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## **PRESS RELEASE**

### **Energy Savings Sets Fiscal 2005 Aggregation Targets 16% Customer Growth - New Markets**

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TORONTO, ONTARIO - - May 17, 2004 - -

Rebecca MacDonald, CEO of Energy Savings announced the Fund's customer aggregation targets for the year ended March 31, 2005. The Fund had set previous targets for each of the three previous fiscal years and had, in each case, exceeded those targets.

The targets for F2005 are:

*Ontario Gross Natural Gas Additions* *100,000 customers*

Ms. MacDonald stated, "While our penetration of the Ontario natural gas market has allowed us to be the fastest growing income fund in Canadian history, the sheer size of our current customer base means that continued growth after attrition will be limited. Based on our new annual attrition estimates of 10% and forecast OESC renewals of 80%, we require 70,000 gross additions to hold our gas customer base at its current level. While we have exceeded 100,000 gross additions each of the past three years, prudence causes us to set our Fiscal 2005 target at that level."

*Manitoba Gross Natural Gas Additions* *10,000 customers*

"We entered the Manitoba market effectively as a system test for our U.S. expansion. The market is small (approximately 200,000 customers) and heavily penetrated (approximately 30%). Our gross additions for Fiscal 2004 met our target of 12,000. We plan to continue to market in Manitoba but will not deploy significant new resources to that market."

*Illinois Gross Natural Gas Additions* *50,000 customers*

"Our Illinois target was released on March 31, 2004. We based this estimate on our test marketing to that date. This testing was universally positive both in terms of acceptance of the five year, fixed price product and acceptance of door-to-door sales. We have

recently begun begin residential marketing in Q1 2005 and expect to ramp up our Illinois agent count from 20 to approximately 80 by September.”

*Quebec and British Columbia*

*Gross Natural Gas Additions*

*50,000 customers*

“Subsequent to year end, we entered the Quebec market and are moving toward entry into B.C. We have begun test marketing in Quebec and our results have been consistently positive. Due to the immaturity of both markets, actual results could vary substantially from our targets.”

*Ontario Gross Electricity Additions*

*50,000 customers*

“Our current marketing of Ontario Electricity is limited to larger commercial entities which are not covered by the current price cap. While the numbers of additions in F2004 exceeded 100,000, recent additions have been at a slower pace. The Ontario government’s April 16, 2004 announcement of the restructuring of the electricity market and subsequent comments by the Minister of Energy indicate that the new legislation expected in June will create a market where the true price of electricity will be paid by all customers. Based on this early indication, it appears that Energy Savings will be able to market to small commercial customers by this fall. The ability to market to residential customers is unclear pending the detailed regulations under the new legislation.”

“We have developed our F2005 target based on only marketing to the existing large commercial market. This estimate should be conservative if other market segments open and we will update it once the status of the market is clear.”

**Total Projected Gross Customer Additions**

**260,000 customers**

**Attrition @ 10% and Failure to Renew @20%**

**(100,000) customers**

**Net Customer Additions**

**160,000 customers**

This targeted increase represents 16% growth of Energy Savings’ customer base for the year.

*The Fund*

Energy Savings’ business, which is conducted in Ontario, Manitoba, Quebec and Illinois, involves the sale of natural gas to residential, small to mid-size commercial and small industrial customers under long term, irrevocable fixed price contracts. Energy Savings also supplies electricity to Ontario customers under contracts secured prior to the November 11, 2002 price freeze and to certain large volume users who do not fall under the Government’s price cap. By fixing the price of natural gas or electricity under its fixed price contracts for a period of up to five years, Energy Savings’ customers eliminate their exposure to changes in the price of these essential commodities. Energy Savings, which commenced business in July of 1997, derives its margin or gross profit

from the difference between the fixed price at which it is able to sell the commodities to its customers and the fixed price at which it purchases the matching volumes from its suppliers.

### *Forward-Looking Statements*

The Fund's press releases may contain forward-looking statements including statements pertaining to customer revenues and margins, customer additions and renewals, customer consumption levels, distributable cash and treatment under governmental regulatory regimes. Forward-looking statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated. These risks include, but are not limited to, levels of customer natural gas and electricity consumption, rates of customer additions and renewals, fluctuations in natural gas and electricity prices, changes in regulatory regimes and decisions by regulatory authorities, competition and dependence on certain suppliers. Additional information on these and other factors that could affect the Fund's operations, financial results or distribution levels are included in the Fund's annual information form and other reports on file with Canadian securities regulatory authorities which can be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com) or through the Fund's website at [www.esif.ca](http://www.esif.ca)

The Toronto Stock Exchange has neither approved nor disapproved of the contents of this release.

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