesses and, as a result, their operations may be adversely affected by factors beyond EnerCare Solutions' control which, in turn, could adversely affect EnerCare Solutions' reputation, operations and financial performance. Revenues and earnings could also be adversely affected, and EnerCare Solutions' reputation could be harmed, if a significant number of licensed franchisees were to experience operational failures, health and safety exposures or were unable to perform the necessary services under the Rentals contracts. The franchise system is also subject to franchise legislation in the Province of Ontario. Any new legislation or failure to comply with existing legislation could adversely affect operations and could add administrative costs and burdens, any of which could adversely affect EnerCare Solutions' relationship with its licensed franchisees. EnerCare Solutions provides various services to the licensed franchisees to assist with management of their operations and dedicated personnel manage EnerCare Solutions' obligations to its licensed franchisees. Despite these efforts, relationships with licensed franchisees could pose significant risks if they are disrupted, which could adversely affect the reputation, operations and financial performance of EnerCare Solutions.

Labour Relations

EnerCare Solutions' workforce is comprised of both unionized and non-union employees. With respect to those employees that are covered by collective bargaining agreements, including the CBA, there can be no assurance as to the outcome of any negotiations to renew such agreement on satisfactory terms. Failure to renegotiate collective bargaining agreements, including the CBA, could result in strikes, work stoppages or interruptions, and if any of these events were to occur, they could have a material adverse effect on EnerCare Solutions' reputation, operations and financial performance and its ability to satisfy its debt service obligations. If non-unionized employees become subject to collective agreements, the terms of any new collective agreements would have implications for the affected operations, and those implications could be material.

Pension Plan and Other Post-Employment Benefits Obligations

OHCS participates in a hybrid pension plan sponsored by DE which provides defined benefits to a closed group of active employees, and offers other post-employment benefits. The notes to EnerCare's financial statements as at and for the year ended December 31, 2014 include a discussion of the most significant sources of risk for EnerCare Solutions as a result of the defined benefit portion of the pension plan, including a sensitivity analysis. EnerCare Solutions will be subject to similar risks as it will assume the pension-related obligations of OHCS pursuant to a new pension plan established pursuant to the Asset Purchase Agreement following regulatory approval and DE's full funding of that new pension plan on a solvency basis at the time of transfer to DE.

Geographic Concentration and New Home Construction

Essentially all of Home Services assets are located in the Province of Ontario as the Canadian water heater rental market is primarily limited to the Province of Ontario. As a result, the income generated by the Rentals business and the performance of the Rentals business will be highly sensitive to changes in economic conditions in the Province of Ontario, which may differ from those affecting other regions of Canada. Adverse changes in the economic conditions in the Province of Ontario may have a material adverse effect on EnerCare Solutions' business, cash flows, financial condition and results of operations and ability to satisfy its debt service obligations.

Furthermore, most of the growth in the number of installed rental water heaters and HVAC equipment is principally as a result of new home construction of detached, semi-detached and row houses, which is a particularly competitive section of the water heater and HVAC equipment rental industry in the Province of Ontario. Consequently, EnerCare Solutions is particularly reliant on the economy of the Province of Ontario to maintain and to grow the Rentals portfolio. The recent downturn and uncertainty in the Province of Ontario's economy and corresponding slowdown in new home construction of detached, semi-detached and row houses has had in 2008 and 2009, and to a lesser extent from 2010 to 2014, an adverse effect on demand for water heaters and HVAC equipment.

Uninsured or Underinsured Risks

EnerCare Solutions' current insurance coverage in respect of potential liabilities of EnerCare Solutions and the accidental loss of value of the assets of EnerCare Solutions from risks is in the form of comprehensive property and casualty insurance in respect of claims for bodily injury or property damage arising out of assets or operations (subject to deductible amounts). However, not all risks are covered by insurance, and no assurance can be given that insurance will be consistently available or will be consistently available on an economically feasible basis or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving the assets or operations of EnerCare Solutions.

Lack of Written Rental Contracts

In many cases, DE did not enter into written agreements with customers or did not enter into updated written agreements to reflect the current rental terms and conditions. As a result, those customers may assert a right to terminate their relationship with EnerCare Solutions at any time or EnerCare Solutions may be unable to enforce payment of certain charges payable by such customers. Any loss of customers or inability to enforce payment of certain charges paid by customers for installed water heaters or HVAC equipment could have a material adverse effect on EnerCare Solutions' financial condition and results of operations and on its ability to satisfy its debt service obligations.

Protection Plan Renewal Risk

Protection plans typically have a 12-month term. Upon the expiry of any protection plan, there can be no assurance that the protection plan will be renewed or, if it is renewed, that the terms thereof will be as favourable to EnerCare Solutions as the expiring contract terms. The failure to achieve renewals and/or price increases may have a material adverse effect on the financial position and results of operations of EnerCare Solutions and on its ability to satisfy its debt service obligations.

Litigation Risk

In the normal course of EnerCare Solutions' operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to, among other things, personal injuries, property damage, contract disputes and their business activities. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to EnerCare Solutions and as a result, could have a material adverse effect on its financial conditions and results of operations and its ability to satisfy its debt service obligations. Even if EnerCare Solutions prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel away from EnerCare Solutions' business operations which could have a material adverse effect on its financial condition and results of operations and on its ability to satisfy its debt service obligations. In particular, EnerCare and a subsidiary of EnerCare Solutions have been named in legal proceedings commenced by certain competitors, the outcomes of which, at this stage of the proceedings, are impossible to predict with any certainty. Furthermore, no assurance can be given that EnerCare Solutions will not become involved in litigation, whether as defendant or plaintiff, in other matters from time to time.

Foreign Exchange Impacts

Since December 31, 2013, the Canadian dollar has continued to weaken compared to the US dollar. The Home Services business incurs significant capital and operating expenditures, such as water heater, HVAC equipment and other parts costs, that are denominated in U.S. dollars. The continued devaluation of the Canadian dollar may significantly increase EnerCare Solutions' capital and operating expenditures in Canadian dollar terms. EnerCare Solutions continuously monitors, evaluates and mitigates foreign exchange impacts to EnerCare Solutions' margins through price adjustments that are passed on to customers.

Risks Related to the Structure of EnerCare Solutions

Leverage Risk and Restrictive Covenants

EnerCare Solutions has significant debt service obligations under its 2012 Notes, 2013 Notes and New Debt Financing. The degree to which EnerCare Solutions is leveraged could have material adverse consequences for EnerCare Solutions, including: (i) limiting EnerCare Solutions' ability to obtain additional financing for working capital, capital expenditures (which are important to its growth and strategies), product development, debt service requirements, acquisitions and general corporate or other purposes; (ii) having to dedicate a portion of Solutions' cash flows from operations to the payment of interest on EnerCare Solutions' existing indebtedness and not having such cash flows available for other purposes, including operations, capital expenditures and future business opportunities; (iii) restricting EnerCare Solutions' flexibility and discretion to operate its business; (iv) exposing EnerCare Solutions to increased interest expense on borrowings at variable rates (including the New Debt Financing); (v) limiting EnerCare Solutions' ability to adjust to changing market conditions; (vi) placing EnerCare at a competitive disadvantage compared to its competitors that have incurred less debt; (vii) making EnerCare Solutions more vulnerable in a downturn in general economic conditions; and (viii) EnerCare Solutions' failure to refinance its 2012 Notes, 2013 Notes and New Debt Financing will have a material adverse effect on its ability to satisfy its debt service obligations. The amount of interest payable on the New Debt Financing is variable, and the interest rate may fluctuate significantly. Historical levels, fluctuations and trends in interest rates are not necessarily indicative of future levels. Any significant upward movement in interest rates could materially increase the cost of borrowing under the New Debt Financing.

The Senior Unsecured Indenture and the New Debt Financing contain restrictive covenants of a customary nature, including covenants that limit the discretion of the board with respect to certain business matters. These covenants place restrictions on, among other things, the ability of EnerCare Solutions and the guarantors, to incur additional indebtedness, to pay distributions or dividends or make certain other payments, and to sell or otherwise dispose of significant assets or consolidate with another entity. In addition, there are also a number of financial covenants that require EnerCare Solutions to meet certain financial ratios and financial condition tests. Failure to comply with these obligations could result in an event of default which, if not cured or waived, could permit acceleration of the 2012 Notes, 2013 Notes and New Debt Financing. If the 2012 Notes, 2013 Notes or New Debt Financing were to be accelerated, there could be no assurance that the assets of EnerCare Solutions would be sufficient to repay in full such indebtedness. There can also be no assurance that the 2012 Notes, 2013 Notes, New Debt Financing or any other indebtedness will be able to be refinanced by EnerCare Solutions on commercially reasonable terms, or at all.

Credit Ratings and Credit Risk

There can be no assurance that any credit ratings assigned to EnerCare Solutions, 2012 Notes and/or 2013 Notes and/or EnerCare Solutions will remain in effect for any given period of time or that the ratings will not be withdrawn or revised by either or both of DBRS and S&P at any time. Real or anticipated changes in credit ratings on EnerCare Solutions may affect the market value of the Shares, 2012 Notes and 2013 Notes. In addition, real or anticipated changes in credit ratings can affect the cost at which EnerCare Solutions can access the capital markets and the pricing of the New Debt Financing.

Reliance on Key Executives

EnerCare Solutions' operations and prospects are dependent upon the participation of key executives. The loss of their services and EnerCare Solutions' inability to attract and retain qualified and experienced personnel may materially affect EnerCare Solutions' ability to operate and grow EnerCare Solutions.

Market Value Fluctuations

Prevailing interest rates will affect the market value of the Senior Notes, as they carry a fixed interest rate. Assuming all other factors remain unchanged, the market value of the Senior Notes, which carry a fixed interest rate, will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Reliance on Directors

In assessing the risk of an investment in EnerCare Solutions, potential investors should be aware that they will be relying on the good faith, experience and judgment of the board. Although investments made by EnerCare Solutions are carefully selected, there can be no assurance that such investments will earn a positive return in the short or long term or that losses may not be suffered by EnerCare Solutions from such investments.

OUTLOOK

The forward-looking statements contained in this section are not historical facts but, rather, reflect EnerCare Solutions' current expectations regarding future results or events and are based on information currently available to management.

EnerCare Solutions continues to experience improved results in Home Services through improved customer retention and increased average monthly rental rates as a result of our rental HVAC strategy. We continue to believe that the factors contributing to the decline in Attrition over the last five years, including improved customer awareness, and Bill 55, will create a favourable environment for further improvement in customer retention. EnerCare Solutions is pleased that Bill 55 will come in effect on April 1, 2015. Although it continues to assess the operational impact of the new bill, it believes that any operational changes will be implemented before the deadline.

EnerCare Solutions key priorities and initiatives for 2014 in the Rentals business were to grow revenue in excess of its annual rate increases, increase the number of unit additions, continue to improve Attrition and increase Adjusted EBITDA, and successfully integrate the OHCS business. EnerCare Solutions is pleased to report that it has exceeded its targets with respect to these objectives.

The purchase of OHCS has been transformative for EnerCare Solutions. The Acquisition has allowed EnerCare Solutions to have direct access to its customers, control over all aspects of its operations and larger financial scale. EnerCare Solutions' priority for the first twelve months remains the reunification of the two businesses, which has been successful to-date.

EnerCare Solutions' re-branding initiatives commenced in early 2015 with co-branding on customer invoices, sales literature and advertising. Re-branding initiatives will continue throughout 2015.

The Transition Services Agreement regarding the decoupling of DE's information technology platform is progressing well. The first phase of de-coupling is scheduled to be completed during the first half of 2015.

Going forward, EnerCare Solutions expects that the revenue and cost of goods sold will be impacted as a result of the costs incurred for protection plans sold by DE prior to the Acquisition. EnerCare Solution' estimates that the results of operations were negatively impacted by $1,500 in 2014 and will be further impacted in 2015 by an additional $1,500. Similar impacts are not expected to impact 2016.

The exchange rate of the U.S. dollar to the Canadian dollar will have an impact to EnerCare Solutions' 2015 capital spend and its cost of goods sold as a result of increased equipment and part costs which are sourced from the United States. However, most of the increased costs can be passed through to the customer.

Home Services business has seasonal impacts on its revenue recognition and sales activities. Revenue, costs of services and Adjusted EBITDA are expected to primarily increase during the cooling and heating season, which typically fall in the third and fourth quarter of the year.

In January 2015, EnerCare Solutions increased its weighted average rental rate by 3%.

GLOSSARY OF TERMS

Defined Term	Definition
Acquisition	The acquisition of the OHCS business of DE by EnerCare Solutions on October 20, 2014 through EHCS LP pursuant the Asset Purchase Agreement.
Asset Purchase Agreement	The agreement dated July 24, 2014 between EnerCare, EHCS LP and DE regarding the Acquisition.
Attrition	Termination of customer relationships, including buyouts, in the Rentals portfolio.
Bill 55	Stronger Protection for Ontario Consumers Act, 2013.
CBA	The collective bargaining agreement negotiated and ratified in 2012 and 2014 by DE with Unifor Local 975.
Competition Act	*Competition Act* (Canada).
Conversion	The conversion of the Fund and the Trust, income trusts, to EnerCare and EnerCare Solutions, respectively.
Co-ownership Agreement	Co-ownership Agreement dated December 17, 2002 between DE, Rentco, 4104285 Canada Limited and CIBC Mellon Trust Company as custodian, as assigned by Rentco to ESLP on December 17, 2002 and by DE to EHCS LP on October 20, 2014, as amended on February 6, 2003, January 1, 2005, December 29, 2006, February 8, 2007 and April 25, 2007, as assigned by DE to EHCS LP on October 20, 2014, and further amended on January 1, 2015 and assigned by CIBC Mellon Trust Company to EHCS GP, as successor custodian.
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.
ECI	EnerCare Connections Inc. (formerly Stratacon and Enbridge Electric Connections Inc.).
EHCS GP	EnerCare Home and Commercial Services Inc.
EHCS LP	EnerCare Home and Commercial Services Limited Partnership, the limited partnership formed to own OHCS following the closing of the Acquisition, an indirect wholly-owned subsidiary of EnerCare Solutions.
Enbridge	Enbridge Gas Distribution Inc.
EnerCare	EnerCare Inc., formerly the Fund.
EnerCare Solutions	EnerCare Solutions Inc., formerly the Trust.
ESLP	EnerCare Solutions Limited Partnership (formerly the Waterheater Operating Limited Partnership).
ESN	Energy Services Niagara Inc.
Fund	The Consumers' Waterheater Income Fund, predecessor to EnerCare prior to the conversion of the Fund from an income trust to corporate structure pursuant to a plan of arrangement on January 1, 2011.
GTA	The greater Toronto area.
Guarantors	Collectively, ESLP, Rentco, WGP Inc., EHCS LP and the general partner of EHCS LP.
HVAC Equipment	Commercial and residential mechanical systems which provide heating, cooling, ventilation and/or domestic hot water within a building, to provide a controlled environment for the occupants, whether fuelled by natural gas, electricity or otherwise.
Home Services	Business division that provides rental water heaters, furnaces, air conditioners and other HVAC products and, as of October 20, 2014, also provides protection plans, HVAC sales and related services.
IASB	The International Accounting Standards Board.
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.
Incurrence Test	2009 Notes and 2012 Notes Incurrence EBITDA to Net Interest Expense.
MD&A	Management's Discussion and Analysis.
New Debt Financing	The debt financing of EnerCare Solutions in respect of the Acquisition consisting of an unsecured (i) 4-year variable rate, non-revolving term loan facility in the amount of $210,000 and (ii) 5-year variable rate, revolving credit facility in the maximum amount of $100,000.
New OBAs	The amended and restated open bill access billing and collection services agreements effective December 21, 2012, as amended and restated effective January 6, 2014 between (i) DE and Enbridge; and (ii) EnerCare and Enbridge.
New Revolver	The 5-year variable rate, revolving credit facility in the maximum amount of $100,000 issued under the New Debt Refinancing.
New Term Loan	The 4-year variable rate, non-revolving term loan facility in the amount of $210,000 issued under the New Debt Financing.
OBA	The Enbridge open bill access agreement.
OCI	Other Comprehensive Income.
OHCS	The Ontario home and small commercial services business of DE acquired by EnerCare Solutions on October 20, 2014 pursuant to the Asset Purchase Agreement.
Origination Agreement	The origination agreement dated December 17, 2002 between Rentco and DE providing for the sale to ESLP of rental water heaters originated by DE, as amended on January 1, 2005, December 29, 2006, January 1, 2013 and August 1, 2013, as assigned by DE to EHCS LP on October 20, 2014.
Previous Revolver	$35,000 line of credit, with a maturity date of November 15, 2014, as amended and restated as of July 6, 2011, and further amended on November 15, 2012, February 26, 2013 and July 4, 2014 and replaced on October 20, 2014 with the New Revolver.
Previous Term Loan	$60,000 single draw, variable rate, interest only, open loan with a maturity date of January 28, 2016, which was repaid and terminated on October 20, 2014.
Rentals Portfolio	Business division that provides rental water heaters, furnaces, air conditioners and other HVAC products and is part of Home Services.
Rentco	4483588 Canada Inc. (formerly, Direct Waterheater Rentals Inc.).
SG&A	Selling, general and administrative expenses.
S&P	Standard and Poor's Rating Services.
Senior Notes	The 2012 Notes and the 2013 Notes and prior to March 6, 2013, the 2009-2 Notes, and prior to December 21, 2012, the 2010 Notes and prior to April 30, 2012, the 2009-1 Notes, and any other series of senior notes authorized, issued and certified in accordance with the terms of the Senior Unsecured Indenture and for the time being outstanding.
Senior Unsecured Indenture	The trust indenture dated as of January 29, 2010 between the Trust, as issuer, the Guarantors, as guarantors, and Computershare Company of Canada, as indenture trustee, as supplemented by the first supplemental indenture dated as of January 29, 2010, the second supplemental indenture dated as of February 19, 2010, the third supplemental indenture dated as of December 1, 2010, the fourth supplemental indenture dated as of January 1, 2011, the fifth supplemental indenture dated as of September 30, 2012, the sixth supplemental indenture dated as of November 21, 2012 and the seventh supplemental indentured dated as of February 1, 2013, as the same may be amended, modified, supplemented, restated or replaced from time to time. The Trust was wound-up and dissolved in connection with the reorganization of the Fund`s income trust structure to a corporate structure and all of the covenants and obligations of the Trust with respect to the Senior Unsecured Indenture were assumed by EnerCare Solutions.
Shares	Common shares of EnerCare.
Stratacon	Stratacon Inc. (now ECI).
Subordinated Debt	$250,000 intercompany subordinated loan of a subsidiary of EnerCare Solutions owed to ECI, bearing interest at 7% annually, payable on demand, $200,000 of which was repaid in the third quarter of 2012.

Defined Term	Definition
Subordinated Promissory Notes	$100,000 subordinated promissory note of EnerCare Solutions owing to EnerCare, issued as part of the Conversion and an additional $150,000 subordinated promissory note of EnerCare Solutions owing to EnerCare which was issued on September 28, 2012.
Subscription Receipts	$319,931 (net of underwriters' fees) of subscription receipts issued by EnerCare on a bought deal basis.
Transition Services Agreement	The agreement entered into on closing of the Acquisition in respect of the provision by DE of certain ongoing information technology transitional services and information technology decoupling services.
Trust	The Consumers' Waterheater Operating Trust.
Units	Trust Units of the Fund.
2009 Notes	Collectively, the 2009-1 Notes and 2009-2 Notes.
2009-1 Notes	$60,000 of 6.20% Series 2009-1 Senior Notes of EnerCare Solutions, which matured and were repaid on April 30, 2012.
2009-2 Notes	$270,000 of 6.75% Series 2009-2 Senior Notes of EnerCare Solutions, which were redeemed on March 6, 2013.
2010 Notes	$240,000 of 5.25% Series 2010-1 Senior Unsecured Notes of EnerCare Solutions, which were redeemed on December 21, 2012.
2012 Notes	$250,000 of 4.30% Series 2012-1 Senior Unsecured Notes of EnerCare Solutions, which mature on November 30, 2017.
2013 Notes	$225,000 of 4.60% Series 2013-1 Senior Unsecured Notes of EnerCare Solutions, which mature on February 3, 2020.