RBC Capital Markets

Foundations

This publication contains single-page reports summarizing financial forecasts, valuations, recommendations and profiles of Canadian stocks and selected international companies covered by the RBC Capital Markets Research Department.

While they do not represent a complete basis for investment decision-making, we believe these reports can provide the "bedrock" (hence the name *Foundations*) for portfolio managers, investment advisors and clients to begin the process. With this objective in mind, we have designed the reports to present extensive information concerning our analysts' financial forecasts and valuations. In addition to the information provided by our fundamental analysts, the strength of our commitment to "top-down" research and the "three-discipline" approach to research at RBC Capital Markets is demonstrated through the inclusion of Technical (Trend & Cycle) charts and rankings and Quantitative research scores from our *QuaDS* model.

Foundations is organized around the RBC Capital Markets major economic sectors and their underlying industries. We include an introductory page before the single-page company reports for each sector, which profiles the applicable analysts, highlights our key stock recommendations and provides a summary of estimates and valuations for the industry sector. I would like to take this opportunity to thank our analysts, associates, production and systems group for their considerable effort in contributing to this publication.

We at RBC Capital Markets hope that you, our valued clients, find this report a useful addition to our existing services.

Richard E. Talbot, CA, CFA
Director of Canadian Equity Research,
RBC Capital Markets

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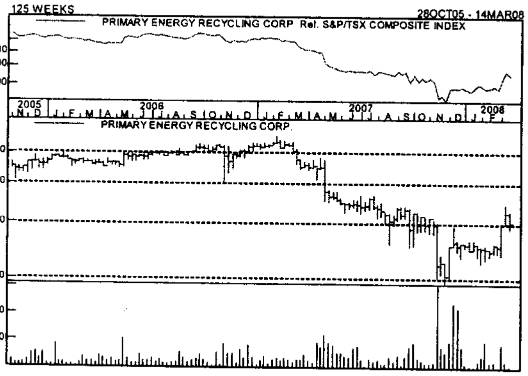
RBC Capital Markets

PRIMARY ENERGY (PRI.UN C$6.10)

Analyst: Robert Kwan, (604) 257-7611, Associate: Peter Heusel, (604) 257-7617



Stock Rating:	Sector Perform	**Risk Qualifier:**	Above Average
One-Year Target (C$):	6.25	**Implied Total return (%):**	15.6
Shares O/S F.D. (MM):	37.3	**Mkt. Cap** (C$MM):	227.8
Float F.D. (MM):	31.0	**Mkt. Float** (C$MM):	189.1
Year End:	December 31	**Expected Reporting Date:**	Apr 30
Price Momentum Quadrant:	2	**QuaDS Score:**	n.a.
Relative Strength:	3	**52-Week High/ Low** (C$):	9.60/3.85

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	0.2	Dividend/Share	(10.9)
EPS	n.m.	CFPS	(6.8)

Strategic S/Hs: EPCOR Power L.P. (Indirect Interest) (17.0%)

	2006	2007	2008E	2009E
Valuation (US$ unless otherwise specified)				
EPS Basic	(0.55)	(0.75)	(0.72)	(0.79)
EPS F.D.	(0.55)	(0.75)	(0.72)	(0.79)
Mean EPS Estimates*			n.a.	n.a.
P/E F.D. (X)	n.m.	n.m.	n.m.	n.m.
CFPS F.D.	0.94	0.54	0.82	0.76
P/CF F.D. (X)	9.2	12.9	7.6	8.2
Book Value	4.17	3.00	1.78	0.47
P/BV (X)	2.1	2.3	3.5	13.2
Enterprise Value/EBITDA	11.2	14.0	10.1	10.6
Dividend/Share	1.13	0.83	0.80	0.80
Yield (%)	11.5	11.1	13.1	13.1
Financial Information (US$MM)				
Income Statement				
Revenue	87	75	87	88
EBITDA	46	34	43	41
EBITDA Margin (%)	53.2	45.1	49.6	47.1
Interest Expense	21	23	22	22
Income Tax Rate (%)	(206.7)	(25.6)	0.0	0.0
Net Income to Common	(17)	(23)	(22)	(25)
Net Profit Margin (%)	n.m.	n.m.	n.m.	n.m.
Cash Flow Statement				
Cash Flow From Ops.	35	23	30	28
Capex - Maintenance	0	0	0	0
Free Cash Flow	11	4	14	12
Capex - Acquisitions	0	(4)	0	0
Cash Flow From Financing	0	2	0	0
Div./Distr. To Common	28	21	16	16
Net Free Cash Flow	11	10	14	12
Balance Sheet				
Cash & Equivalents	16	15	20	23
Total Assets	459	435	398	360
Long-Term Debt	211	228	228	228
Debt Coming Due	0	0	0	0
Common Equity	129	93	55	14
Total Liabilities & Equity	459	435	398	360
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	2.3	1.5	2.0	1.9
Net Debt+Pfds/Tot Capital (%)	60.1	69.6	79.1	93.4
Net Debt/EBITDA	4.2	6.3	4.8	5.0
Current Ratio	2.4	2.5	2.8	3.0
ROA	(3.5)	(5.2)	(5.3)	(6.5)
ROE	n.m.	n.m.	n.m.	n.m.
Industry/Company Specific				
ACFFO/Unit (Diluted)	$0.94	$0.54	$0.82	$0.76

Source: Company reports, RBC Capital Markets estimates.
* Thomson One Mean estimates

Company Profile

Primary Energy, through its subsidiaries, owns an interest in four power plants and one coal pulverization facility serving steel customers in the U.S. The power projects have a total combined generating capacity of 283 MW. In August 2005, Primary Energy completed its initial public offering of Enhanced Income Securities (EIS), which represent a clipped unit of common stock and a subordinated debenture with a C$2.50 principal amount yielding 11.75%.

Investment Rationale

- Primary reinstated its annual $0.80/unit distribution, effective December 31, 2007. This is following two months of distributions that were not paid due to Primary being in default of its credit agreement.
- While still requiring approval by Mittal's board, Primary has reached an agreement for an amended contract for the Harbor Coal facility with the site host, Mittal. The amended agreement is expected to reduce the volatility in cash flows and eliminate the semi-annual inventory adjustments.
- Negotiations to date with Mittal on an amended contract at Harbor Coal have taken much longer than management had previously indicated. However, we are now more optimistic that the new agreement with Mittal's senior management will be approved by its board in the near future.

Valuation

Our target price of C$6.25 is consistent with our discounted cash flow analysis, which implies an equity value of between C$6.00 and C$6.75 per unit based on an unlevered equity discount range of 9% to 10%. We believe our unlevered equity discount range is appropriate based on expected interest rates and Primary Energy's risk profile and growth prospects.

Price Target Impediments

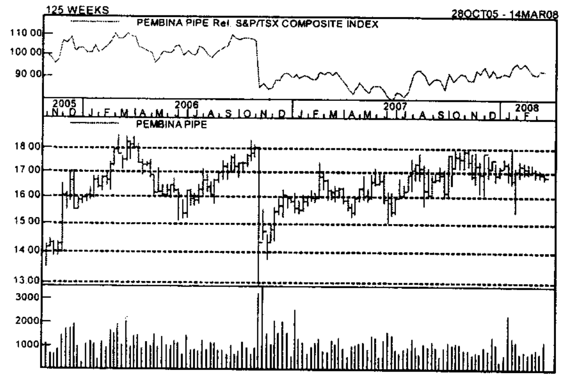
Impediments include: unplanned outages, the activity levels of its steel customers, the ability to renew contracts at similar prices, the effectiveness of its income tax strategy, and foreign exchange rates that differ from our forecast.

Disclosure Codes: BA MM2 NIB2 CL2a CL2c SVa

RBC Capital Markets

PEMBINA PIPELINE INCOME FUND (PIF.UN C$16.80)

Analyst: Fai Lee, (604) 257-7662, Associate: Owen Martin, (604) 257-7145



Stock Rating:	Sector Perform	**Risk Qualifier:**	Average
One-Year Target (C$):	17.00	**Implied Total return (%):**	9.8
Shares O/S F.D. (MM):	132.5	**Mkt. Cap** (C$MM):	2,226.0
Float F.D. (MM):	132.5	**Mkt. Float** (C$MM):	2,226.0
Year End:	December 31	**Expected Reporting Date:**	May 29
Price Momentum Quadrant:	4	**QuaDS Score:**	1
Relative Strength:	4	**52-Week High/ Low** (C$):	18.00/15.03

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	9.8	Dividend/Share	10.1
EPS	16.2	CFPS	14.7

Strategic S/Hs: Widely Held

	2006	2007	2008E	2009E
Valuation (C$ unless otherwise specified)				
EPS Basic	0.78	1.09	1.13	1.22
EPS F.D.	0.78	1.09	1.13	1.22
Mean EPS Estimates*			n.a.	n.a.
P/E F.D. (X)	20.4	15.2	14.9	13.8
CFPS F.D.	1.22	1.43	1.73	1.85
P/CF F.D. (X)	13.0	11.6	9.7	9.1
Book Value	6.75	6.86	6.49	6.15
P/BV (X)	2.4	2.4	2.6	2.7
Enterprise Value/EBITDA	15.0	13.8	11.5	10.5
Dividend/Share	1.17	1.37	1.50	1.56
Yield (%)	7.4	8.3	8.9	9.3
Financial Information (C$MM)				
Income Statement				
Revenue	336	390	424	445
EBITDA	183	223	267	290
EBITDA Margin (%)	54.4	57.3	63.1	65.2
Interest Expense	33	34	35	41
Income Tax Rate (%)				
Net Income to Common	95	142	150	162
Net Profit Margin (%)	28.3	36.5	35.4	36.4
Cash Flow Statement				
Cash Flow From Ops.	155	192	232	249
Capex - Maintenance	3	0	0	0
Free Cash Flow	7	14	20	41
Capex - Acquisitions	156	287	54	6
Cash Flow From Financing	164	288	34	(36)
Div./Distr. To Common	140	176	198	206
Net Free Cash Flow	15	15	0	0
Balance Sheet				
Cash & Equivalents	2	17	17	17
Total Assets	1,676	1,967	1,929	1,833
Long-Term Debt	609	820	731	817
Debt Coming Due	21	6	130	7
Common Equity	852	909	860	815
Total Liabilities & Equity	1,676	1,967	1,929	1,833
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	5.6	6.5	7.6	7.0
Net Debt+Pfds/Tot Capital (%)	42.4	47.1	49.5	49.8
Net Debt/EBITDA	3.4	3.6	3.2	2.8
Current Ratio	0.7	0.9	0.4	1.1
ROA	5.9	7.8	7.7	8.6
ROE	11.9	16.2	17.0	19.3
Industry/Company Specific				
ACFFO/Unit - diluted	$1.20	$1.43	$1.73	$1.85

Source: Company reports, RBC Capital Markets estimates.
* Thomson One Mean estimates (as of Mar 15, 2008)

Company Profile

Pembina Pipeline Income Fund is engaged in the transportation of light conventional and synthetic crude oil, condensate and natural gas liquids in Western Canada. Pembina holds interests in 13 oil and natural gas liquids pipeline systems and a 50% interest in an underground ethylene storage facility. Pembina's Alberta Oil Sands Pipeline Ltd. (AOSPL) is the sole transporter of synthetic crude oil produced by the Syncrude Project.

Investment Rationale

- We believe that Pembina is fairly valued on a relative basis.
- Plans to offer new services, further expansion onto other pipeline systems and high oil prices should contribute to the meaningful increase in operating income from Pembina's midstream business in 2008.
- In our opinion, the positive impacts associated with announced growth are fully reflected in Pembina's unit price.
- We believe that the potential for a private equity transaction could provide a floor for Pembina's valuation.

Valuation

Our target price of $17.00 is consistent with our discounted cash flow analysis, which implies an equity value of between $15.25 and $17.50 per unit based on an unlevered equity discount range of 6.00% to 7.00%. We believe our unlevered equity discount range is appropriate based on expected interest rates and Pembina's risk profile and growth prospects.

Price Target Impediments

Impediments include: a failure to meet investors' growth expectations, a material decline in throughput on the Alberta Pipelines where the impact cannot be offset through toll management, higher-than-assumed interest rates and/or an unexpected negative regulatory decision.

Note:
Figures are normalized for unusual items and may not conform with GAAP.
ACFFO equals cash flow from operations less maintenance capex.
Disclosure Codes:

RBC Capital Markets

NORTHLAND POWER (NPI.UN C$12.23)

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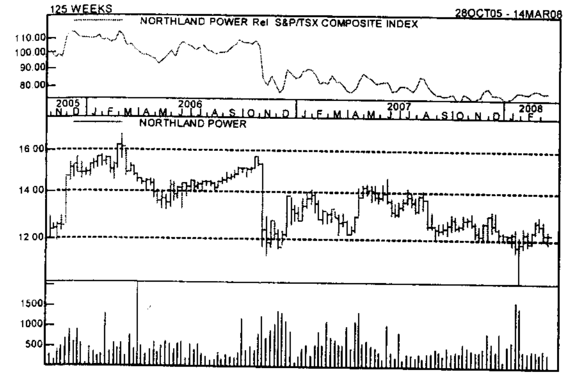


Stock Rating:	Sector Perform	**Risk Qualifier:**	Average
One-Year Target (C$):	13.00	**Implied Total return** (%):	15.1
Shares O/S F.D. (MM):	62.4	**Mkt. Cap** (C$MM):	762.6
Float F.D. (MM):	62.4	**Mkt. Float** (C$MM):	762.6
Year End:	December 31	**Expected Reporting Date:**	Apr 24
Price Momentum Quadrant:	1	**QuaDS Score:**	1
Relative Strength:	4	**52-Week High/ Low** (C$):	14.66/10.42

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	5.9	Dividend/Share	0.5
EPS	16.1	CFPS	6.5

Strategic S/Hs: Widely Held

	2006	2007	2008E	2009E
Valuation (C$ unless otherwise specified)				
EPS Basic	0.58	(0.44)	0.86	0.89
EPS F.D.	0.55	(0.44)	0.83	0.86
Mean EPS Estimates*			n.a.	n.a.
P/E F.D. (X)	25.7	n.m.	14.7	14.2
CFPS F.D.	1.22	1.35	1.45	1.48
P/CF F.D. (X)	11.6	9.8	8.4	8.3
Book Value	10.77	6.85	6.64	6.45
P/BV (X)	1.3	1.9	1.8	1.9
Enterprise Value/EBITDA	14.2	11.0	9.8	9.0
Dividend/Share	1.06	1.08	1.08	1.08
Yield (%)	7.5	8.2	8.8	8.8
Financial Information (C$MM)				
Income Statement				
Revenue	165	184	192	196
EBITDA	73	89	91	92
EBITDA Margin (%)	44.1	48.2	47.3	46.9
Interest Expense	13	13	8	7
Income Tax Rate (%)	(4.0)	185.0	0.0	0.0
Net Income to Common	34	(27)	54	56
Net Profit Margin (%)	20.7	n.m.	28.1	28.5
Cash Flow Statement				
Cash Flow From Ops.	74	85	92	94
Capex - Maintenance	0	1	1	1
Free Cash Flow	8	18	24	25
Capex - Acquisitions	122	0	0	0
Cash Flow From Financing	112	(14)	(31)	11
Div./Distr. To Common	64	68	67	67
Net Free Cash Flow	(1)	4	(8)	37
Balance Sheet				
Cash & Equivalents	15	31	26	65
Total Assets	731	691	681	646
Long-Term Debt	162	152	143	132
Debt Coming Due	5	0	14	0
Common Equity	531	427	414	402
Total Liabilities & Equity	731	691	681	646
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	5.7	7.1	11.6	13.7
Net Debt+Pfds/Tot Capital (%)	22.2	22.1	23.9	14.3
Net Debt/EBITDA	2.1	1.4	1.4	0.7
Current Ratio	2.3	3.5	2.0	4.9
ROA	5.3	(3.8)	7.8	8.4
ROE	7.5	n.m.	12.8	13.6
Industry/Company Specific				
ACFFO/Unit	$1.22	$1.34	$1.43	$1.46

Source: Company reports, RBC Capital Markets estimates.
* Thomson One Mean estimates (as of Mar 15, 2008)

Company Profile

Northland Power has an interest in three gas-fired power plants located in Ontario and Maryland with a net capacity of approximately 274 MW. The fund also has an interest in a 54 MW wind farm in Quebec and two wind farms in Germany totaling 21.5 MW of capacity. The fund may become involved in the construction of two additional wind power projects in Quebec. The fund is managed by a subsidiary of Northland Power Inc.

Investment Rationale

- Overall, we believe that the units are fairly valued based on our discounted cash flow analysis of both the existing operations and the two potential wind projects that we expect to become assets of the fund.
- Given our outlook for high natural gas prices in the future, we believe that the fund's gas-fired power plants in Ontario will not be able to re-contract their capacity at current margins when they expire and present a potential downside risk to cash flows.
- The fund's manager is developing two wind projects in Quebec with total capacity of 250.5 MW. Permitting delays have pushed the expected commissioning date of the first 150 MW project to 2009 and the second project to late 2010. Given the recent delays and timing uncertainty, our 2009 estimates do not include any contribution from the wind assets; however, our target price reflects an estimated value of $0.50/unit associated with the future acquisition of the assets.

Valuation

Our target price of $13.00 is consistent with our discounted cash flow analysis, which implies an equity value of between $12.25 and $13.75 per unit based on an unlevered equity discount range of 6.0% to 7.0%. Our target price includes an estimate of the value (about $0.50 per unit) of two wind projects in Quebec that the fund's Manager has indicated an intention to sell to the fund.

Price Target Impediments

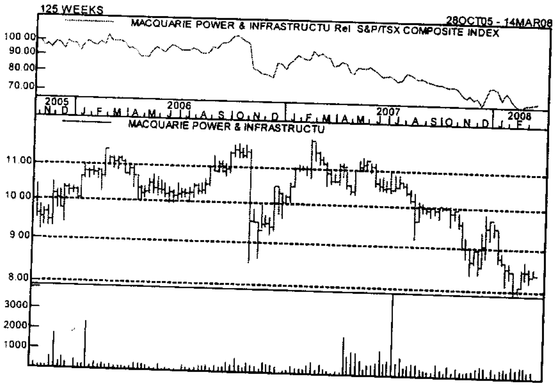
Impediments include: lower-than-forecast impact from the proposed wind power projects in Quebec, wind availability at its Miller Mountain project, the ability to renegotiate power sales/gas supply agreements, unplanned outages, and foreign exchange and interest rates that differ from our forecast.

Note:
Figures have been normalized for unusual items and may not conform with GAAP.
Disclosure Codes: BA NIB2 CL1c CL2a CL2c

RBC Capital Markets

MACQUARIE POWER & INFR. IF (MPT.UN C$8.38)

Analyst: Robert Kwan, (604) 257-7611, Associate: Peter Heusel, (604) 257-7617



Stock Rating:	Sector Perform	**Risk Qualifier:**	Average
One-Year Target (C$):	8.75	**Implied Total return** (%):	16.9
Shares O/S F.D. (MM):	50.1	**Mkt. Cap** (C$MM):	419.5
Float F.D. (MM):	46.8	**Mkt. Float** (C$MM):	392.2
Year End:	December 31	**Expected Reporting Date:**	May 09
Price Momentum Quadrant:	1	**QuaDS Score:**	n.a.
Relative Strength:	5	**52-Week High/ Low** (C$):	11.38/7.90

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	19.5	Dividend/Share	2.7
EPS	14.0	CFPS	4.0

Strategic S/Hs: Certain previous owners of Leisureworld (10.8%)

	2006	2007	2008E	2009E
Valuation (C$ unless otherwise specified)				
EPS Basic	0.31	1.35	0.35	0.44
EPS F.D.	0.28	1.24	0.33	0.41
Mean EPS Estimates*			n.a.	n.a.
P/E F.D. (X)	36.9	8.2	25.4	20.4
CFPS F.D.	1.05	1.17	1.09	1.18
P/CF F.D. (X)	9.8	8.7	7.7	7.1
Book Value	9.21	8.69	7.92	7.20
P/BV (X)	1.1	1.2	1.1	1.2
Enterprise Value/EBITDA	14.4	14.4	11.4	10.5
Dividend/Share	1.01	1.03	1.05	1.09
Yield (%)	9.8	10.1	12.5	13.0
Financial Information (C$MM)				
Income Statement				
Revenue	90	123	150	153
EBITDA	23	43	56	60
EBITDA Margin (%)	25.7	35.2	37.0	39.1
Interest Expense	1	7	12	12
Income Tax Rate (%)	0.0	(119.0)	0.0	0.0
Net Income to Common	8	50	16	21
Net Profit Margin (%)	9.4	40.6	10.9	13.5
Cash Flow Statement				
Cash Flow From Ops.	31	47	54	59
Capex - Maintenance	1	0	2	1
Free Cash Flow	(2)	(7)	0	3
Capex - Acquisitions	0	(1)	0	0
Cash Flow From Financing	0	(10)	0	0
Div./Distr. To Common	30	43	53	55
Net Free Cash Flow	(2)	(16)	0	3
Balance Sheet				
Cash & Equivalents	12	22	23	27
Total Assets	297	798	762	728
Long-Term Debt	35	236	236	236
Debt Coming Due	0	0	0	0
Common Equity	247	407	371	337
Total Liabilities & Equity	297	798	762	728
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	23.7	6.2	4.8	5.2
Net Debt+Pfds/Tot Capital (%)	8.5	34.5	36.5	38.3
Net Debt/EBITDA	1.0	5.0	3.8	3.5
Current Ratio	2.5	2.1	2.1	2.2
ROA	2.7	9.1	2.1	2.8
ROE	3.3	15.2	4.2	5.9
Industry/Company Specific				
ACFFO/Unit	$1.03	$1.16	$1.06	$1.16

Source: Company reports, RBC Capital Markets estimates.
* Thomson One Mean estimates (as of Mar 15, 2008)

Company Profile

Macquarie's portfolio of assets includes investments in gas cogeneration, wind, hydro and biomass power-generating facilities, totaling 459 MW of installed capacity, and a 45% indirect interest in Leisureworld Senior Care LP, a leading provider of long-term care, or social infrastructure, in Ontario.

Investment Rationale

- Macquarie closed the acquisition of Clean Power in June 2007, which increased its geographic and fuel source diversity by adding 303 MW of renewable power capacity; including 208 MW of wind, 36 MW of hydropower and 59 MW of biomass capacity.
- In December, Macquarie announced an increase in its annual distribution from $1.03/unit to $1.05/unit. Macquarie's management has indicated it intends to maintain its targeted payout ratio of 90% to 95% of distributable cash.
- We expect higher maintenance spending to be a drag on cash flow in 2008, but forecast maintenance spending is expected to moderate in 2009.
- We believe Macquarie will continue its strategy of growth through further acquisitions of infrastructure-based assets, which could include power, long-term care, hospitals, schools, roads and water/wastewater facilities.

Valuation

Our target price of $8.75 is consistent with our discounted cash flow analysis, which implies an equity value of between $8.25 and $9.25 based on an unlevered discount range of 6.0% to 7.0%. We believe our unlevered equity discount range is appropriate based on expected interest rates and Macquarie Power's risk profile and growth prospects.

Price Target Impediments

Impediments include: unplanned outages, the ability to extend its site lease at the Cardinal plant, integration of the Clean Power acquisition, the ability to renegotiate its power and gas contracts as they expire or to realize market prices similar to our assumptions, and higher-than-forecast interest rates.

Disclosure Codes: MM2 SVa

KEYERA FACILITIES INCOME FUND (KEY.UN C$20.05)

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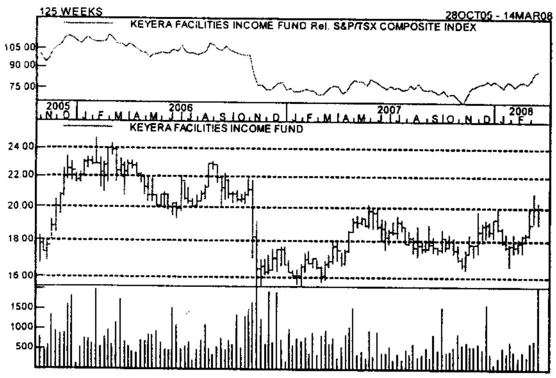


Stock Rating:	Outperform	**Risk Qualifier:**	Average
One-Year Target (C$):	20.50	**Implied Total return (%):**	10.3
Shares O/S F.D. (MM):	61.3	**Mkt. Cap** (C$MM):	1,229.1
Float F.D. (MM):	61.3	**Mkt. Float** (C$MM):	1,229.1
Year End:	December 31	**Expected Reporting Date:**	May 13
Price Momentum Quadrant:	2	**QuaDS Score:**	1
Relative Strength:	2	**52-Week High/ Low** (C$):	20.91/16.38

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	3.6	Dividend/Share	4.3
EPS	14.4	CFPS	9.2

Strategic S/Hs: Widely Held

	2006	2007	2008E	2009E
Valuation (C$ unless otherwise specified)				
EPS Basic	0.94	1.68	1.33	1.41
EPS F.D.	0.94	1.68	1.33	1.41
Mean EPS Estimates*			n.a.	n.a.
P/E F.D. (X)	21.2	10.7	15.1	14.2
CFPS F.D.	1.64	2.33	2.11	2.14
P/CF F.D. (X)	12.2	7.7	9.5	9.4
Book Value	10.19	8.99	8.72	8.52
P/BV (X)	2.0	2.0	2.3	2.4
Enterprise Value/EBITDA	12.2	8.4	10.3	9.9
Dividend/Share	1.43	1.48	1.61	1.62
Yield (%)	7.2	8.3	8.0	8.1
Financial Information (C$MM)				
Income Statement				
Revenue	1,123	1,198	1,213	1,248
EBITDA	127	170	155	158
EBITDA Margin (%)	11.3	14.2	12.8	12.7
Interest Expense	18	20	22	23
Income Tax Rate (%)	13.2	2.2	6.8	6.5
Net Income to Common	57	102	82	87
Net Profit Margin (%)	5.1	8.5	6.7	6.9
Cash Flow Statement				
Cash Flow From Ops.	104	145	133	135
Capex - Maintenance	3	1	3	3
Free Cash Flow	29	29	53	32
Capex - Acquisitions	80	27	80	0
Cash Flow From Financing	46	14	78	(32)
Div./Distr. To Common	87	90	99	99
Net Free Cash Flow	(6)	16	51	0
Balance Sheet				
Cash & Equivalents	0	16	66	66
Total Assets	1,223	1,331	1,305	1,268
Long-Term Debt	239	335	334	333
Debt Coming Due	108	20	98	67
Common Equity	618	550	534	523
Total Liabilities & Equity	1,223	1,331	1,305	1,268
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	7.0	8.4	7.1	6.8
Net Debt+Pfds/Tot Capital (%)	35.9	38.1	40.6	38.9
Net Debt/EBITDA	2.7	2.0	2.4	2.1
Current Ratio	0.8	1.3	1.1	1.3
ROA	4.7	8.0	6.2	6.7
ROE	9.1	17.5	15.1	16.4
Industry/Company Specific				
ACFFO/Unit - diluted	$1.59	$2.30	$2.06	$2.09

Source: Company reports, RBC Capital Markets estimates.
* Thomson One Mean estimates (as of Mar 15, 2008)

Company Profile

Keyera Facilities Income Fund operates a midstream business that consists of natural gas gathering and processing and the processing, transportation, storage and marketing of natural gas liquids and crude oil. Keyera's gas processing plants and associated facilities are strategically located in the west central and foothills natural gas production areas of the Western Canadian Sedimentary Basin.

Investment Rationale

- We view Keyera as attractively valued relative to its peers based on its expected total return.
- Over the long term, we expect Keyera to benefit from increased production in the northern and western areas of the Western Canadian Sedimentary Basin. Keyera's facilities are strategically located to capitalize on the westward trend in production. As the largest independent sour gas processor in Alberta, Keyera has the ability to process sour gas produced from deeper geological formations that exist in the western part of the WCSB.

Valuation

Our target price of $20.50 is consistent with our discounted cash flow analysis, which implies an equity value of between $18.50 and $22.50 per unit based on an unlevered equity discount range of 6.00% to 7.00%. We believe our unlevered equity discount range is appropriate based on expected interest rates and Keyera's risk profile and growth prospects.

Price Target Impediments

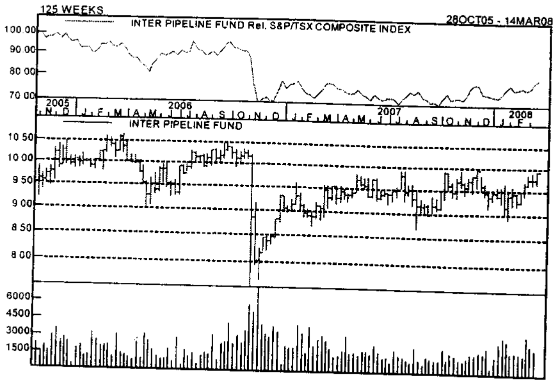
Impediments to our target price include depressed margins for the NGL marketing business, a significant decrease in utilization at Keyera's facilities and/or a material decline in natural gas prices and drilling in the WCSB resulting in lower throughput at Keyera's facilities.

Note:
Figures are normalized for unusual items and may not conform with GAAP.
ACFFO = CFFO less maintenance capex.
Disclosure Codes: BA NIB2 CL1c CL2a CL2c SVa

RBC Capital Markets

INTER PIPELINE FUND (IPL.UN C$9.94)

Analyst: Fai Lee, (604) 257-7662, Associate: Owen Martin, (604) 257-7145



Stock Rating:	Sector Perform	**Risk Qualifier:**	Average
One-Year Target (C$):	9.50	**Implied Total return** (%):	4.0
Shares O/S F.D. (MM):	220.9	**Mkt. Cap** (C$MM):	2,195.7
Float F.D. (MM):	220.9	**Mkt. Float** (C$MM):	2,195.7
Year End:	December 31	**Expected Reporting Date:**	May 08
Price Momentum Quadrant:	1	**QuaDS Score:**	1
Relative Strength:	2	**52-Week High/ Low** (C$):	9.97/8.68

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	4.7	Dividend/Share	1.6
EPS	(1.1)	CFPS	1.1

Strategic S/Hs: Widely Held

	2006	2007	2008E	2009E
Valuation (C$ unless otherwise specified)				
EPS Basic	0.65	0.67	0.72	0.63
EPS F.D.	0.65	0.67	0.72	0.63
Mean EPS Estimates*			n.a.	n.a.
P/E F.D. (X)	14.2	14.0	13.8	15.8
CFPS F.D.	1.02	1.21	1.13	1.05
P/CF F.D. (X)	9.0	7.7	8.8	9.5
Book Value	5.94	4.82	4.71	4.52
P/BV (X)	1.5	1.9	2.1	2.2
Enterprise Value/EBITDA	10.3	11.9	12.2	12.7
Dividend/Share	0.80	0.84	0.84	0.84
Yield (%)	8.7	9.0	8.5	8.5
Financial Information (C$MM)				
Income Statement				
Revenue	1,011	1,145	1,170	1,161
EBITDA	245	318	327	311
EBITDA Margin (%)	24.3	27.8	27.9	26.8
Interest Expense	40	62	71	69
Income Tax Rate (%)				
Net Income to Common	131	136	161	142
Net Profit Margin (%)	12.9	11.8	13.8	12.2
Cash Flow Statement				
Cash Flow From Ops.	205	247	252	236
Capex - Maintenance	14	12	12	13
Free Cash Flow	27	50	55	35
Capex - Acquisitions	52	640	0	0
Cash Flow From Financing	22	589	(55)	(35)
Div./Distr. To Common	161	172	187	188
Net Free Cash Flow	(3)	(2)	0	0
Balance Sheet				
Cash & Equivalents	16	13	13	13
Total Assets	2,157	3,550	3,454	3,374
Long-Term Debt	675	1,879	1,811	1,762
Debt Coming Due	12	0	0	0
Common Equity	1,198	1,064	1,052	1,019
Total Liabilities & Equity	2,157	3,550	3,454	3,374
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	6.1	5.1	4.6	4.5
Net Debt+Pfds/Tot Capital (%)	35.9	63.7	63.1	63.2
Net Debt/EBITDA	2.7	5.9	5.5	5.6
Current Ratio	1.0	0.8	0.8	0.8
ROA	6.2	4.8	4.6	4.2
ROE	11.7	12.0	15.2	13.7
Industry/Company Specific				
ACFFO/Unit - diluted	$0.95	$1.15	$1.08	$0.99

Source: Company reports, RBC Capital Markets estimates.
* Thomson One Mean estimates (as of Mar 15, 2008)

Company Profile

Inter Pipeline Fund is a limited partnership that holds interests in six crude oil pipeline systems and three natural gas liquid extraction facilities in western Canada. The pipeline business includes Inter Pipeline's conventional oil gathering system, its 85% interest in the Cold Lake Pipeline system and the Corridor Pipeline system acquired in March 2007. Inter Pipeline also owns Simon Storage Ltd., the largest independent petroleum and petrochemical storage business in the U.K.

Investment Rationale

- We view Inter Pipeline as fairly valued relative to its peers.
- Inter Pipeline is benefiting from higher-than-average frac spreads. Approximately 33% of Inter Pipeline's forecast propane-plus volumes are hedged through 2008 at an average price of US$0.48/gallon. This compares to the 3-year historical average of US$0.51/gallon and the 15-year historical average of US$0.28/gallon.
- Over the long term, we have assumed that frac spreads revert to the historical average.

Valuation

Our target price of $9.50 is consistent with our discounted cash flow analysis, which implies an equity value of between $8.50 and $10.75 per unit based on an unlevered equity discount range of 6.00% to 7.00%. We believe our unlevered equity discount range is appropriate based on expected interest rates and Inter Pipeline's risk profile and growth prospects.

Price Target Impediments

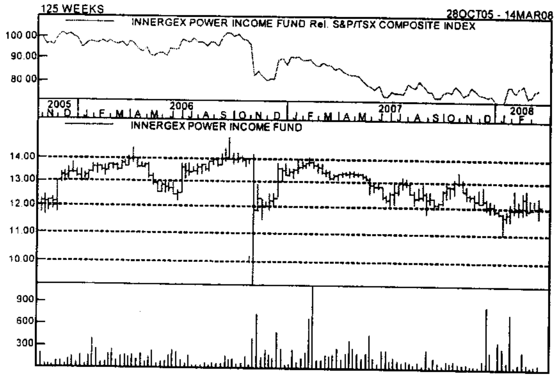
Impediments include: a decline in throughput on the conventional oil gathering system where the impact cannot be offset through tolls, an unexpected regulatory decision, higher-than-assumed interest rates and a prolonged decline in crude oil prices or propane-plus extraction margins.

Note:
Figures are normalized for unusual items and may not conform with GAAP.
ACFFO equals cash flow from operations less maintenance capex.
Disclosure Codes: CF1 BA NIB2 CL1c CL2a CL2c SVa

INNERGEX POWER INCOME FUND (IEF.UN C$12.07)

RBC Capital Markets

Analyst: Robert Kwan, (604) 257-7611, Associate: Peter Heusel, (604) 257-7617



Stock Rating:	Outperform	**Risk Qualifier:**	Average
One-Year Target (C$):	14.00	**Implied Total return** (%):	24.3
Shares O/S F.D. (MM):	29.4	**Mkt. Cap** (C$MM):	354.9
Float F.D. (MM):	24.7	**Mkt. Float** (C$MM):	298.1
Year End:	December 31	**Expected Reporting Date:**	Mar 14
Price Momentum Quadrant:	1	**QuaDS Score:**	2
Relative Strength:	4	**52-Week High/ Low** (C$):	13.48/11.01

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	13.8	Dividend/Share	1.2
EPS	12.4	CFPS	2.3

Strategic S/Hs: Widely Held

	2006	2007E	2008E	2009E
Valuation (C$ unless otherwise specified)				
EPS Basic	0.48	0.41	0.65	0.68
EPS F.D.	0.48	0.41	0.65	0.68
Mean EPS Estimates*		n.a.	n.a.	n.a.
P/E F.D. (X)	27.1	29.4	18.6	17.8
CFPS F.D.	1.05	0.96	1.10	1.13
P/CF F.D. (X)	12.4	12.6	11.0	10.7
Book Value	8.62	8.67	7.12	6.81
P/BV (X)	1.5	1.4	1.7	1.8
Enterprise Value/EBITDA	13.0	18.0	12.1	11.9
Dividend/Share	0.96	0.96	1.00	1.00
Yield (%)	7.4	8.0	8.3	8.3
Financial Information (C$MM)				
Income Statement				
Revenue	41	40	59	61
EBITDA	32	31	46	47
EBITDA Margin (%)	78.8	78.0	78.0	78.0
Interest Expense	6	7	13	13
Income Tax Rate (%)	6.7	8.0	3.4	3.3
Net Income to Common	12	10	19	20
Net Profit Margin (%)	28.9	25.8	32.1	33.2
Cash Flow Statement				
Cash Flow From Ops.	26	24	32	33
Capex - Maintenance	0	1	1	1
Free Cash Flow	7	(2)	2	3
Capex - Acquisitions	3	172	1	2
Cash Flow From Financing	(1)	171	(2)	(2)
Div./Distr. To Common	24	24	29	29
Net Free Cash Flow	3	(3)	0	0
Balance Sheet				
Cash & Equivalents	7	4	4	4
Total Assets	345	505	494	484
Long-Term Debt	108	212	211	211
Debt Coming Due	0	2	1	0
Common Equity	213	219	209	200
Total Liabilities & Equity	345	505	494	484
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	5.5	4.8	3.5	3.6
Net Debt+Pfds/Tot Capital (%)	32.1	49.0	49.8	50.8
Net Debt/EBITDA	3.1	6.7	4.5	4.4
Current Ratio	1.9	1.3	1.4	1.6
ROA	3.4	2.4	3.8	4.1
ROE	5.4	4.8	8.9	9.8
Industry/Company Specific				
ACFFO/Unit	$1.03	$0.94	$1.08	$1.11

Source: Company reports, RBC Capital Markets estimates.
* Thomson One Mean estimates (as of Mar 15, 2008)

Company Profile

Innergex Power Income Fund has an interest in 10 run-of-the-river hydroelectric facilities totaling about 130 MW of power generating capacity. Seven of the facilities are located in Quebec, with one facility in each of Ontario, B.C. and Idaho. The Fund also owns a 38% interest in two Quebec wind farms, Baie-des-Sables and Anse-a-Valleau, which have a total installed capacity of 210 MW.

Investment Rationale

- We believe that Innergex is attractively valued relative to the power trust sector.
- The fund has above average organic growth through minimum 3% revenue escalators for the majority of the fund's contracts.
- In December 2007, Innergex closed the acquisition of a 38% interest in two wind farms in Quebec, Baie-des-Sables and Anse-a-Valleau, which have a combined total capacity of 210 MW. Based on our discounted cash flow analysis, we estimate the acquisition to be accretive to unitholder value by approximately $0.25/unit.
- We believe the fund could pursue additional growth opportunities through further acquisitions.

Valuation

Our 12-month price target of $14.00 is supported by our discounted cash flow valuation (range of $13.00 to $15.00 per unit) using an unlevered equity discount rate range of 6.0% to 7.0% applied to the cash flows until the expiration of each facilities' site permit.

Price Target Impediments

Impediments include: the ability to secure site leases and permits; unplanned outages; variations in water flows; inflation, interest rates and new contract pricing that differ from our forecast; and the ability to maintain income tax efficiency.

Note:

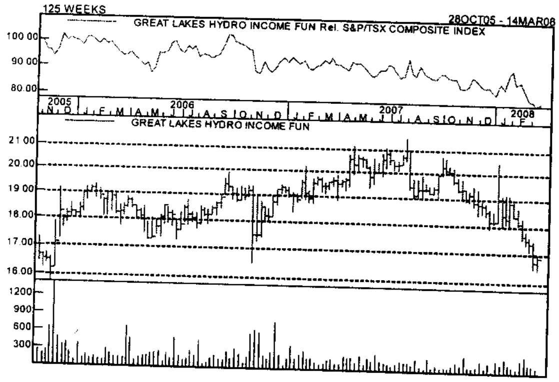
Figures have been normalized for unusual items and may not conform with GAAP.

Disclosure Codes: NIB2 CL1c CL2c

RBC Capital Markets

GREAT LAKES HYDRO INCOME FUND (GLH.UN C$16.87)

Analyst: Robert Kwan, (604) 257-7611, Associate: Peter Heusel, (604) 257-7617



Stock Rating:	Underperform	**Risk Qualifier:**	Average
One-Year Target (C$):	19.00	**Implied Total return (%):**	20.0
Shares O/S F.D. (MM):	48.3	**Mkt. Cap** (C$MM):	814.4
Float F.D. (MM):	24.1	**Mkt. Float** (C$MM):	406.4
Year End:	December 31	**Expected Reporting Date:**	May 07
Price Momentum Quadrant:	4	**QuaDS Score:**	2
Relative Strength:	5	**52-Week High/ Low** (C$):	21.52/16.46

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	(0.5)	Dividend/Share	0.2
EPS	(0.1)	CFPS	0.1

Strategic S/Hs: Brookfield Asset Management (50.1%)

	2006	2007	2008E	2009E
Valuation (C$ unless otherwise specified)				
EPS Basic	1.01	0.01	0.95	1.00
EPS F.D.	1.01	0.01	0.95	1.00
Mean EPS Estimates*			n.a.	n.a.
P/E F.D. (X)	18.2	n.m.	17.8	16.9
CFPS F.D.	1.71	1.34	1.66	1.72
P/CF F.D. (X)	10.8	14.6	10.2	9.8
Book Value	8.65	7.07	6.82	6.58
P/BV (X)	2.1	2.8	2.5	2.6
Enterprise Value/EBITDA	12.1	14.6	11.6	11.4
Dividend/Share	1.24	1.25	1.25	1.25
Yield (%)	6.7	6.4	7.4	7.4
Financial Information (C$MM)				
Income Statement				
Revenue	178	156	173	175
EBITDA	125	108	124	125
EBITDA Margin (%)	70.3	69.3	71.3	71.4
Interest Expense	42	43	43	42
Income Tax Rate (%)	5.2	84.8	3.1	2.9
Net Income to Common	50	1	46	48
Net Profit Margin (%)	28.1	0.5	26.4	27.6
Cash Flow Statement				
Cash Flow From Ops.	83	65	80	83
Capex - Maintenance	31	36	15	20
Free Cash Flow	(4)	(33)	5	2
Capex - Acquisitions	53	0	0	0
Cash Flow From Financing	31	6	(6)	(3)
Div./Distr. To Common	60	60	60	60
Net Free Cash Flow	(26)	(27)	(1)	(1)
Balance Sheet				
Cash & Equivalents	32	5	5	5
Total Assets	1,159	1,078	1,061	1,048
Long-Term Debt	658	633	626	547
Debt Coming Due	0	0	(1)	76
Common Equity	418	341	329	317
Total Liabilities & Equity	1,159	1,078	1,061	1,048
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	3.0	2.5	2.9	3.0
Net Debt+Pfds/Tot Capital (%)	60.0	64.8	65.3	66.1
Net Debt/EBITDA	5.0	5.8	5.0	4.9
Current Ratio	1.4	0.6	0.6	0.2
ROA	4.4	0.1	4.3	4.6
ROE	11.8	0.2	13.6	15.0
Industry/Company Specific				
ACFFO/Unit	$1.06	$0.60	$1.35	$1.30

Source: Company reports, RBC Capital Markets estimates.
* Thomson One Mean estimates (as of Mar 15, 2008)

Company Profile

Great Lakes Hydro Income Fund owns hydroelectric facilities with a generating capacity of 1,015 megawatts (MW). The fund's plants are located in Ontario (508 MW), Quebec (249 MW), New England (176 MW) and British Columbia (82 MW). Subsidiaries of Brookfield Asset Management own 50.1% of the fund and provide management and operations services.

Investment Rationale

- We rank Great Lakes Hydro Underperform, Average Risk due to our concern about the depressed water flows in Ontario, exposure to the U.S. dollar and limited near-term catalysts to support unit price appreciation.
- Great Lakes continues to experience steady below-average water flows at its facilities in the Great Lakes region, and management has conceded that the current water levels may result in a longer pattern of recovery to the long-term averages. However, the outlook for near-term hydrology in Quebec, Ontario and New England has improved for 2008.
- Reflecting the negative cash flow impact of the strengthening Canadian dollar, the outage at the Cedar Dam facility and poor hydrology in Quebec and Ontario, Great Lakes reduced its capital spending program for 2008.

Valuation

Our target price of $19.00 is consistent with our discounted cash flow analysis, which implies an equity value of between $17.50 and $20.50 per unit based on an unlevered equity discount range of 6.0% to 7.0%. We believe our unlevered equity discount range is appropriate based on expected interest rates and Great Lake Hydro's risk profile and growth prospects.

Price Target Impediments

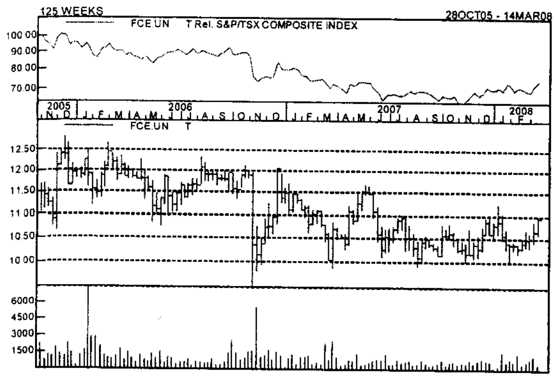
Impediments include: foreign exchange and interest rates that differ from our forecast; unplanned outages; the ability to secure leases, renewal of permits and regulatory approvals on similar terms; changes in water flows; and the ability to realize higher power prices upon contract expirations.

Note:
Figures are normalized for unusual items and may not conform with GAAP.
Disclosure Codes:

RBC Capital Markets

FORT CHICAGO ENERGY PARTNERS (FCE.UN C$10.94)

Analyst: Fai Lee, (604) 257-7662, Associate: Owen Martin, (604) 257-7145



Stock Rating:	Sector Perform	**Risk Qualifier:**	Above Average
One-Year Target (C$):	10.75	**Implied Total return** (%):	7.4
Shares O/S F.D. (MM):	131.8	**Mkt. Cap** (C$MM):	1,441.9
Float F.D. (MM):	131.8	**Mkt. Float** (C$MM):	1,441.9
Year End:	December 31	**Expected Reporting Date:**	May 09
Price Momentum Quadrant:	2	**QuaDS Score:**	2
Relative Strength:	1	**52-Week High/ Low** (C$):	11.68/9.91

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	3.0	Dividend/Share	2.4
EPS	3.3	CFPS	0.4

Strategic S/Hs: Widely Held

	2006	2007	2008E	2009E
Valuation (C$ unless otherwise specified)				
EPS Basic	0.55	0.60	0.84	0.60
EPS F.D.	0.55	0.60	0.84	0.60
Mean EPS Estimates*			n.a.	n.a.
P/E F.D. (X)	20.3	18.1	13.0	18.2
CFPS F.D.	1.53	1.70	1.72	1.55
P/CF F.D. (X)	7.3	6.4	6.4	7.1
Book Value	6.25	5.72	5.58	5.19
P/BV (X)	1.8	1.9	2.0	2.1
Enterprise Value/EBITDA	9.3	9.2	8.8	9.6
Dividend/Share	0.93	0.94	1.00	1.00
Yield (%)	8.3	8.7	9.1	9.1
Financial Information (C$MM)				
Income Statement				
Revenue	542	568	633	593
EBITDA	323	344	357	327
EBITDA Margin (%)	59.5	60.6	56.5	55.1
Interest Expense	111	109	112	108
Income Tax Rate (%)	15.5	24.0	14.1	20.9
Net Income to Common	71	79	110	79
Net Profit Margin (%)	13.1	13.9	17.4	13.4
Cash Flow Statement				
Cash Flow From Ops.	205	223	231	208
Capex - Maintenance	13	20	17	15
Free Cash Flow	106	57	65	61
Capex - Acquisitions	30	323	29	34
Cash Flow From Financing	(52)	269	(29)	(62)
Div./Distr. To Common	117	123	132	132
Net Free Cash Flow	23	2	8	(34)
Balance Sheet				
Cash & Equivalents	45	47	55	21
Total Assets	2,719	2,871	2,830	2,740
Long-Term Debt	1,538	1,723	1,696	1,638
Debt Coming Due	64	65	68	72
Common Equity	818	755	737	685
Total Liabilities & Equity	2,719	2,871	2,830	2,740
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	2.9	3.1	3.2	3.0
Net Debt+Pfds/Tot Capital (%)	65.5	69.7	69.9	71.2
Net Debt/EBITDA	4.8	5.1	4.8	5.2
Current Ratio	0.7	0.8	1.1	0.9
ROA	2.6	2.8	3.9	2.9
ROE	8.7	10.0	14.8	11.2
Industry/Company Specific				
ACFFO/Unit - diluted	$1.02	$1.14	$1.17	$0.96

Source: Company reports, RBC Capital Markets estimates.
*Thomson One Mean estimates (as of Mar 15, 2008)

Company Profile

Fort Chicago Energy Partners L.P. has three principal businesses: transporting natural gas from northwestern Alberta and northeastern B.C to Chicago, Illinois; natural gas liquids extraction and fractionation; and transporting pure ethane to Alberta-based petrochemical facilities. Fort Chicago completed the acquisition of Countryside Power Income Fund on August 10, 2007.

Investment Rationale

- We believe that Fort Chicago is fairly valued relative to its peers.
- Notwithstanding the profit share arrangement with BP, there will still be volatility in Fort Chicago's cash flows due to the nature of the profit share agreement and inherent volatility in frac spreads.
- The toll profiles for Alliance Pipeline suggest steadily increasing cash flows through 2015, which we believe is fully reflected in Fort Chicago's valuation.

Valuation

Our target price of $10.75 is consistent with our discounted cash flow analysis, which implies an equity value of between $10.00 and $11.50 per unit based on an unlevered equity discount range of 6.25% to 7.25%. We believe our unlevered equity discount range is appropriate based on expected interest rates and Fort Chicago's risk profile and growth prospects.

Price Target Impediments

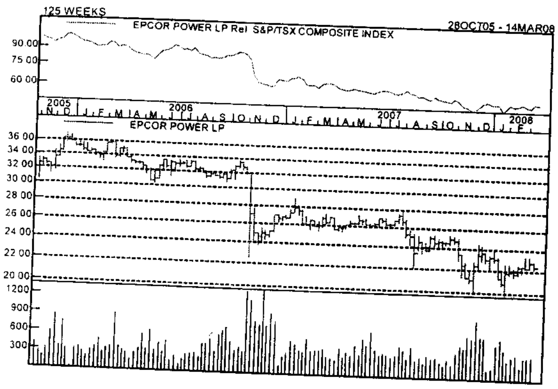
Impediments include taxation of Fort Chicago's U.S.-sourced income, lower-than-forecast frac spreads, termination of BP's agreement with Aux Sable, an unexpected change in interest rates or foreign exchange rates, and an inability by shippers to fulfill their contractual obligations.

Note:
Figures are normalized for unusual items and may not conform with GAAP.
ACFFO = CFFO less maintenance capex and mandatory debt repayments.
Disclosure Codes:

RBC Capital Markets

EPCOR POWER L.P. (EP.UN C$22.43)

Analyst: Robert Kwan, (604) 257-7611, Associate: Peter Heusel, (604) 257-7617



Stock Rating:	Underperform	**Risk Qualifier:**	Average
One-Year Target (C$):	22.50	**Implied Total return** (%):	11.5
Shares O/S F.D. (MM):	53.9	**Mkt. Cap** (C$MM):	1,208.9
Float F.D. (MM):	53.9	**Mkt. Float** (C$MM):	1,208.9
Year End:	December 31	**Expected Reporting Date:**	Mar 06
Price Momentum Quadrant:	1	**QuaDS Score:**	2
Relative Strength:	4	**52-Week High/ Low** (C$):	27.90/19.65

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	18.2	Dividend/Share	0.0
EPS	(5.9)	CFPS	(2.9)

Strategic S/Hs: EPCOR Utilities (30.6%)

	2006	2007E	2008E	2009E
Valuation (C$ unless otherwise specified)				
EPS Basic	1.28	0.03	1.02	1.07
EPS F.D.	1.28	0.03	1.02	1.07
Mean EPS Estimates*		n.a.	n.a.	n.a.
P/E F.D. (X)	23.5	n.m.	22.0	21.0
CFPS F.D.	3.06	2.95	2.75	2.80
P/CF F.D. (X)	9.8	7.6	8.2	8.0
Book Value	16.64	16.28	14.77	13.32
P/BV (X)	1.8	1.4	1.5	1.7
Enterprise Value/EBITDA	13.8	8.5	10.0	9.8
Dividend/Share	2.52	2.52	2.52	2.52
Yield (%)	8.4	11.2	11.2	11.2
Financial Information (C$MM)				
Income Statement				
Revenue	350	599	572	579
EBITDA	170	227	196	201
EBITDA Margin (%)	48.6	37.9	34.3	34.7
Interest Expense	29	50	33	39
Income Tax Rate (%)	8.1	89.7	6.8	2.0
Net Income to Common	62	1	55	58
Net Profit Margin (%)	17.7	0.2	9.6	10.0
Cash Flow Statement				
Cash Flow From Ops.	144	152	148	151
Capex - Maintenance	13	14	39	33
Free Cash Flow	6	46	(27)	(17)
Capex - Acquisitions	497	0	0	0
Cash Flow From Financing	477	12	0	16
Div./Distr. To Common	123	131	136	136
Net Free Cash Flow	(14)	58	(27)	(1)
Balance Sheet				
Cash & Equivalents	32	31	3	2
Total Assets	1,881	1,824	1,743	1,681
Long-Term Debt	718	632	632	632
Debt Coming Due	216	0	0	16
Common Equity	805	877	796	718
Total Liabilities & Equity	1,881	1,824	1,743	1,681
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	5.8	4.6	5.9	5.2
Net Debt+Pfds/Tot Capital (%)	52.8	45.2	48.5	51.7
Net Debt/EBITDA	5.3	2.6	3.2	3.2
Current Ratio	0.4	1.8	1.5	1.2
ROA	3.9	0.1	3.1	3.4
ROE	7.8	0.2	6.6	7.6
Industry/Company Specific				
CFFO/Unit	$2.78	$2.68	$2.01	$2.20

Source: Company reports, RBC Capital Markets estimates.
Thomson One Mean estimates (as of Mar 15, 2008)

Company Profile

EPCOR Power L.P. is a limited partnership that owns 20 power generation facilities totaling 1,311 MW of capacity in Canada and the U.S., along with a 15.4% interest in Primary Energy Recycling Holdings LLC, which indirectly owns and operates four recycled energy projects and a 50% interest in a pulverized coal facility. As a limited partnership, only residents of Canada are eligible to hold EPCOR Power units.

Investment Rationale

- We expect EPCOR Power will continue to pursue its strategy of growth through acquisitions. In 2006, the partnership acquired a 50.15% interest in the gas-fired Frederickson power plant and 100% interest in Primary Energy Ventures (PEV). Through the acquisition of PEV, EPCOR Power acquired an indirect interest in Primary Energy Recycling Corp. We think there is the potential for EPCOR to acquire the remaining interest in Primary.
- We believe that the risk profile of the partnership has increased due to the acquisition of additional U.S. assets and interest in Primary Energy Recycling Corp.
- The partnership faces potential declines in cash flow from the expiration of existing contracts with the next expiration being Castleton in 2008.

Valuation

Our target price of $22.50 is consistent with our discounted cash flow analysis, which implies an equity value of between $21.00 and $24.00 per unit based on an unlevered equity discount range of 7.0% to 8.0%. We believe our unlevered equity discount range is appropriate based on expected interest rates and EPCOR Power's risk profile and growth prospects.

Price Target Impediments

Impediments include unplanned outages at the company's facilities, the ability to secure new power contracts and fuel supplies when the current contracts expire, water flows at its hydroelectric facilities, and foreign exchange and interest rates that differ from those used in our valuation.

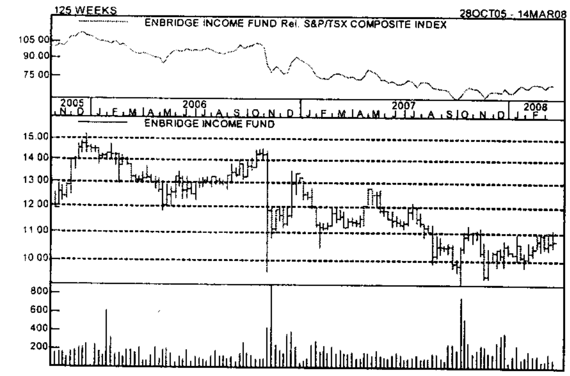
Note:

Figures are normalized for unusual items and may not conform with GAAP.
Disclosure Codes: CF1 BA NIB2 CL1c CL2a CL2c

ENBRIDGE INCOME FUND (ENF.UN C$10.71)

Analyst: Fai Lee, (604) 257-7662, Associate: Owen Martin, (604) 257-7145

RBC Capital Markets



Stock Rating:	Sector Perform	**Risk Qualifier:**	Average
One-Year Target (C$):	10.50	**Implied Total return (%):**	7.0
Shares O/S F.D. (MM):	34.6	**Mkt. Cap** (C$MM):	370.8
Float F.D. (MM):	20.1	**Mkt. Float** (C$MM):	215.5
Year End:	December 31	**Expected Reporting Date:**	May 05
Price Momentum Quadrant:	2	**QuaDS Score:**	3
Relative Strength:	2	**52-Week High/ Low** (C$):	12.75/9.20

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	3.1	Dividend/Share	1.2
EPS	(1.1)	CFPS	2.7

Strategic S/Hs: Enbridge (72.0%)

	2006	2007	2008E	2009E
Valuation (C$ unless otherwise specified)				
EPS Basic	0.54	0.42	0.55	0.52
EPS F.D.	0.54	0.42	0.55	0.52
Mean EPS Estimates*			n.a.	n.a.
P/E F.D. (X)	23.7	26.5	19.5	20.6
CFPS F.D.	1.45	1.47	1.53	1.57
P/CF F.D. (X)	8.8	7.6	7.0	6.8
Book Value	8.59	8.06	7.65	7.21
P/BV (X)	1.5	1.4	1.4	1.5
Enterprise Value/EBITDA	10.0	9.5	9.1	9.0
Dividend/Share	0.93	0.96	0.96	0.96
Yield (%)	7.3	8.6	9.0	9.0
Financial Information (C$MM)				
Income Statement				
Revenue	254	271	284	279
EBITDA	188	192	196	192
EBITDA Margin (%)	73.8	71.0	69.0	69.0
Interest Expense	60	62	64	62
Income Tax Rate (%)	1650.0	n.a.	n.a.	n.a.
Net Income to Common	19	15	19	18
Net Profit Margin (%)	7.3	5.4	6.7	6.5
Cash Flow Statement				
Cash Flow From Ops.	70	70	75	77
Capex - Maintenance	11	14	6	3
Free Cash Flow	43	28	28	41
Capex - Acquisitions	68	52	0	0
Cash Flow From Financing	31	21	(28)	(41)
Div./Distr. To Common	32	33	33	33
Net Free Cash Flow	6	(3)	0	0
Balance Sheet				
Cash & Equivalents	17	15	15	15
Total Assets	1,859	1,859	1,795	1,729
Long-Term Debt	1,040	1,045	1,001	954
Debt Coming Due	26	29	40	40
Common Equity	297	279	265	250
Total Liabilities & Equity	1,859	1,859	1,795	1,729
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	3.1	3.1	3.1	3.1
Net Debt+Pfds/Tot Capital (%)	82.8	83.8	84.1	84.5
Net Debt/EBITDA	5.6	5.5	5.2	5.1
Current Ratio	0.7	0.7	0.6	0.6
ROA	1.0	0.8	1.0	1.0
ROE	6.3	5.0	7.0	7.0
Industry/Company Specific				
ACFFO/Unit	$0.89	$0.89	$1.05	$1.10

Source: Company reports, RBC Capital Markets estimates.
* Thomson One Mean estimates (as of Mar 15, 2008)

Company Profile

Enbridge Income Fund (ENF) has a 50% ownership interest in the Canadian portion of the Alliance Pipeline, a 100% interest in Enbridge Saskatchewan and a 50% interest in NRGreen Power Limited Partnership.

Investment Rationale

- We believe Enbridge Income Fund is fairly valued relative to its peers. Based on its fundamental outlook, we expect the Fund's performance over the next year to be in line with its peers.
- Enbridge Income Fund's assets provide long-term cash flows that are reasonably predictable. Alliance Canada is the primary source for the Fund's distributable cash. Backed by long-term take-or-pay transportation agreements, Alliance Canada offers somewhat predictable cash flows. Based on Alliance Canada's toll structure, we expect increasing cash flows from Alliance Canada through 2015.
- We believe Enbridge Income Fund has a low-risk profile with limited throughput risk and minimal commodity price risk exposure.

Valuation

Our target price of $10.50 is consistent with our discounted cash flow analysis, which implies an equity value of between $9.50 and $11.25 per unit based on an unlevered equity discount range of 6.00% to 7.00%. We believe our unlevered equity discount range is appropriate based on expected interest rates and Enbridge Income Fund's risk profile and growth prospects.

Price Target Impediments

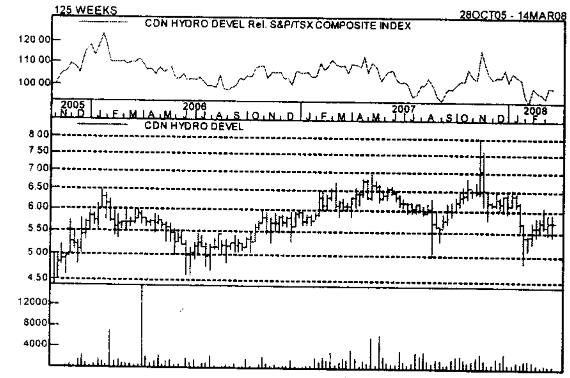
Impediments include an inability by shippers on the Alliance Pipeline to fulfill obligations, a change in regulation adversely affecting operations, an unexpected increase in interest rates and a decline in corporate tax rates resulting in lower notional income taxes collected in tolls.

Note:
Figures are normalized for unusual items and weather impact and may not conform with GAAP.
ACFFO = CFFO less mandatory debt repayment and maintenance capex.
Disclosure Codes: 1 NIB2 CL2c

RBC Capital Markets

CANADIAN HYDRO DEVELOPERS, INC. (KHD C$5.74)

Analyst: Robert Kwan, (604) 257-7611, Associate: Peter Heusel, (604) 257-7617



	2006	2007	2008E	2009E
Valuation (C$ unless otherwise specified)				
EPS Basic	0.05	0.02	0.08	0.21
EPS F.D.	0.05	0.02	0.08	0.21
Mean EPS Estimates*			0.11	0.29
P/E F.D. (X)	n.m.	n.m.	71.8	27.3
CFPS F.D.	0.19	0.18	0.29	0.62
P/CF F.D. (X)	29.2	35.1	19.8	9.3
Book Value	2.83	3.40	3.52	3.75
P/BV (X)	2.0	1.9	1.6	1.5
Enterprise Value/EBITDA	33.6	30.0	16.0	9.0
Dividend/Share	0.00	0.00	0.00	0.00
Yield (%)	0.0	0.0	0.0	0.0
Financial Information (C$000)				
Income Statement				
Revenue	48,188	63,757	102,706	176,616
EBITDA	27,256	38,149	72,614	129,040
EBITDA Margin (%)	56.6	59.8	70.7	73.1
Interest Expense	13,056	14,847	32,296	43,131
Income Tax Rate (%)	36.3	62.5	30.0	30.0
Net Income to Common	6,296	2,843	10,867	30,113
Net Profit Margin (%)	13.1	4.5	10.6	17.0
Cash Flow Statement				
Cash Flow From Ops.	22,808	23,755	41,457	87,947
Capex - Maintenance	1,425	1,808	3,784	3,834
Free Cash Flow	11,839	24,080	17,951	75,714
Capex - Acquisitions	220,658	213,275	510,768	91,027
Cash Flow From Financing	90,687	150,311	470,032	15,312
Div./Distr. To Common	0	0	0	0
Net Free Cash Flow	(118,132)	(38,884)	(22,785)	0
Balance Sheet				
Cash & Equivalents	61,669	22,785	0	0
Total Assets	687,042	949,914	1,436,609	1,496,978
Long-Term Debt	314,331	339,631	338,532	336,715
Debt Coming Due	1,996	2,825	2,398	1,817
Common Equity	338,926	481,976	502,622	535,311
Total Liabilities & Equity	687,042	949,914	1,436,609	1,496,978
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	2.1	2.6	2.2	3.0
Net Debt+Pfds/Tot Capital (%)	42.9	39.9	40.4	38.7
Net Debt/EBITDA	9.3	8.4	4.7	2.6
Current Ratio	6.5	0.4	0.1	0.1
ROA	n.a.	0.3	0.9	2.1
ROE	n.m.	0.7	2.2	5.8
Dividend Payout Ratio	0.0	0.0	0.0	0.0

Source: Company reports, RBC Capital Markets estimates.
* Thomson One Mean estimates (as of Mar 15, 2008)

Stock Rating:	Outperform	**Risk Qualifier:**	Above Average
One-Year Target (C$):	7.50	**Implied Total return** (%):	30.7
Shares O/S F.D. (MM):	143.3	**Mkt. Cap** (C$MM):	822.5
Float F.D. (MM):	120.9	**Mkt. Float** (C$MM):	694.0
Year End:	December 31	**Expected Reporting Date:**	May 15
Price Momentum Quadrant:	1	**QuaDS Score:**	4
Relative Strength:	5	**52-Week High/ Low** (C$):	8.01/4.85

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	54.2	Dividend/Share	0.0
EPS	58.7	CFPS	47.7

Strategic S/Hs: Institution #1 (10.4%); Institution #2 (9.9%)

Company Profile

Canadian Hydro Developers, Inc. is an independent developer of low-impact renewable energy. Currently, Canadian Hydro owns and operates 20 green power facilities. These facilities are located in Alberta, Ontario, British Columbia and Quebec. Its current generation mix comprises twelve hydroelectric plants, seven wind plants and one biomass generating plant, together totaling 364 MW of capacity.

Investment Rationale

- For more aggressive Energy Infrastructure investors seeking capital appreciation, we believe that Canadian Hydro is attractively valued based on our discounted cash flow valuation coupled with estimated values of its development projects.
- Continued news flow regarding contracts for new facilities and advancement of projects into the construction phase is expected to offer upside potential, as we believe that the current stock price reflects minimal upside from development projects.
- We believe that Canadian Hydro's portfolio of renewable energy projects makes it an attractive acquisition target to companies that are looking to increase the proportion of their assets invested in "green" facilities.
- Canadian Hydro is on the cusp of qualifying for inclusion in the S&P/TSX Composite Index, which could provide additional upside from index buying.

Valuation

Our target price for Canadian Hydro Developers of $7.50 is established using a DCF methodology and a range of unlevered equity discount rates of 6.0% to 7.0%. Our target price includes the estimated value for the prospects (at a 50% probability) of approximately $1.00 to $2.00 per share.

Price Target Impediments

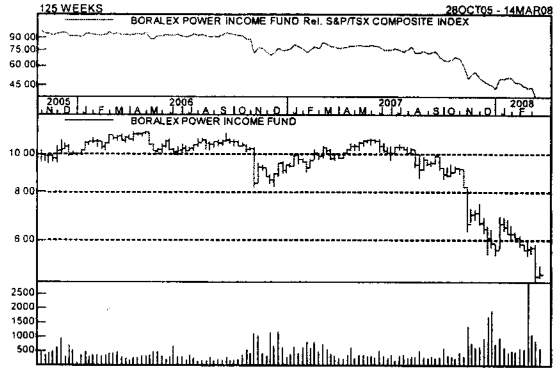
Risks to our price target include wind and hydrological conditions, the ability to obtain regulatory approvals, actual taxes payable, costs associated with building new facilities, unplanned outages, availability of financing, and interest rate and refinancing risk.

Disclosure Codes: CF1 BA CL2a

RBC Capital Markets

BORALEX POWER INCOME FUND (BPT.UN C$4.90)

Analyst: Robert Kwan, (604) 257-7611, Associate: Peter Heusel, (604) 257-7617



Stock Rating:	Sector Perform	**Risk Qualifier:**	Average
One-Year Target (C$):	6.00	**Implied Total return (%):**	36.7
Shares O/S F.D. (MM):	59.1	**Mkt. Cap** (C$MM):	289.4
Float F.D. (MM):	45.3	**Mkt. Float** (C$MM):	222.0
Year End:	December 31	**Expected Reporting Date:**	Apr 17
Price Momentum Quadrant:	1	**QuaDS Score:**	3
Relative Strength:	5	**52-Week High/ Low** (C$):	10.99/4.68

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	(2.4)	Dividend/Share	(8.0)
EPS	(12.0)	CFPS	(7.5)

Strategic S/Hs: Widely Held

	2006	2007	2008E	2009E
Valuation (C$ unless otherwise specified)				
EPS Basic	0.58	0.35	0.37	0.39
EPS F.D.	0.58	0.35	0.37	0.39
Mean EPS Estimates*			0.43	0.43
P/E F.D. (X)	17.1	23.5	13.2	12.6
CFPS F.D.	1.00	0.82	0.82	0.79
P/CF F.D. (X)	9.9	10.0	6.0	6.2
Book Value	7.40	5.70	5.38	5.08
P/BV (X)	1.3	1.4	0.9	1.0
Enterprise Value/EBITDA	9.5	10.5	6.9	6.7
Dividend/Share	0.90	0.90	0.75	0.70
Yield (%)	9.1	10.9	15.3	14.3
Financial Information (C$000)				
Income Statement				
Revenue	115,226	102,168	105,451	107,212
EBITDA	70,875	55,241	55,554	56,500
EBITDA Margin (%)	61.5	54.1	52.7	52.7
Interest Expense	6,815	6,778	7,029	6,968
Income Tax Rate (%)	17.6	8.8	18.2	17.2
Net Income to Common	33,966	20,394	21,566	23,116
Net Profit Margin (%)	29.5	20.0	20.5	21.6
Cash Flow Statement				
Cash Flow From Ops.	58,802	48,663	48,653	46,571
Capex - Maintenance	2,341	3,710	4,500	3,106
Free Cash Flow	468	(12,226)	(148)	2,118
Capex - Acquisitions	787	291	0	0
Cash Flow From Financing	2,120	(2,620)	(1,896)	404
Div./Distr. To Common	53,161	53,161	44,301	41,348
Net Free Cash Flow	1,801	(15,137)	(2,044)	2,522
Balance Sheet				
Cash & Equivalents	25,877	10,740	8,696	11,218
Total Assets	583,443	505,676	485,553	469,144
Long-Term Debt	117,387	102,529	102,529	102,529
Debt Coming Due	0	233	233	233
Common Equity	437,031	336,595	317,568	299,955
Total Liabilities & Equity	583,443	505,676	485,553	469,144
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	10.4	8.2	7.9	8.1
Net Debt+Pfds/Tot Capital (%)	17.3	21.5	22.9	23.4
Net Debt/EBITDA	1.3	1.7	1.7	1.6
Current Ratio	2.1	1.9	2.0	2.2
ROA	n.a.	3.7	4.4	4.8
ROE	n.m.	5.3	6.6	7.5
Dividend Payout Ratio	156.5	260.6	205.4	178.9
Industry/Company Specific				
ACFFO/unit	$0.96	$0.76	$0.75	$0.74

Source: Company reports, RBC Capital Markets estimates.
* Thomson One Mean estimates (as of Mar 15, 2008)

Company Profile

Boralex Power owns 10 power generating facilities totaling 190 MW. The Fund owns seven hydroelectric facilities (96.4 MW) located in Quebec and New York State. In Quebec, the Fund owns two wood residue-fired facilities (62.6 MW) and a natural gas-fired cogeneration plant (31.0 MW). The Fund's power stations are managed by Boralex Power Inc., a subsidiary of Boralex Inc., which has an indirect 23% interest in the Fund.

Investment Rationale

- We believe that Boralex Power is fairly valued relative to the sector.
- The fund is facing cost increases at its wood residue facilities due to shutdowns at sawmills in Quebec.
- The fund faces a number of other headwinds, including the ongoing dispute with Bowater Canada at its Dolbeau wood residue facility (currently in arbitration), a strengthening Canadian dollar and expiration of attractive hedges in early 2009, and concerns over the economic viability of the Kingsey Falls gas-fired power plant.
- In February 2008, the trustees of the fund cut the annual distribution by 22% in light of the expected difficulties facing the fund's cash flow.

Valuation

Our $6.00/unit price target is based on a 45-year discounted cash flow valuation using cash flows until the end of each of the facilities' useful life or the end of their site leases (as applicable). We use an unlevered equity discount rate range of 7.0% to 8.0%, which is a 1.0% premium to the range we use for low-risk power trusts. The discount rate premium is primarily due to the FX rate risk with respect to the fund's U.S. assets.

Price Target Impediments

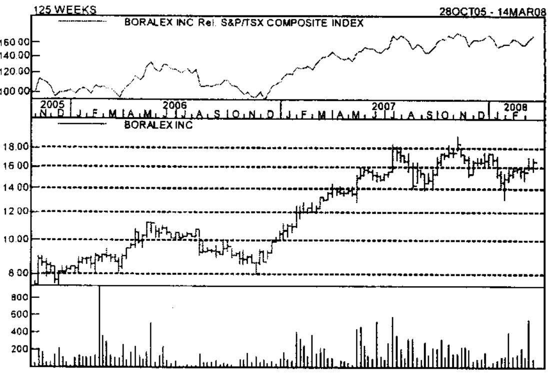
Hydrological conditions that differ from the long-term averages, the cost and availability of fuel supply for the wood-residue station, the ability to recontract facilities on favourable terms, a US$ exchange rate that differs from our estimates and variations in the 10-year bond yield.

Disclosure Codes:

RBC Capital Markets

BORALEX INC. (BLX C$16.59)

Analyst: Robert Kwan, (604) 257-7611, Associate: Peter Heusel, (604) 257-7617



Stock Rating:	Outperform	**Risk Qualifier:**	Above Average
One-Year Target (C$):	21.00	**Implied Total return** (%):	26.6
Shares O/S F.D. (MM):	37.5	**Mkt. Cap** (C$MM):	621.4
Float F.D. (MM):	37.5	**Mkt. Float** (C$MM):	621.4
Year End:	December 31	**Expected Reporting Date:**	Apr 21
Price Momentum Quadrant:	1	**QuaDS Score:**	n.a.
Relative Strength:	5	**52-Week High/ Low** (C$):	19.39/12.75

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	11.3	Dividend/Share	0.0
EPS	20.3	CFPS	29.1

Strategic S/Hs: Widely Held

	2006	2007	2008E	2009E
Valuation (C$ unless otherwise specified)				
EPS Basic	0.41	0.46	0.60	0.71
EPS F.D.	0.41	0.46	0.60	0.71
Mean EPS Estimates*			0.84	0.92
P/E F.D. (X)	23.5	32.1	27.7	23.4
CFPS F.D.	0.82	1.50	1.54	1.76
P/CF F.D. (X)	11.7	9.8	10.8	9.4
Book Value	6.11	7.60	8.03	8.75
P/BV (X)	1.6	1.9	2.1	1.9
Enterprise Value/EBITDA	10.7	10.4	10.9	9.9
Dividend/Share	0.00	0.00	0.00	0.00
Yield (%)	0.0	0.0	0.0	0.0
Financial Information (C$MM)				
Income Statement				
Revenue	135	175	174	187
EBITDA	43	58	68	80
EBITDA Margin (%)	31.6	33.3	39.3	42.6
Interest Expense	13	15	10	11
Income Tax Rate (%)	(61.3)	28.3	34.0	33.0
Net Income to Common	12	16	22	27
Net Profit Margin (%)	9.1	9.1	12.8	14.3
Cash Flow Statement				
Cash Flow From Ops.	25	52	57	66
Capex - Maintenance	0	0	0	0
Free Cash Flow	14	36	57	66
Capex - Acquisitions	34	23	83	158
Cash Flow From Financing	22	55	0	53
Div./Distr. To Common	0	0	0	0
Net Free Cash Flow	2	68	(25)	(39)
Balance Sheet				
Cash & Equivalents	14	79	54	15
Total Assets	478	515	549	641
Long-Term Debt	185	176	182	182
Debt Coming Due	0	0	0	0
Common Equity	184	285	301	328
Total Liabilities & Equity	478	515	549	641
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	3.4	3.9	7.2	7.0
Net Debt+Pfds/Tot Capital (%)	48.2	25.3	29.8	33.7
Net Debt/EBITDA	4.0	1.7	1.9	2.1
Current Ratio	0.7	5.9	4.7	0.9
ROA	n.a.	3.2	4.2	4.5
ROE	n.m.	6.8	7.6	8.5
Dividend Payout Ratio	0.0	0.0	0.0	0.0

Source: Company reports, RBC Capital Markets estimates.
* Thomson One Mean estimates (as of Mar 15, 2008)

Company Profile

Boralex Inc. owns and operates 22 power generating stations in France, the U.S. and Quebec with a combined installed capacity of 347 MW. The facilities consist of seven wind farms, eight hydroelectric facilities, six wood-residue facilities and a natural gas-fired co-generation facility. In addition to its own power stations, Boralex manages 10 power-generating facilities for Boralex Power Income Fund totaling 190 MW. Boralex has a 23% interest in Boralex Power Income Fund.

Investment Rationale

- We believe that Boralex is undervalued relative to the sector and appears to be trading largely on the value of its operating assets, which we estimate are worth roughly $17.00/share.
- We think that the current trading price is only attaching modest value to the company's development projects, which we believe could add up to $6.00/share of value.
- The company has a goal of tripling its capacity to 1,000 MW under contract over the next few years. Based on the portfolio of mostly wind projects, we believe that this target is achievable.
- As a result of the company's U.S. and French operations, Boralex provides the ability to participate in the trading value of carbon credits and renewable energy certificates (RECs).

Valuation

Our $21.00/share price target is based on a discounted cash flow valuation using a unlevered equity discount rate range of 7.5% to 8.5%. Our price target includes approximately $3.00/share of value (50% risk weighting) attributable to potential projects that are not yet operational and do not have contracts, and approximately $1.00/share for 90 MW of Ontario wind projects that we expect to qualify for the standard offer contract.

Price Target Impediments

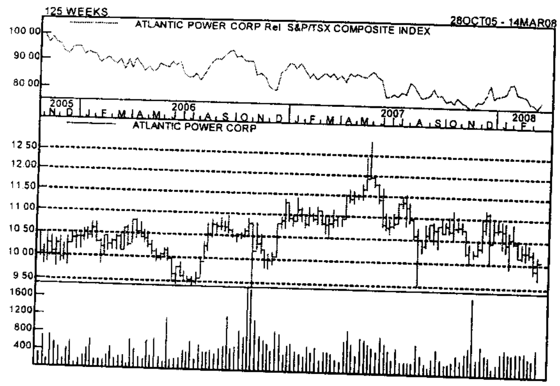
The ability to win and deliver on contracts for new projects; significant variation from our forecasts of long-term wind and hydrological conditions, commodity prices, foreign exchange rates and the level of 10-year interest rates (which impact our DCF valuation).

Disclosure Codes:

RBC Capital Markets

ATLANTIC POWER CORP. (ATP.UN C$10.06)

Analyst: Robert Kwan, (604) 257-7611, Associate: Peter Heusel, (604) 257-7617



Stock Rating:	Sector Perform	**Risk Qualifier:**	Above Average
One-Year Target (C$):	11.00	**Implied Total return (%):**	19.9
Shares O/S F.D. (MM):	61.8	**Mkt. Cap** (C$MM):	621.7
Float F.D. (MM):	61.8	**Mkt. Float** (C$MM):	621.7
Year End:	December 31	**Expected Reporting Date:**	Mar 26
Price Momentum Quadrant:	4	**QuaDS Score:**	n.a.
Relative Strength:	4	**52-Week High/ Low** (C$):	12.88/9.50

Three-Year Annual Growth Rates (%) 2006-2009E

Revenue	0.7	Dividend/Share	0.7
EPS	n.m.	CFPS	(9.3)

Strategic S/Hs: Widely Held

	2006	2007E	2008E	2009E
Valuation (US$ unless otherwise specified)				
EPS Basic	0.00	0.03	0.25	(0.17)
EPS F.D.	0.00	0.03	0.23	(0.17)
Mean EPS Estimates*		n.a.	n.a.	n.a.
P/E F.D. (X)	n.m.	n.m.	44.5	n.m.
CFPS F.D.	1.65	1.92	1.84	1.23
P/CF F.D. (X)	5.5	5.3	5.6	8.3
Book Value	2.66	3.12	2.93	2.30
P/BV (X)	3.4	3.3	3.5	4.5
Enterprise Value/EBITDA	11.6	10.8	9.8	12.3
Dividend/Share	1.04	1.06	1.06	1.06
Yield (%)	10.0	10.5	10.5	10.5
Financial Information (US$MM)				
Income Statement				
Revenue	243	283	282	248
EBITDA	106	130	137	108
EBITDA Margin (%)	43.6	45.8	48.5	43.5
Interest Expense	48	70	69	67
Income Tax Rate (%)	3.7	77.1	7.2	0.0
Net Income to Common	0	2	16	(11)
Net Profit Margin (%)	0.0	0.7	5.5	n.m.
Cash Flow Statement				
Cash Flow From Ops.	105	125	119	79
Capex - Maintenance	4	4	3	0
Free Cash Flow	65	71	51	14
Capex - Acquisitions	66	33	0	0
Cash Flow From Financing	85	(2)	2	18
Div./Distr. To Common	48	65	65	65
Net Free Cash Flow	84	36	53	31
Balance Sheet				
Cash & Equivalents	180	70	90	79
Total Assets	1,176	1,194	1,141	1,082
Long-Term Debt	731	831	795	775
Debt Coming Due	90	0	0	0
Common Equity	163	192	180	142
Total Liabilities & Equity	1,176	1,194	1,141	1,082
Fixed Income / Financial Ratios (% unless otherwise specified)				
EBITDA/Interest Expense	2.2	1.9	2.0	1.6
Net Debt+Pfds/Tot Capital (%)	79.7	79.9	79.7	83.1
Net Debt/EBITDA	6.0	5.9	5.1	6.5
Current Ratio	1.2	3.5	3.9	3.7
ROA	0.0	0.2	1.3	(1.0)
ROE	0.1	1.1	8.4	n.m.
Industry/Company Specific				
ACFFO/Unit (Diluted)	$1.59	$1.76	$1.69	$1.12

Source: Company reports, RBC Capital Markets estimates.
* Thomson One Mean estimates (as of Mar 15, 2008)

Company Profile

Atlantic Power Corporation has indirect interests in 14 power plants in the U.S. with a net generation capacity of 924 megawatts (MW). Of the 14 plants, Atlantic has a 100% interest in three plants and interests ranging from 17.1% to 50% for the remaining 11 plants. The company also owns 72% of the transmission system rights in the Path 15 electric transmission project in California.

Investment Rationale

- Through its IPS structure, which includes a taxable Canadian corporation, Atlantic Power appears to be shielded from the proposed income tax on trusts.
- In November 2007, Atlantic Power announced the acquisition of the remaining 50.1% interest in the Pasco project. Through increased operating cash flow and the release of debt service reserves, the acquisition is expected to provide incremental cash flow of $7 million in each of 2008 and 2009.
- The acquisition of the Pasco project is consistent with Atlantic's growth strategy through either third-party acquisitions or increasing its existing interest in partially owned projects. We expect that Atlantic will continue to be acquisitive given its low payout ratio and desire to offset the expected decline in cash flows due to contract expirations.

Valuation

Our target price of C$11.00 is consistent with our discounted cash flow analysis, which implies an equity value of between C$10.50 and C$11.50 per unit based on an unlevered equity discount range of 8.0% to 9.0%. We believe our unlevered equity discount range is appropriate based on expected interest rates and Atlantic Power's risk profile and growth prospects.

Price Target Impediments

Risks to our price target include, but are not limited to, the availability of cash distributions from entities not controlled by Atlantic Power, the effectiveness of the company's income tax strategy, foreign exchange rates that differ from our assumptions and future merchant power markets.

Disclosure Codes: BA NIB2 CL2a CL2c SVa