

Investor Presentation

November 2011

EnerCare

Your Intelligent Energy Partner



Forward-Looking Statements

Our discussion may include forecasts, projections, estimates or other information that are forward-looking. While these forward-looking statements represent our current judgment on what the future may hold, they are based on material factors and assumptions, and are subject to risks and uncertainties, that could cause actual results to differ materially. Management believes those assumptions are reasonable. You are cautioned not to place undue reliance on these forward-looking statements. These statements are made only as of the date of this presentation. Please keep in mind that, except as required by applicable securities laws, we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information, future events or otherwise. Throughout today's discussion, we will attempt to present some material factors relating to our business that may affect our forward-looking statements. Additional information about these (and other) material factors and risks, and our underlying assumptions, is available in our current AIF and annual and interim MD&A, particularly under the headings "Risk Factors", all of which are available on SEDAR at www.sedar.com. These forward-looking statements are given as of today's date.

Dollar amounts are expressed in millions of Canadian dollars, except "Per Share" amounts, or unless specified otherwise.

Vision

Deliver Intelligent and Energy-efficient
Products, Services and Programs
that Save Money and **Contribute**
to Canada's Growing
Culture of Conservation

Two Core Businesses

Rental

- Very Strong position in rental market to homeowners
- Installed base of 1.2 million water heaters



17%

Meet highest standard of energy efficiency in Canada

Sub-metering

- Making inroads into sub-metering in high-rise condos and apartments
- Saving customers money and helping reduce consumption



12 MW

Reduced electricity demand in 2010

Historical Review

1848 - 2002

1960 - 1999

1999 - 2002

2002 - 2002

2002 - 2011

2011 →



Consumers Gas



ENBRIDGE



Direct EnergyTM
Essential Home Services

The Consumers'

Waterheater Income Fund

EnerCare Inc.



Rental Solutions

Rentals



Water Heaters

- Installed base of 1.2 million units



HVAC Equipment

- Residential and commercial customers

Over 50 Years Successful Experience

Direct Energy Marketing Limited (Direct Energy) Relationship

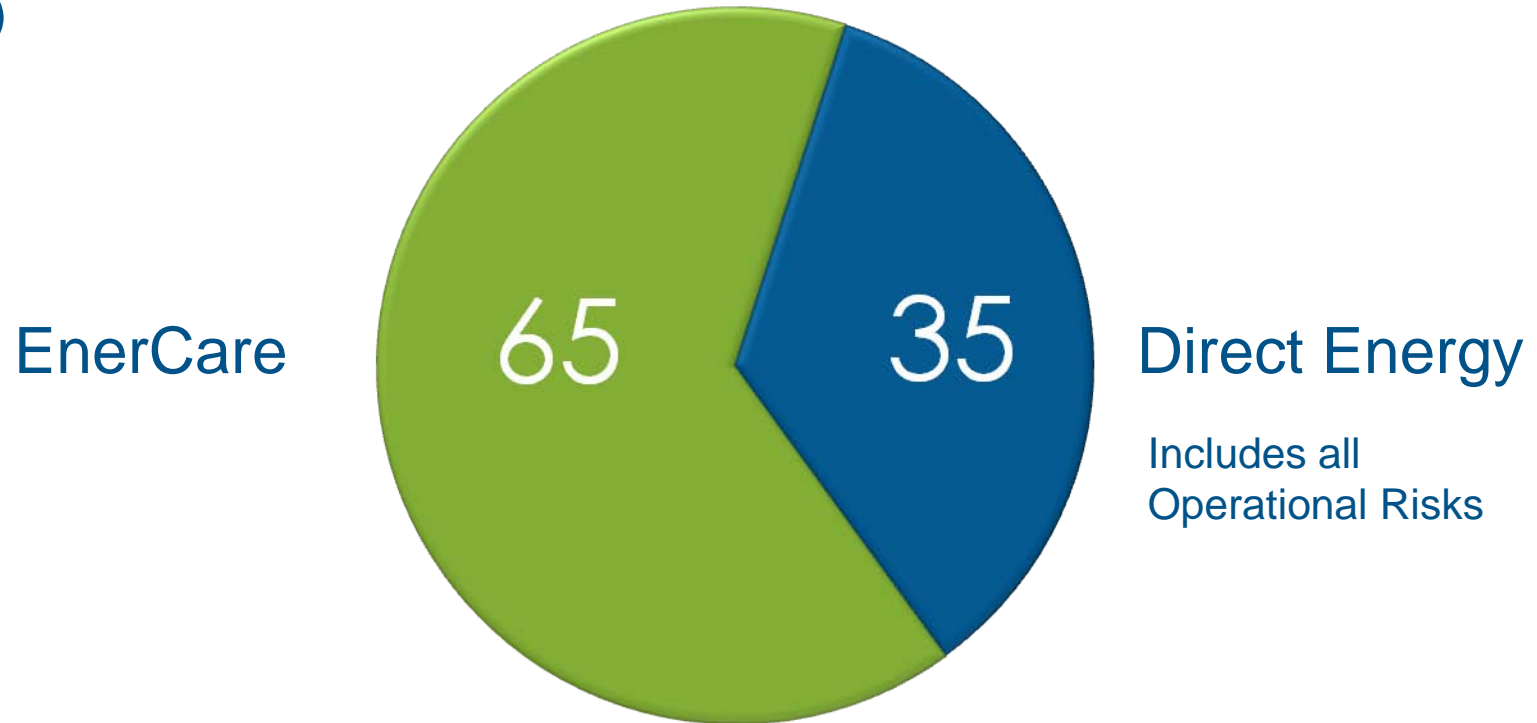


Direct Energy™

- Working together since 2002
 - The Consumers' Waterheater Income Fund purchased Direct Energy's portfolio of water heater rentals
- Direct Energy provides customer service and support functions
 - Installations, repairs, removals, inventory management, billing and collections

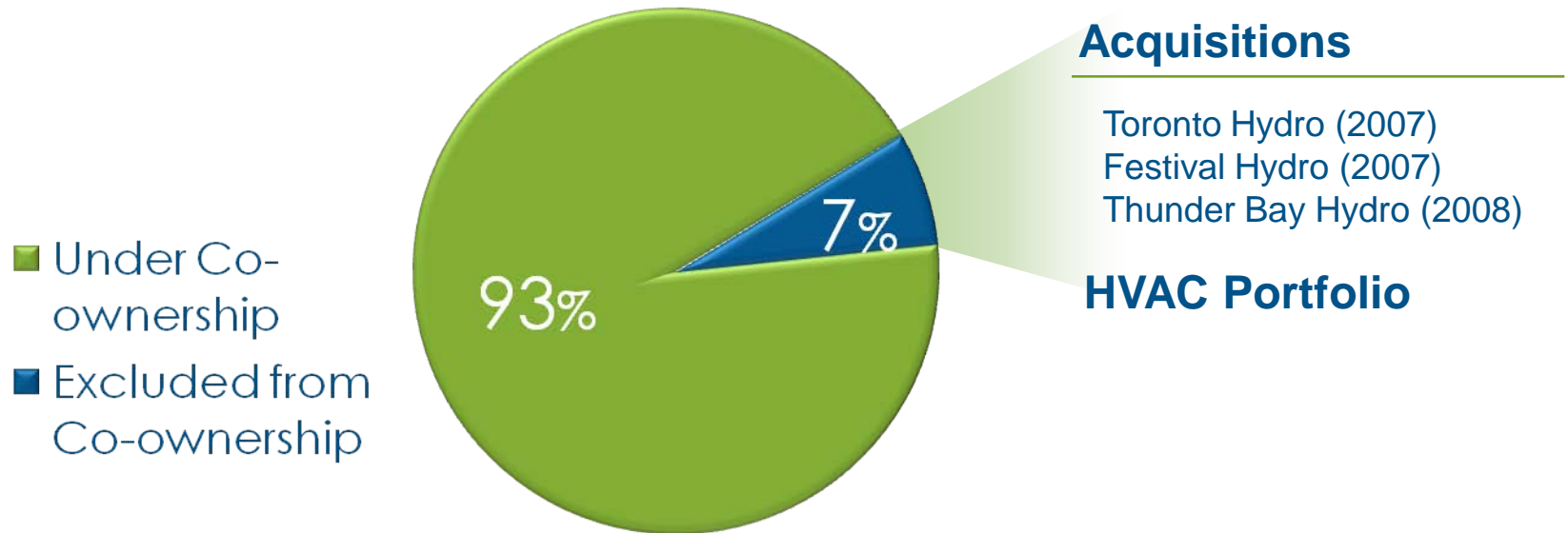
Direct Energy Relationship

Revenue Split
(%)



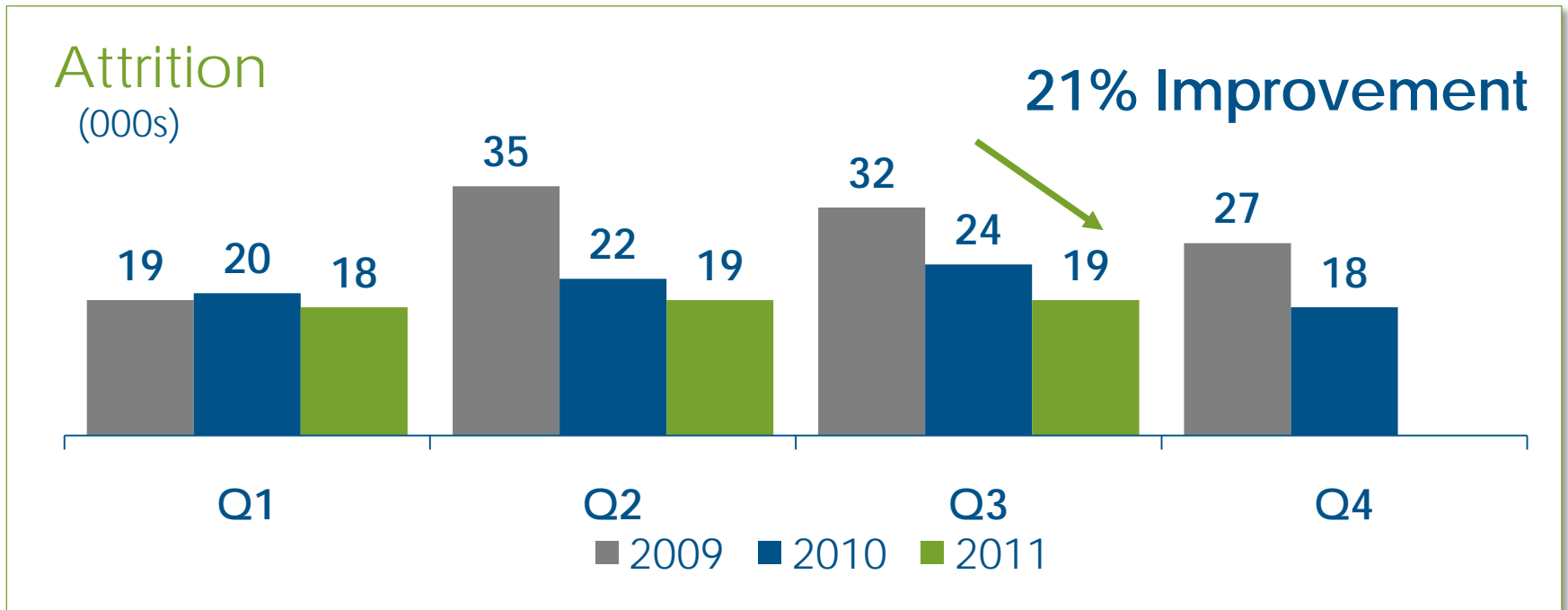
Co-Ownership Agreement

Direct Energy Co-ownership Agreement (%)



- HVAC portfolio also excluded from co-ownership
- Managed by experienced and qualified contractors
 - Fee for service basis

Attrition



6 Consecutive Quarters
of Year Over Year Decreases

Reducing Attrition Top Priority

Significant Investments in Consumer Awareness



- Telemarketing
- Direct mail and bill inserts
- Direct Energy loyalty program
 - 160,000 members
- Multi-language print and radio campaigns

2011 Initiatives

Geographic Expansion

- Expansion to New Brunswick
 - 1st outside Ontario
- Terms of Agreement:
 - Originate and service water heaters and HVAC equipment in connection with Enbridge's fuel switching programs
- Part of Enbridge effort to transition consumers to natural gas from other energy sources
- Opportunity to establish and grow presence in region



Rentals Growth

1

Organic Growth

Margin Improvement

New Construction

Replacement Equipment

Geographic Expansion

2

Acquisitions

Purchase existing water heater rental portfolios

3

New Products

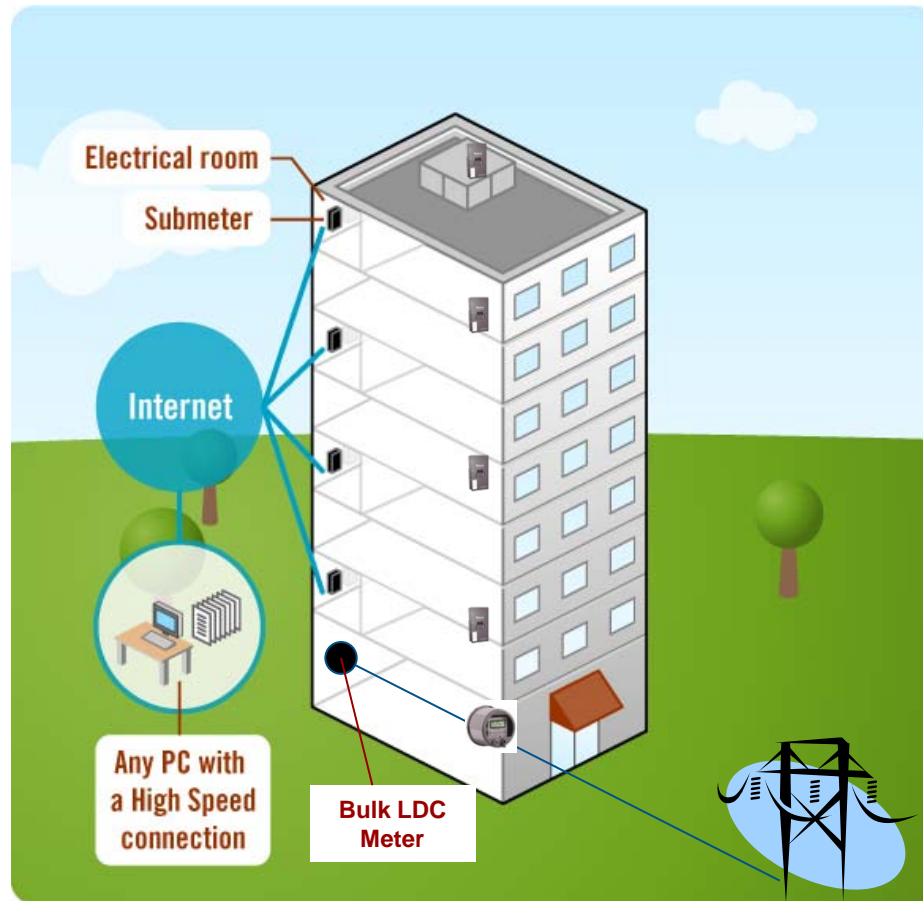
HVAC

Small Commercial Products

Sub-metering



Sub-metering System



- Takes bulk bill for whole building and pro-rates electricity and/or water based on **usage**
- Only **15%** of apartments in Ontario are sub-metered
- **60%** of tenants experience savings after sub-metering

Acquisitions



Purchase of Stratacon

- Recognized provider
- 34,000 contracted sub-meters
- Understand and grow the business
 - Condominiums and apartments



2008

2009

Purchase of Enbridge Electric Connections

- Doubled in size



Oct. 2010



Renamed EnerCare Connections



2011

Primary Targets

1. **New construction** residential condo and rental market
2. **Rental and condo** retrofits

Steps to Full Integration

✓ Optimize Staffing and Process Integration

✓ Combined Financial Tracking and Reporting

✓ Fully Integrated Procurement

✓ Co-located Data Centre

✓ Consolidation of Inventory and Warehousing

✓ Single New Premises

Sub-metering Growth

Geographic Expansion

- Currently located in:
 - Alberta (AB),
 - Ontario (ON),
 - Northwest Territory (NWT),
 - Saskatchewan (SK)

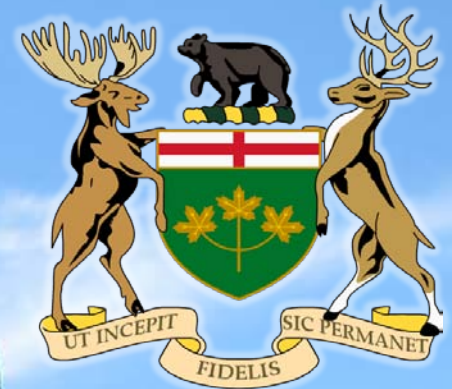
New Products

- Water sub-metering
- HVAC
- Rental HVACs

Channels

- Sales partnerships

2x Sales Team
472% YTD Revenue Growth



Regulatory Issues

Recent and Upcoming Changes: Rentals

March 2010

- Tribunal approved a new form of water heater rental contract in respect of new installations
 - Customers may be required to purchase water heater if terminating rental agreement
-

February 2012

- Consent order expiry date
 - Developing strategy to maximize benefits from this development
-

Regulatory Issues: Sub-metering

March 2009

- OEB compliance office issues bulletin regarding sub-metering in residential complexes (except condominiums)
 - Compliance office took the view that sub-metering in apartments was not authorized under Electricity Act (Ontario)
-

August 2009

- OEB issues interim solution pending introduction of formal regulatory regime
 - Authorizes landlords to conduct sub-metering activities under certain conditions
 - Interim solution superseded by the Electricity Consumers Protection Act (2009)
-

Regulatory Issues: Sub-metering

April 2010

- Electricity Consumer Protection Act passed by Ontario Legislature
 - Provides framework for permitting individual suite sub-metering
-

October 2010

- Publication of sub-metering regulations
 - Permits individual suite sub-metering in apartment buildings, condominium complexes and commercial buildings
-

January 1, 2011

- Electricity Consumer Protection Act and its regulations come into effect

Impact of Regulatory Uncertainty on Sub-metering

Installed Sub-meters (000's)



JANUARY
- surplus
- surplus
- employees

FEBRUARY

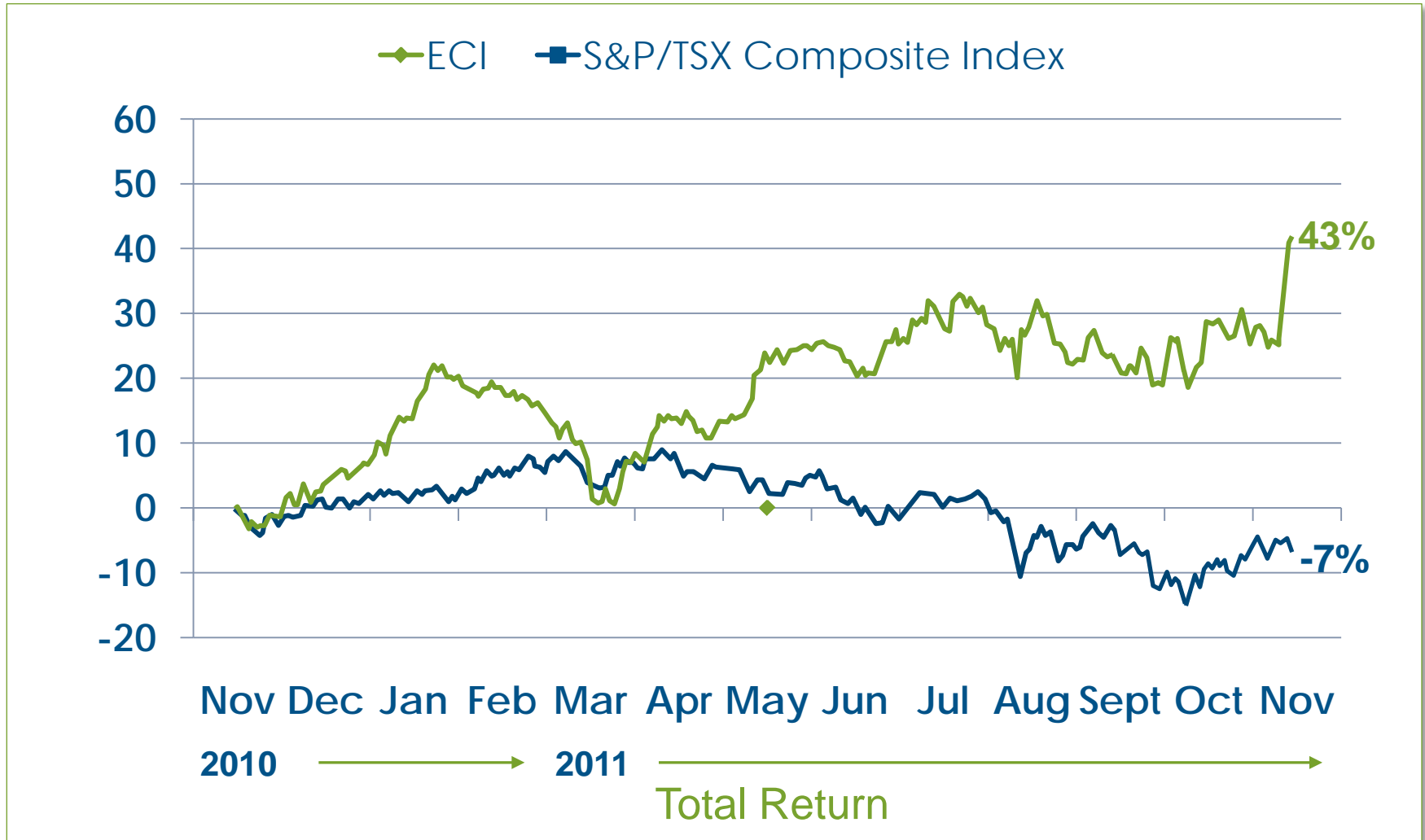
MARCH



Financial Review



Solid Equity Performance

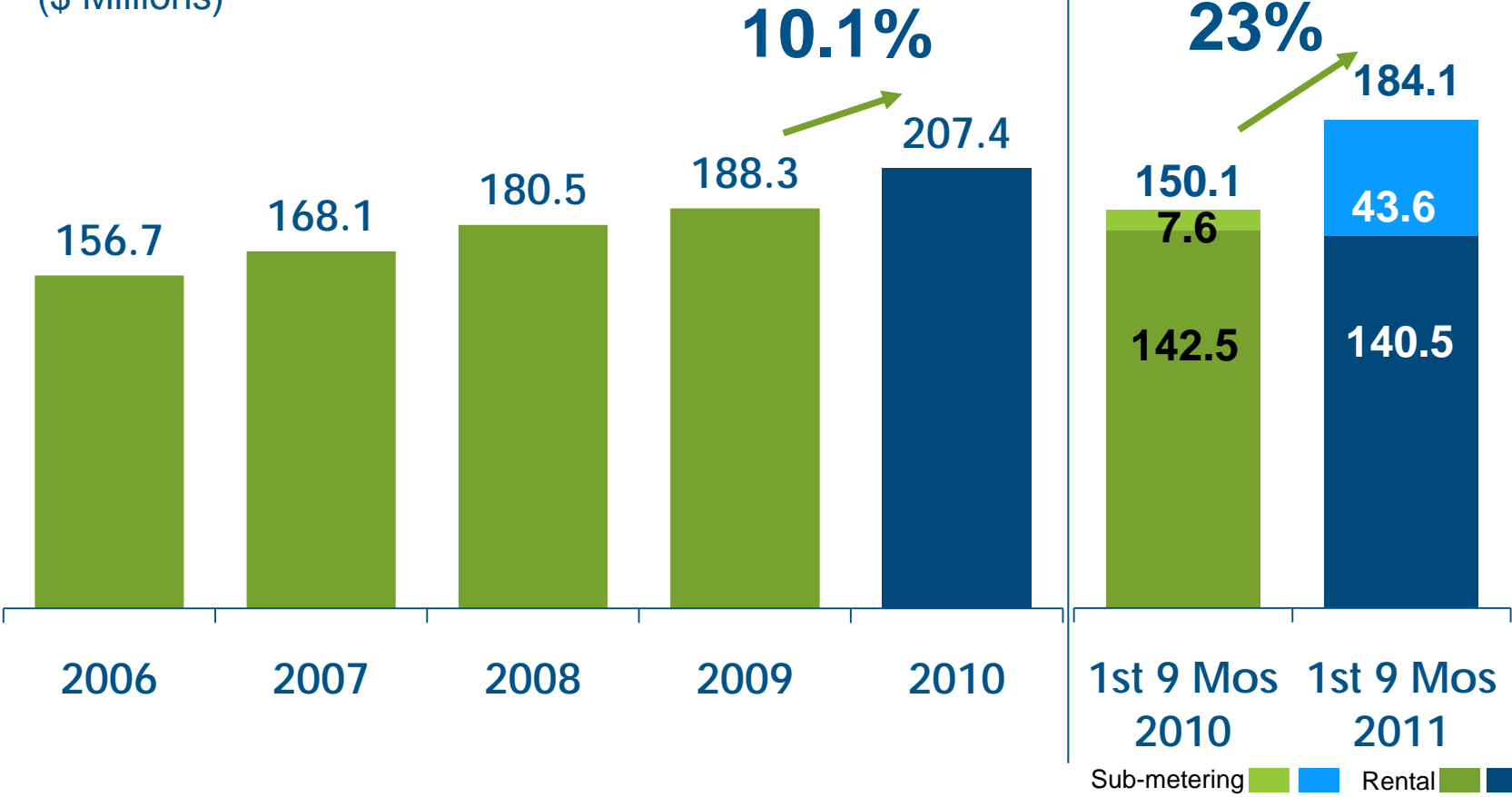


As of November 11/2011

Record Revenue Growth

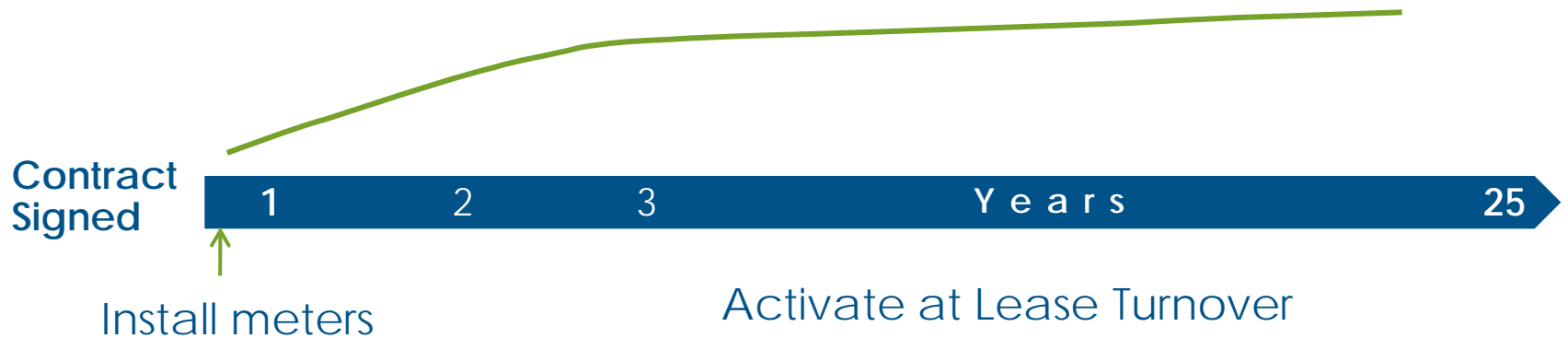
Total Revenue

(\$ Millions)



Sub-metering: Our “Hidden Assets”!

Apartments Revenue



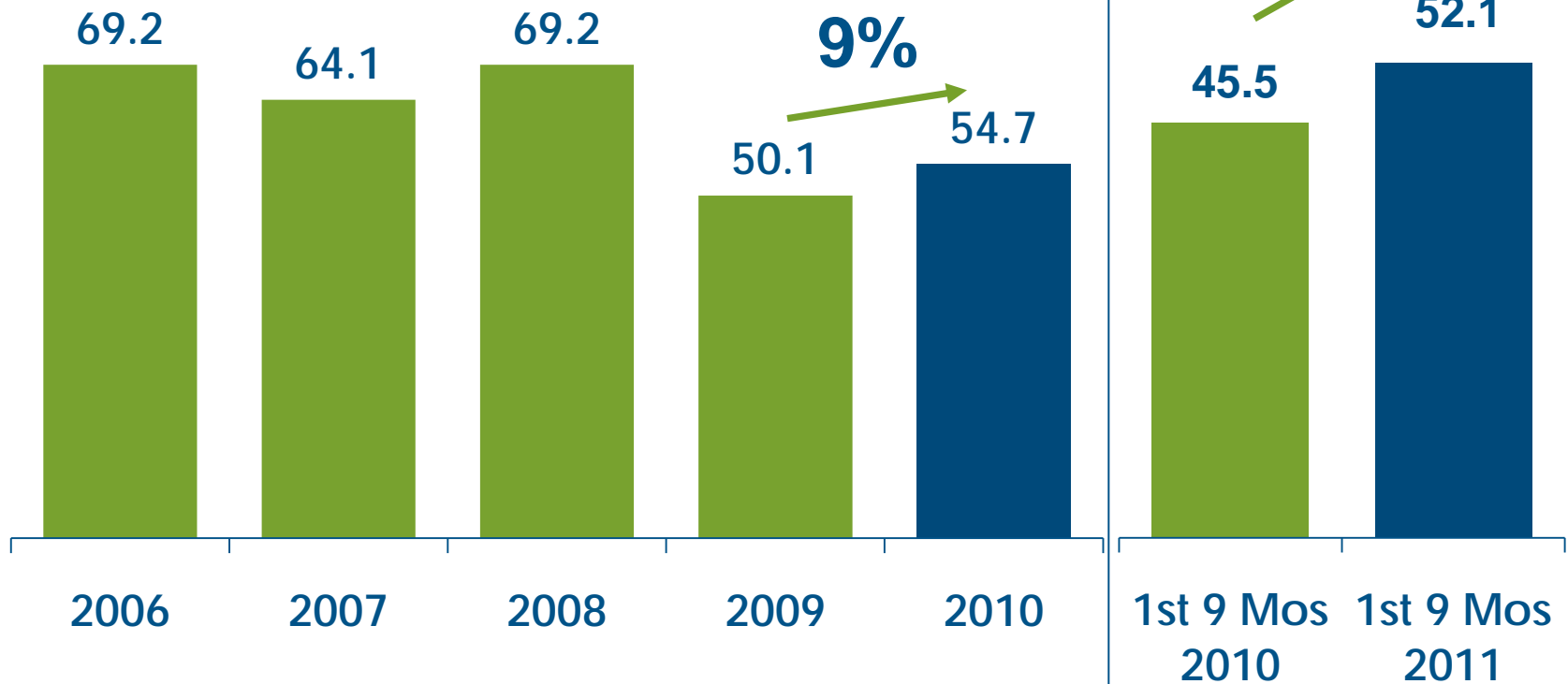
New Condominiums Revenue



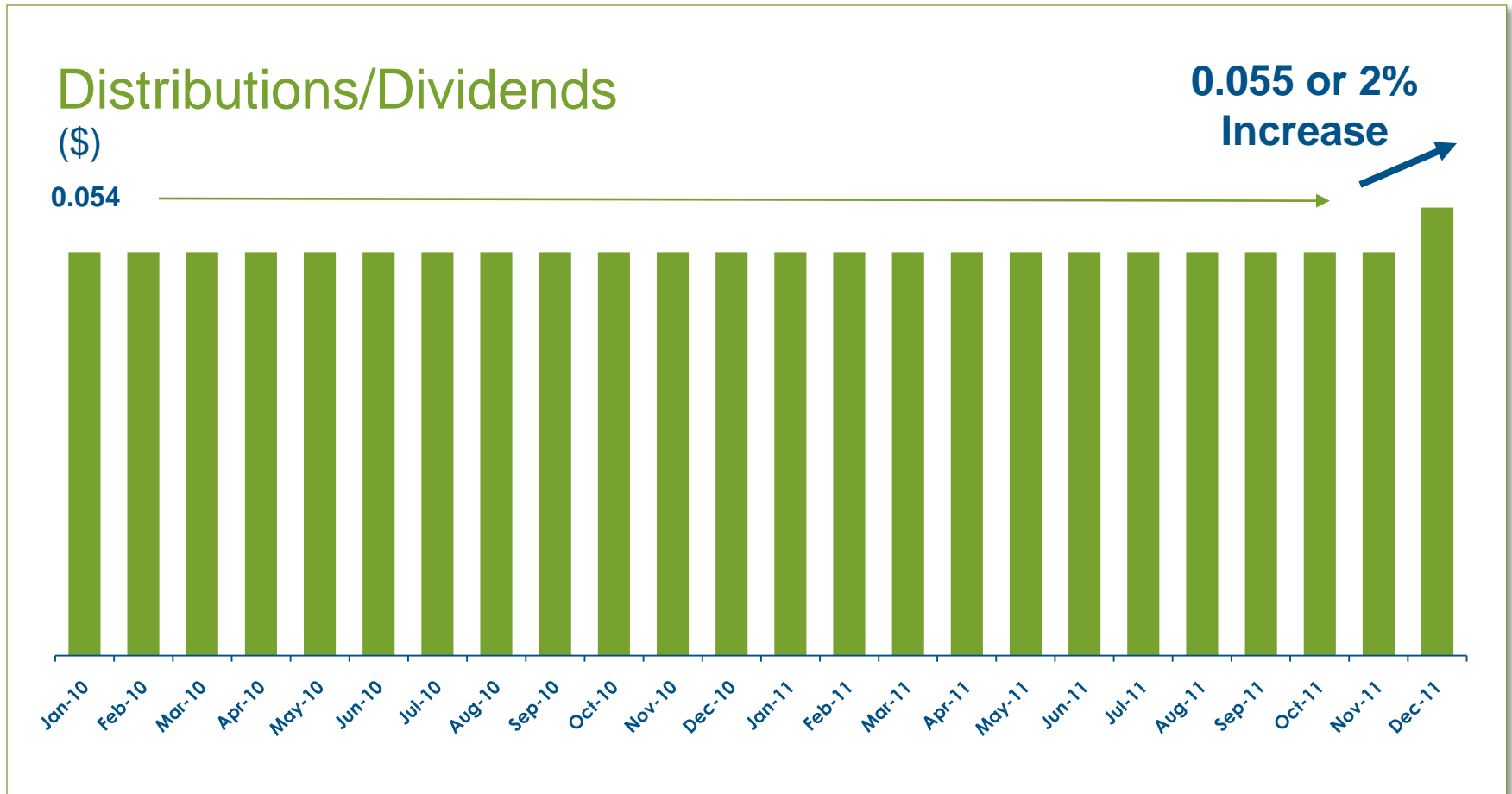
Growing Distributable Cash

Distributable Cash

(\$ 000s)

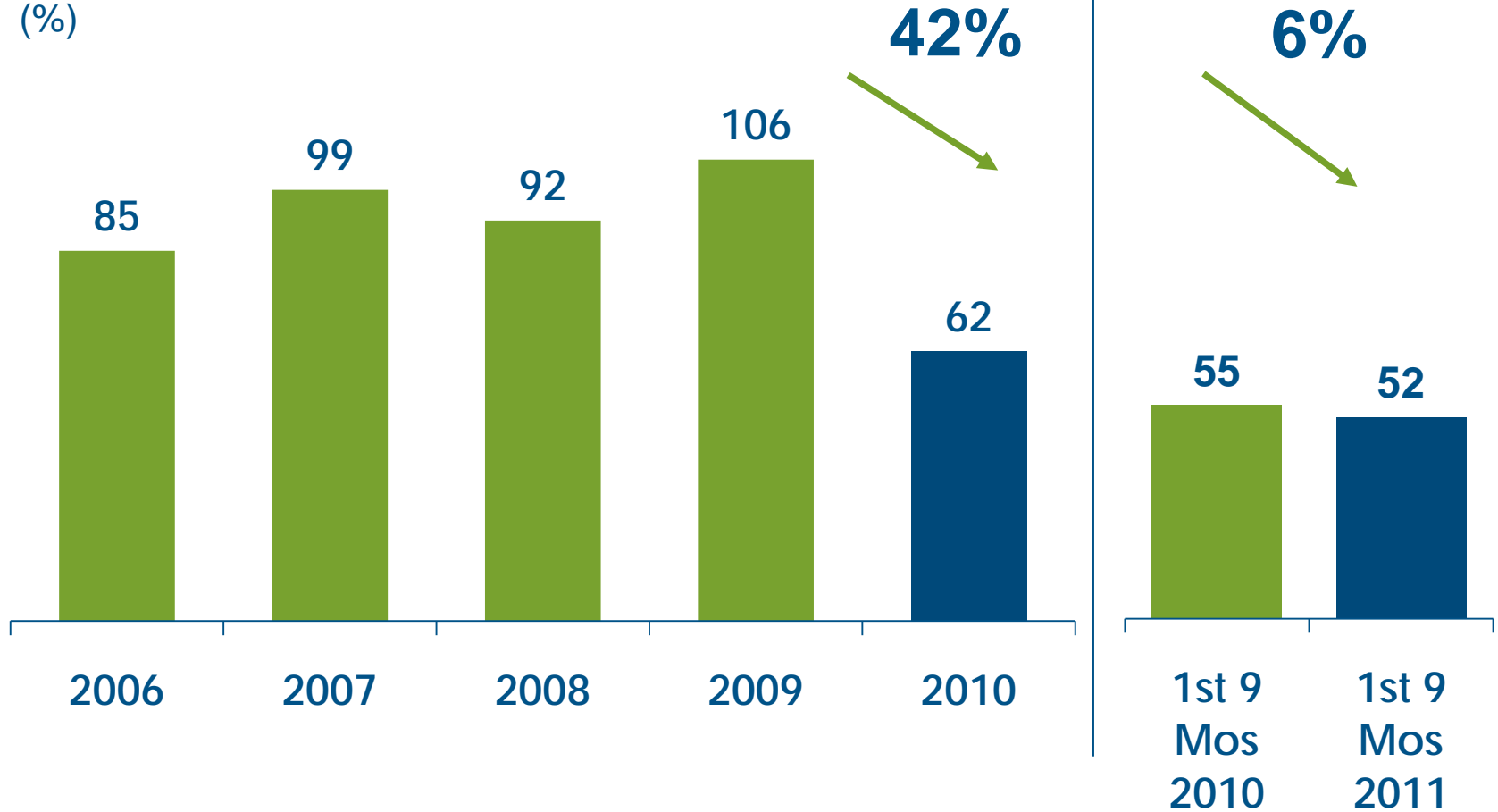


Dividend Increase



Improved Payout Ratio

Payout Ratio
(%)



Solid Balance Sheet (September 30, 2011)

Available Liquidity

\$69.3 M

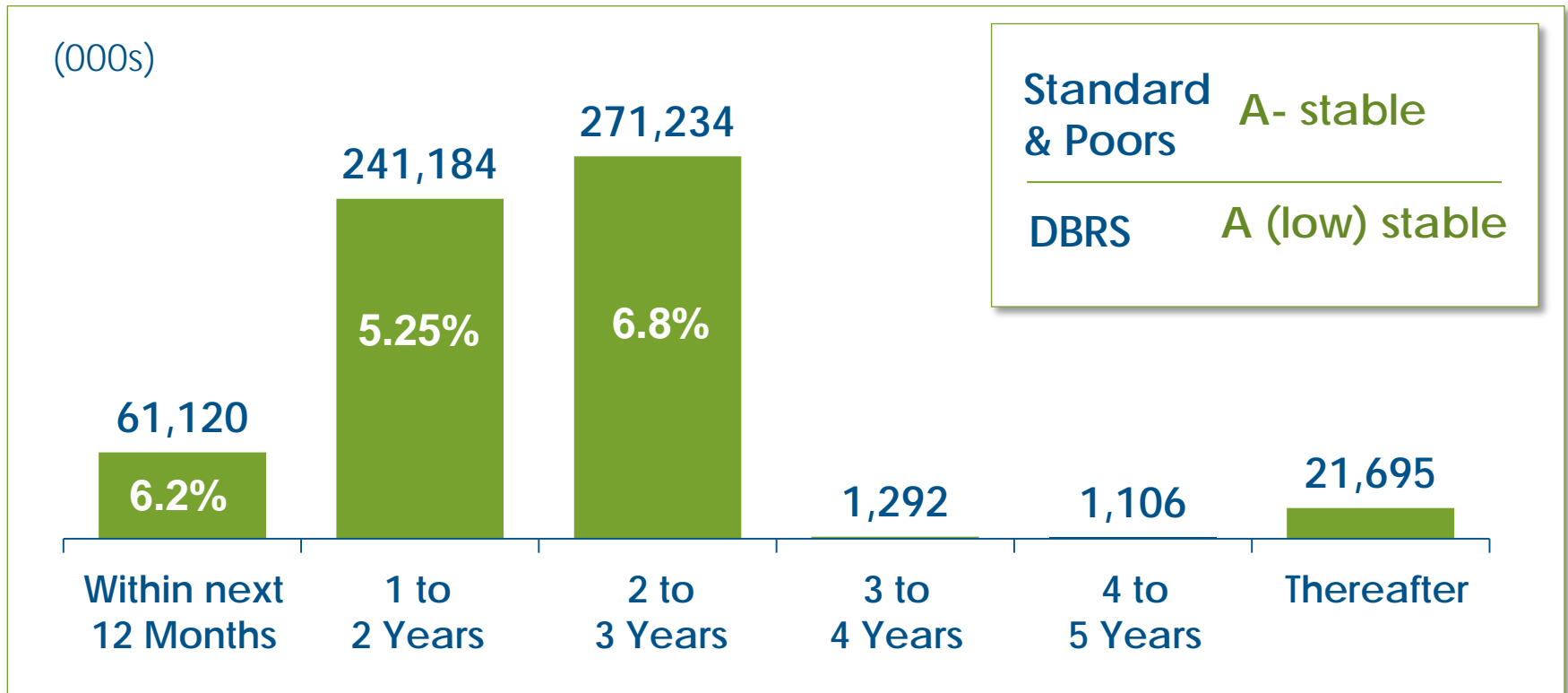
+

\$35.0 M

\$104.3 M

- Cash position increase of **\$6.0 M** to **\$69.3 M** from Q2 2011
-
- Amended revolver of **\$35 M** in effect Oct 2010
 - Improved in July 2011 by:
 - Decreased standby fees 60%
 - Enhanced covenants
 - Extended term by one year to 2014

Long-Term Debt Maturities



Liquidity of \$104.3 Million

Focused on Shareholder Value



Growth Strategy

- Continue Organic Growth
- Improving Attrition in Rentals
- Focus on Sub-metering Growth Potential
- Increase Our Profile with Investors
- Become Leading Company in the Energy Conservation Business

Solid Investment Opportunity

- 50% Revenue Growth since Inception

- Large Stable Diversified Customer Base

- Recession-resistant Demand

- Strong Balance Sheet

- Strong & Stable Cash Flows

- Payout Ratio in Decline

- Monthly Dividend Payments

- Strong Yield ~ 8%

EBITDA Multiples

Enbridge Inc.

12.8 X

Algonquin Power & Utilities Corp.

13.1 X

Just Energy Group Inc.

7.5 X

EnerCare

6.6 X

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